

Live your dreams!

Annual
Report
2023



“We produce for the world
under one roof”



DOĞANLAR
FURNITURE GROUP

DOĞTAS

Kelebek

Kelebek

lova

ruum store

BiGA

We produce furniture for the global market with six industry-leading brands under one roof, all sharing the same values and commitment to quality.



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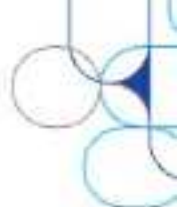


Live Your Dreams with Dođtaş!

In 1973, amidst the legendary allure of Çanakkale, a new brand emerged. Named after the region's pristine headwaters and the majestic stone bridges arching over its streams, this brand set out to carve its legacy. Following the successful opening of the Biga, Çan, Bandırma and Çanakkale branches, six siblings joined hands to create a global brand. Fifty years on, Dođtaş is making a name for itself thanks to its well-regarded products and innovative spirit. For the first time in Türkiye, the brand transforms 100-percent recyclable fabrics into sofas. The Dođtaş Home, Dođtaş Garden and Dođtaş Genç categories are all catering to diverse tastes. Dođtaş, the design brand of large families and friends, positions itself as a symbol of togetherness and continues to create value for nature, its eternal muse.

DOĐTAŞ





Live Your Dreams

with Kelebek!

Kelebek, Türkiye's first modern modular furniture manufacturer and a venerable brand in the industry, was established shortly after the Republic's founding, endorsed by Atatürk himself. Embodying a timeless design ethos and a global design perspective, Kelebek's collections have an innate appreciation of aesthetics and seamlessly integrate with homes of all styles. The brand blends Gestalt and Bauhaus principles, steering the latest furniture industry trends to mold a fresh Turkish stylization. As an industry leader, Kelebek Furniture continues to prioritize customer satisfaction and makes dreams come true through its designs.





Live Your
Dreams

with Kelebek Kitchen & Bathroom!

Kelebek Kitchen & Bathroom is your gateway to the kitchen of your dreams.

Elegance, functionality and quality come together at Kelebek Kitchen & Bathroom to enhance your home's beauty. The brand offers aesthetic and practical solutions in every detail with unique designs and select materials.

Personalize your kitchen and live your dreams with Kelebek Kitchen & Bathroom. Kelebek Mutfak & Banyo operates concept stores at home and abroad and is constantly expanding its impact through innovative designs. The brand offers Türkiye's first and only five-year warranty package on all kitchen models.





Live Your Dreams with Lova!

Positioning itself as Türkiye's "Comfortable Sleep Brand," Lova Sleep strives to deliver a high-quality and comfortable sleep experience. With this goal in mind, it constantly advances its mattress technologies and responds to different sleep needs with mattresses produced from cutting-edge materials. Lova Sleep teams conduct extensive research on body anatomies and sleeping positions in their R&D center, all to provide a more satisfying and healthier sleeping experience. Mattresses and pillows designed with high-tech techniques support ideal body orthopedics, protecting spinal health and easing the transition to sleep.

lova
sleep





Live Your Dreams with Ruum Store!

Since 2019, the company has proudly served online customers with the motto "Whatever your dream is, it's in your home." More than 20,000 products in over 80 subcategories can be easily perused on our user-friendly online platforms, which feature an extensive portfolio to suit every room. Products are shipped within one workday. At-home installation is made easy thanks to the clear instructions included within. With Ruumverse technology, Ruum Store displays tens of thousands of products in both small experience stores and small spaces in the home environment, and builds the trends of the future today.

ruum  store





Live Your
Dreams

with **BİGA Home!**

BİGA Home embarks on a journey that intertwines past and present, aiming to showcase Biga—the birthplace of Doğanlar Furniture—to the world while drawing strength from its heritage. With over half a century of experience, enhanced by Senegal's strategic importance and logistical capabilities, a strong brand is growing in the heart of Africa. High-quality, innovative and suitable for every taste and style, BİGA Home-branded products are exclusively manufactured in the production facility in Dakar.

BİGA
HOME





Live your dreams!

**From the
Management**



Message from the Chairman

Dear Stakeholders,

We are proud to share with you Doğanlar Furniture Group's 2023 Annual Report. This report outlines our vision and mission, alongside our achievements and activities over the last year.

This year posed significant challenges for us all. In addition to the earthquake disaster, we had two consecutive elections. Meanwhile, rising inflation and exchange rates strained all industries. Despite these hurdles, Doğanlar Furniture Group has emerged with a strong financial performance, a testament to our dedication and hard work.

The Turkish furniture industry is highly valuable to the national economy and an important exporter. As a pioneering group in this ambitious industry, we are committed to designing and producing high-quality value-added, innovative, and sustainable products that exceed our customers' expectations. In line with this mission, in 2023, we made significant investments, particularly in R&D, to continue our tradition of innovation.

We at Doğanlar Furniture Group value both financial achievements and the fostering of a corporate culture that adds value to our employees and stakeholders. We organize various training and social programs to enhance our team's skills and well-being. Our goal is to grow and develop together by establishing open and transparent communication with all our stakeholders.

Our Group is currently experiencing very strong growth momentum both in the domestic market and in exports. We are dedicated to making our brands recognized globally. Our vision is to be the leading furniture manufacturer and retailer at home and in the region, and to become a respected brand globally.

I extend my gratitude to all our stakeholders, employees and customers for their continued support on this journey. I am confident we will build a stronger future together.

Best regards,

Ismail Doğan
Chairman of the Board of Directors

As Doğanlar Furniture Group, we give importance not only to financial achievements but also creating a corporate culture that adds value to our employees and stakeholders.



Message from the CEO

Dear Stakeholders,

As Doğanlar Furniture Group, our achievements and profitability in 2023 have favorably influenced our business outcomes. This success stems from our team's genuine dedication and our managerial philosophy, which emphasizes sustainable profitability, growth, cost-effectiveness, and operational efficiency. We underscore strengthening our company's reputation and commitment to social responsibility, enhancing customer loyalty, attracting qualified investors, fostering efficiency-driven success, and laying the groundwork for sustainable operations. We are diligently working to embed this culture across all operational processes.

In 2023, we achieved 15-percent growth year-over-year, reaching a total of 730 sales points, 529 at home and 201 abroad. As a Group, we experienced strong export growth. This growth is an indicator of our increasing competitiveness in international markets. At the beginning of the year, we were exporting to 22 countries. Today, this number has grown to 45. To create global brands thriving in both domestic and international markets and to lend our processes a more dynamic character, we diligently continued our investments. As such, BIGA Home, the Group's newest and incredibly exciting brand, has achieved significant success shortly after its official launch on September 12. Today, our brand, which has swiftly reached a total of 20 points of sale, 16 of which are active, is present as a corner in Senegal's leading home-life stores as well as mono-brand stores. This investment, the first and only production facility in Senegal in the furniture industry, is also an important milestone in terms of our overseas investments. We believe that investments are the cornerstone of sustainable growth and competitive advantage. We allocated 5 percent of our consolidated budget to investments and enhanced our operational efficiency through digital infrastructure, sustainability capacity increase, point of sale and brand investments. We initiated several projects with SAP Cloud and Google solutions to ensure that all processes from purchasing to production and logistics to store sales have an end-to-end traceable and sustainable infrastructure. We made an investment of 50 million Turkish lira in this regard.

Online sales and e-commerce is another pillar of our digital infrastructure investments. In line with the world's evolving trends, we have developed our sales channels on a global scale. Today, e-commerce volume for approximately 1% of our total sales. Life flourishes in various spaces, and these spaces should be purpose-built and offer the necessary comfort level to users. At Doğanlar Furniture Group, we add aesthetics, design and comfort to your spaces with purpose-driven furniture production. Our six brands, Doğtaş, Kelebek Furniture, Kelebek Kitchen Bathroom, Lava Bed, Roomature and BIGA Home, offer harmony, aesthetics and comfort, showcasing our commitment to every living space with innovative products that set a benchmark for the entire industry.

While working non-stop to offer the perfect furniture, we meticulously consider every facet of the furniture we produce, from fabric to spring systems and from wood panels to accessories, to ensure it is environmentally friendly and of the highest quality. We unify technology and innovation in production facilities located on a total area of 550,000 square meters in three different locations in Biga, Düzce and Senegal. A portion of our investment budget goes to the R&D and Innovation Centers, where we develop models combining technology and aesthetics with a skilled staff of 61 people.

We enjoy a strong distribution network with six logistics centers located in strategic locations in Türkiye with a total area of 1,000,000 square meters and 6,000 square meters of warehouse space in four locations abroad. Sustainability investments and projects are among our most important investments and distinguish us from other brands in the industry. To direct these efforts, we established a Sustainability Office and pioneered a new perspective in the industry. In this context, we prepared the ISO-standard Corporate Carbon Footprint report and measured our carbon footprint. We are proud that our carbon footprint is 1-15 metric tons less than the industry average (the industry average is 7-11 metric tons while ours is 576 metric tons). To further reduce this rate, we are vigorously advancing with solar energy investments, machinery and technology upgrades, and an eco-friendly design production model. With the support of our stakeholders, we will continue to strive towards achieving our goals.

With my best regards,

Mustafa Karameş
CEO

In 2023, we launched our projects equipped with SAP Cloud and Google solutions that will provide all processes from purchasing to production, from logistics to store sales operations with an end-to-end traceable and sustainable infrastructure.



Board of Directors



DAVUT DOĞAN
Honorary Chairman - Board Member

Davut Doğan was born in 1960 in Biga, Çanakkale, where he completed his primary and secondary education. Doğan graduated from Anadolu University's Faculty of Economics and continues to study at Istanbul University's Faculty of Philosophy. Davut Doğan retired from civil service in 1986 and founded Dağtas A.Ş. with his brothers in 1987. In 1988, he established the company's production plant and started the industrialization process. Dağtas Furniture quickly became one of Turkey's leading furniture brands, and in 2011, acquired Keleşek Furniture, one of the country's oldest furniture brands. Doğan also entered the construction industry with Dağyap, a company established to operate in real estate development in Turkey and abroad. In 2017, Doğan established Biotrend Energy to invest in the production of alternative energy, incorporating four different industries into the holding. In 2021, Biotrend Energy went public and received investment from the European Bank for Reconstruction and Development (EBRD) and signed the United Nations Global Compact.

Davut Doğan served as the President of the Biga Chamber of Commerce and Industry between 1999 and 2009. In 2003, he brought Turkish-branded furniture manufacturers under one roof by founding the Association of Turkish Furniture Manufacturers (MOSDER) in 2003, and led it for a while. He is the chairman of the Furniture and Mattress Industrialists and Retailers Confederation (MOYKON) and the Furniture and Mattress Industrialists Association (MOYSAD). He is also a member of the Foreign Economic Relations Board (DEİK). Doğan was the chairman for the Furniture Industry Board of the Union of Chambers and Commodity Exchanges of Turkey (TCCBB) for 10 years. Between 2002 and 2005, he gave entrepreneurship lectures at Çanakkale Onsekiz Martı University, Biga Faculty of Economics and Administrative Sciences. In 2005, he became the Turkish finalist of the World Entrepreneurship Contest. In 2007, he was named the "Most Productive Businessman of the Year" by the National Productivity Center of Turkey. Doğan is the author of three books: "Projection," "Impressions" and "My Experiences in Business." Davut Doğan is the Chairman of the Board of Directors of Doğanlar Holding A.Ş., and the Honorary Chairman and a Board Member of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. He is also an angel investor.



İSMAIL DOĞAN
Chairman, Board of Directors

İsmail Doğan was born in Biga, Çanakkale in 1968 and graduated from Biga Industrial Vocational High School. İsmail Doğan worked as the Production Manager and Factory Manager at Dağtas Doğanlar Mobilya İmalat Üretim Sanayi ve Ticaret A.Ş. He was the General Manager at the same company from 2004 to 2012. From 2016 to 2017, he served as the Chairman of the Association of Turkish Furniture Manufacturers (MOSDER). Between 2019 and 2022, he was a Board Member of Doğanlar Holding A.Ş., and the CEO of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. between June 2020 and April 2022. As of May 2023, he became the Chairman of the Board of Directors of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.



ŞADAN DOĞAN
Vice-Chairman, Board of Directors

Şadan Doğan was born in Biga, Çanakkale in 1963, where he completed his primary and secondary education. Doğan played a crucial role in launching the DOĞTAS brand with his brothers in 1987.

His industrial career began in 1988 with the establishment of furniture and decor manufacturing facilities. In addition to taking on roles in executive positions and as a founding member at many non-governmental organizations, Doğan was elected Chairman of the Biga Chamber of Commerce and Industry in 2013. Şadan Doğan continues to serve as the Chairman of the Board of Directors of Biga TSO and the Chairman of the Board of Directors of Biga Organized Industrial Zone. He is also a member of the EU Harmonization Committee of the Union of Chambers and Commodity Exchanges of Turkey (TCCBB).



SALİH TUNÇER MUTLUCAN
Member, Board of Directors

Tunçer Mutlucan was born in 1968 in Istanbul and graduated from Galatasaray High School and Başkent University's Civil Engineering Department. Fluent in English and French, Mutlucan obtained his Master's Degree in Construction Administration from Istanbul Technical University, then embarked on a banking career in 1992. Mutlucan was the Luxembourg Branch Manager for Garanti Bankası from 1995 to 2006, and Avnbank NV Netherlands General Manager from 2006 to 2010. While serving in his role as the Ak Financial Leasing General Manager from 2010 to 2015, Mutlucan was also a Founding Board Member of the Association of Financial Institutions. Having served as a Board Member at various Çalık Holding companies from 2015 to 2018, Mutlucan switched in 2018 to the Güven Health Group, Active Shipping and Limur Printing Group as a Board Member until 2019. Mutlucan currently serves as an Independent Board Member at Actor Enerji A.Ş., CEO at Doğanlar Holding, and a Board Member at Biotrend Energy. He is also a member of the Chamber of Civil Engineers and the Istanbul Rotary Club.

Board of Directors



MUTLU ERTURAN
Independent Member, Board of Directors

After graduating from Izmir American College, Mutlu Erturan went on to graduate from the Department of Economics at Middle East Technical University in 1997 and holds an MBA from Nottingham University in the UK. Mutlu Erturan began his professional career in 1997 as a consultant at Yapı Kredi Bank, then moved on to take various senior management roles across different departments at ISM, a leading technology brand, from 2007 to 2015. In 2015, Erturan served as the Chief Business Officer at Doğan Online, and from 2018 to 2022, the Chief Commercial Officer at Hepceburada, one of Türkiye's major e-commerce platforms. Mutlu Erturan is the CEO of Mage Biotechnology, a UK-based biotechnology group.



ZEYNEP YALIM UZUN
Independent Member, Board of Directors

After graduating from Robert College, Zeynep Yalim Uzun studied economics and psychology at Agnes Scott College in the USA. Having spent the last 10 years of his career in C-level positions, Uzun has gained extensive global brand, marketing and business management experience.

During his career of more than 25 years at Unilever, one of the world's largest fast-moving consumer goods companies, she has worked in Poland, Türkiye and the UK, managing the global and regional operations of Unilever's different brands. She was the Vice-President of Omo, Unilever's second-largest brand, which operates in 80 countries and is based in London. Zeynep Yalim Uzun also served as the Chief Marketing Officer (CMO) at Arçelik.

With 10 years of experience in the international start-up ecosystem, Uzun is currently working as an advisor and mentor in various start-up companies. She is also an Independent Board Member at Maxi and Doğanlar Furniture Group.

Zeynep Yalim Uzun is on the Board of Directors of the European Women on Boards and on the Advisory Board of Women on Boards Adria, working on gender equality in business. She is also a Board Member of the Futurists Association of Türkiye, a member of the Northwestern University Family Council and a trustee of the Karuncuk Foundation.



BERNA AKYÜZ ÖGÜT
Independent Member, Board of Directors

Berna Akyüz Ögüt graduated from Boğaziçi University, Department of Business Administration in 1996 and completed her Master's degree at the same university. During her 28 years of professional life, she has assumed leadership roles responsible for Türkiye and global markets in different industries such as telecommunications, FMCG and retail. In 2020 and 2021, she ranked third in the list of Türkiye's 50 Most Powerful Women CEOs, and in 2022, she moved to the top of the list. She is currently the General Manager and Board Member of LC WAKKO Mağazacılık. Berna Akyüz Ögüt is married with a daughter.

Board Members are elected in accordance with the criteria stated in the Company's Articles of Association pursuant to the Turkish Commercial Code, the Capital Markets Legislation and the Communiqué on Corporate Governance (3-171). The Members of the Board of Directors were re-elected and appointed for a period of three years at the 2021 Ordinary General Assembly on May 16, 2022.

Board Members are elected in accordance with the criteria stated in the Company's Articles of Association pursuant to the Turkish Commercial Code, the Capital Markets Legislation and the Communiqué on Corporate Governance (3-171). The Members of the Board of Directors were re-elected and appointed for a period of three years at the 2021 Ordinary General Assembly on May 16, 2022.

Full Name	Role	Date of Election at the General Assembly	End of Duty
Davut Doğan	Honorary Chairman and Board Member	16.05.2022	16.05.2025
İsmail Doğan	Chairman, Board of Directors	16.05.2022	16.05.2025
Şadan Doğan	Vice-Chairman, Board of Directors	16.05.2022	16.05.2025
Salih Tuncer Mutlucan	Member, Board of Directors	16.05.2022	16.05.2025
Berna Akyüz Ögüt	Independent Member, Board of Directors	16.05.2022	16.05.2025
Mutlu Erturan	Independent Member, Board of Directors	16.05.2022	16.05.2025
Zeynep Yalim Uzun	Independent Member, Board of Directors	16.05.2022	16.05.2025

Senior Management



MUSTAFA KARAMEMİŞ
CEO

Mustafa Karamemiş graduated from the Faculty of Business Administration at Eskişehir Anadolu University and the Department of International Economics at Kiev National University of Economics. He has over 30 years of experience in the furniture industry. Karamemiş started his career at Eriyaz Anadolu Holding and served as the Operations Manager at Merkez Çelik A.Ş. between 1993-2000, Form Sünger between 2000-2007 and İstikbal Mobilya A.Ş. between 2007-2010. Later, he served as the General Manager at Global Furniter (Ukraine), one of its subsidiary companies, between 2010 and 2014, and at İstikbal Mobilya between 2017 and 2018. In 2018, he became the General Manager of Bellona Mobilya Sanayi A.Ş. Since April 2023, he has been the CEO at Doğanlar Mobilya Grubu İmalat Sanatı ve Ticaret A.Ş.



ALİ DEMİRKAN
CFO

Born in 1979 in Istanbul, Ali Demirkan received his bachelor's degree in economics from Başkent University in 2001. He began his career in 2002 as a tax auditor. Between 2004-2008, he served as a Senior Accountant at Beckman Coulter, a US company operating in the medical device industry, and from 2008-2013, he worked as the Financial Affairs Manager at Bausch & Lomb, a US company in the eye health industry. From 2013 to 2021, he held the CFO position at various companies including Kahve Dünyası, Wataans Türkiye, Vivense, and Enuygun.com, respectively. With 22 years of experience in financial affairs, finance, and consulting, Demirkan currently serves as the CFO at Doğanlar Furniture Group.



ERKAN EKİNCİ
COO

Erkan Ekinci received his bachelor's degree in mechanical engineering from Selçuk University in 1995 and his master's degree in Business Administration in 2006. He started his career as a Maintenance Engineer at HES Kablo in 1995 and worked as an Assistant Production Manager at Bellona Furniture, Assistant Technical General Manager at Mandi Furniture, Assistant Technical General Manager at İstikbal Furniture, and Operations Director at Yataş-Ekinci, completing his 26th year in the furniture industry, currently serves as the COO at Doğanlar Furniture Group.



İLHAN TUNÇMAN
Doğanlar General Manager

İlhan Tunçman, born in 1970 in Çanakkale's Biga district, completed his undergraduate studies at Uludağ University Business Administration Department. He started his professional career at Doğanlar Furniture in 1992 as Çanakkale Store Manager. Between 1996-2012, he worked at Doğanlar Furniture as Ege Store Manager, Marketing Sales Supervisor, Istanbul Regional Manager, Sales Manager, Benino Brand Manager, Sales Coordinator, and Marketing Sales Director, respectively. He also served as Sales Director at Yataş A.Ş. between 2013-2016. Since May 21, 2018, Tunçman has been serving as the General Manager at Doğanlar Kelebek Mobilya Sanayi ve Ticaret A.Ş.



TOLGA KAYA
Kelebek General Manager

Born in Istanbul in 1977, Tolga Kaya earned an associate degree in Tourism and Hospitality Management from Sakarya University in 2000 and went on to get a bachelor's degree in Business Administration from Eskişehir Anadolu University in 2000-2004. He started his career in 2001 as a sales team member at Mudo Satış Mağazaları A.Ş. At Mudo, he became Store Manager, Regional Director, and Türkiye Sales Coordinator, respectively. Between 2016 and 2020, he worked as the Domestic Sales Director responsible for the Retail Business Development and Sales channel at Yataş Group - Enza Furniture. Kaya has been serving as the Assistant General Manager of Kelebek at Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş.



TANER KIRCI
CSO

Born in 1976 in Bulgaria, Taner Kirci received his bachelor's degree from Uludağ University, Faculty of Economics and Administrative Sciences. He started his professional career as a Customer Representative at Küçükçalık Textile in 2000. Between 2001-2003, Kirci worked as a Sales Representative at Reinocance Textile in New York, USA. He then worked as Area Export Manager at Pürkim Kimya between 2003-2005. Between 2005-2016, he served as Sales and Marketing Coordinator at Baydak Dış Ticaret A.Ş. On 1 October 2016, Kirci started to work as Doğtaş International Markets Manager at Doğanlar Furniture Group and has been Doğtaş International Markets Director since July 2020. Since March 2024, he has been working as CSO at Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.



YAŞAR RAMAZAN ÇİFTÇİ
Strategic Planning Director

Yaşar Ramazan Çiftçi obtained his bachelor's degree in industrial engineering from Kocaeli University in 2004. He then pursued a master's degree in business administration from the same university. He began his career as a Data Analyst in 1996. He has worked in various companies and industries, serving as the Budget and Cost Manager at Kervan Gıda from 2006 to 2009, and as the Strategic Planning and Information Technologies Manager at Korkmaz Mutfak Eşyaları from 2009 to 2014. From 2014 to 2016, he held the position of Strategic Planning Director at Demirören Group of Companies, and from 2016 to 2021, he worked as the Strategic Planning Director at Yataş Group. Since May 2021, Çiftçi has been working as the Strategic Planning Director at Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.



Live your dreams!

**Doğanlar
Furniture
Group
At a Glance**

About Doğanlar Furniture Group



“We produce for the world
under one roof”



The Doğanlar Furniture Group's roots trace back to Kelebek Furniture, a company launched with the support of Atatürk in Haliç in 1935, initially set up to manufacture plywood for the wings of the nation's first domestic aircraft. Then, in 1972, Hacı Ali Doğan established Doğan Furniture, now known as Doğtaş, in a modest workshop located in Biga, Çanakkale. The Group further strengthened its position on September 6, 2012, when Doğtaş Doğanlar Mobilya İmalat Enerji Üretim Sanayi ve Ticaret A.Ş. acquired 67 percent of Kelebek Mobilya Sanayi ve Ticaret A.Ş. In 2013, Doğtaş Doğanlar Mobilya İmalat Enerji Üretim Sanayi A.Ş. and Kelebek Mobilya Sanayi ve Ticaret A.Ş. were merged through acquisition to become Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş. By 2021, the company's title was changed to "Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.," reflecting the distinct paths of the brands within the Group and anticipating future inclusions. The Group established Doğtaş Senegal and Doğtaş Cyprus in 2021, Doğtaş America in 2022, and Kelebek UK in 2022, to fortify its overseas activities and structure its global market operations. In 2023,

the expansion continued with the acquisition and integration of D'Afria Senegal. Doğanlar Furniture Group, a leading company in Türkiye in furniture production and sales, is registered with the Capital Markets Board, and its shares are traded on Borsa İstanbul A.Ş. under the code DGNMO. As of December 31, 2023, the Company's free float rate is 50.08 percent.

Today the Doğanlar Furniture Group is broadening its retail and sales network, characterized by an elegantly devised store concept, delivering modern furniture at accessible prices to its clientele. With a growing online and e-commerce presence through brand websites, marketplaces, and the Raum Store brand, the Group is constantly increasing its value, propelled by new and ongoing investments. The company prides itself on offering collections that are both high-quality and functional, backed by advanced production facilities and an outsourcing network meticulously overseen at every production phase.

Doğanlar Furniture Group continues its successful journey with Doğtaş, Kelebek, Lova Sleep, Kelebek

6

Brands

2,741

Employees

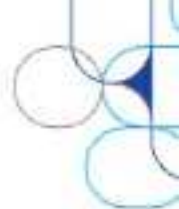
45

Export
Destinations

730

Points
of Sale

Since 2017, Doğanlar Furniture Group has been on the Brand Turkey 100, an annual list by Brand Finance that recognizes the most valuable Turkish brands, and has seen a consistent rise through the ranks of ISO 500 companies.



Leveraging a carefully curated store concept to continuously expand its store network and sales channels, Doğanlar Furniture Group forges ahead with a new brand, BIGA Home which joined the fold through the acquisition of D'Afrie Senegal.

Kitchen-Bathroom, Room Store brands, and BIGA Home, the latter joining the fold through the acquisition of D'Afrie Senegal. The Group manufactures and markets a comprehensive range of products for living rooms, bedrooms, dining rooms, youth rooms, kitchens, and bathrooms, as well as beds, designed to enhance any living space. It also offers accessories, lighting, and decorative items under the Home category, garden furniture under the Garden category, and home textiles under the Sleep category. In 2023, the company has expanded into projected and corporate sales through their respective departments.

As a producer and seller of modern design furniture at accessible prices, Doğanlar Furniture Group stands as the third-largest furniture company in Türkiye by store count. Since 2021, it has consistently been on the Brand Turkey 100, a list curated annually by Brand Finance to recognize the most valuable Turkish brands, and has seen a consistent rise through the ranks of ISO 500 companies each year.

The group's commitment to sustainable and profitable growth is evident in its adoption of new brands, product lines, and markets. Doğanlar Furniture Group continuously innovates its collections at production facilities equipped with cutting-edge technologies, aiming to elevate customer satisfaction.

The Group showcases its commitment to sustainable and profitable growth through the adoption of new brands, product lines, and markets and continuously innovates its collections at production facilities equipped with cutting-edge technologies.





2023 Highlights



DAfric Senegal Furniture S.A. launched its furniture company

On September 12, 2023, DAfric Senegal Furniture Factory was inaugurated with the participation of Senegalese President Macky Sall on a 52,800-square-meter land in Dakar. With this investment, we aim to produce mattresses, plinths, headboards and upholstered products under the BIGA Home brand in Senegal. In addition to our sales in the local market, we intend to export to the entire African market, primarily 15 Ecowas (Economic Community of West African States) countries and Mauritania as well as to overseas countries including the USA.



We acquired DAfric Senegal Furniture S.A. operating in Senegal.

Our Company took over 100 percent of the shares representing the capital of DAfric Senegal Furniture S.A., established in accordance with Senegalese law, from Doğanlar Yatırım Holding Anonim Şirketi on December 29, 2023.



In May 2023, Davut Doğan became Honorary Chairman and Board Member, while İsmail Doğan stepped in as Board Chairman

İsmail Doğan was appointed the Chairman of the Board of Directors, taking over from Davut Doğan. Davut Doğan continues to serve in our Company as the Honorary Chairman and a Board Member.



Mustafa Karamemiş commenced working as CEO in April 2023

İsmail Doğan, who has been serving as its Board Member and CEO in our Company, handed over the CEO position to Mustafa Karamemiş in April 2023. Karamemiş has over 30 years of experience in the Furniture industry. With this significant value he has added to our company, we are making even stronger strides towards accomplishing our goals.



Doğanlar Furniture Group: "Türkiye's Happiest Workplace" two years in a row

Doğanlar Furniture Group ranked first in the furniture industry this year, as it did last year, in the "Türkiye's Happiest Workplace" survey, a collaboration between Happy Place to Work and Capital Magazine.



Extended TURQUALITY support for Doğtaş until 2028 with the Ministry of Trade's decision

Doğanlar Furniture Group has been a part of the Turquality support program with its Doğtaş brand since 2008. The five-year development roadmap submitted to the Ministry of Trade was approved by the Ministry and the Turquality support period for Doğtaş was extended until December 2028 on December 12, 2023.



750 Points of Sale

Doğanlar Furniture Group has been on a continuous growth trajectory at home and abroad. The company had acquired new points of sales in Türkiye and abroad, bringing the total to 750 by the end of 2023.



The Group launched Digital Transformation Projects to step up digitalization and infrastructure efforts

Through the Digital Transformation Projects initiated in July, Doğanlar Furniture Group aims to accelerate business processes and operations equipped with SAP S/4HANA, SAP Cloud and Google solutions, to automate all processes, to support the easy and quick adaptation of business processes with each other and with market variables, to ensure continuous improvement between operations, and to reduce risk and increase security level.



The Group bought back shares under Board decision

To protect our Company's shareholders, to ensure a stable share price consistent with its real value, and to protect the trust of our investors, a total of 11,999,392 Turkish Lira worth of shares were repurchased in 2023 with the Board of Directors' decision under the CMR's Communiqué No. 11-22.1 on Buy-Back Shares and the relevant announcement dated February 16, 2023. As of December 31, 2023, the total nominal value of the shares owned by our company reached 16,636,238 Turkish Lira, and the ratio of shares to capital amounted to 4.38 percent.



We have restructured our organization in light of our strategies and corporate governance approach.

As Doğanlar Furniture Group, we have carried out a qualified and dynamic organizational restructuring to provide our company with a stronger and more focused structure within our strategic plans and vision. The Technical Assistant General Manager position was restructured, and a new appointment was made to the CFO position. The "Operations Management" department was established, and the COO was appointed to oversee it, reporting directly to the CEO.



As part of Net Zero by 2050 Vision, we initiated Carbon Footprint Reporting studies

We launched our carbon footprint studies as part of Net Zero Emissions by 2050 vision. We aim to comply with these regulations by measuring and reducing our carbon footprint. Our work under the Net Zero Vision will help us become ready to implement CBAM. At the same time, energy use and other costs will be reduced in line with our reduced carbon footprint. Consumers' awareness of the environmental impact of the products and services they use will also increase. We continuously improve our efforts to reduce resource consumption and pollution in our enterprises, which helped our production facilities to receive the Zero-Waste Certificate issued by the Ministry of Environment, Urbanization and Climate Change.



We revised the "Dividend Distribution Policy" after the General Assembly Meeting

After the General Assembly Meeting held on August 6, 2023, we renewed the Dividend Distribution Policy. Regulations have been established to ensure that a minimum 40 percent of the distributable profit for the period may be distributed to shareholders. The sums will be calculated as per the capital markets legislation by taking into account the performance of our Company in the relevant year, macroeconomic conditions, investments, and cash flow.



Our brands crowned their achievements with various awards

This year, our brands received several important awards, contributing their successful annual run of formal recognition. At the awards ceremony organized by Brandweek Awards, Kelebek Furniture won the gold award in the Social Media Data Analytics category for the third time in a row. In addition, Kelebek Fijital project received two gold awards in the Digital Customer Experience and Use of VR/AR Technology categories. The Hammer Awards recognized the Kelebek Furniture's "Kelebek Fijital" project with a gold award. Moreover, Doğtaş earned the silver award in the Social Media Usage and Data Analytics in the Furniture Industry category for Brandweek Awards.



We strengthened our organisational structure to expand into corporate sales and fortify our position in projected sales

As part of our company strategies, the "Corporate Sales" department was established to manage the corporate sales channel more effectively and with greater focus. In addition, Kelebek Kitchen-Bathroom was restructured to form the Projected Works Kitchen-Bathroom department. During the year, the Company took part in many important projects such as the Yeşilavak Housing Project in Meriç, the Urban Transformation Housing and Commercial Construction Project in İstanbul Beyoğlu Ölemezler, the İnceci Vadi Project in İstanbul Sarıyer, and the Beşik Vadi Project in İstanbul Levent.

Production and service network in Türkiye



Düzce Factory

- » 159,500-m² total area
- » 55,000-m² indoor space

Biga Factory

- » 233,000-m² total area
- » 84,000-m² indoor space

Logistics Centers

- » Ankara Logistics Center
- » Bursa İnegöl Logistics Center
- » İstanbul Hadımköy Logistics Center
- » İstanbul Tuzla Logistics Center
- » İzmir Logistics Center
- » Kayseri Logistics Center



Domestic Points of Sale

DOĞTAŞ

Kelebek

Kelebek

lova

245

230

47

101

Production and service network around the world



Senegal Factory



» 52,800-m² total area

» 10,000-m² indoor space

Foreign Subsidiaries

» Doğanlar Kelebek Mobilya Kıbrıs Ltd. Şti.

» Kelebek Furniture UK Limited

» Doğanlar Kelebek Mobilya Senegal Ltd.Şti.

» D'Afric Senegal Furniture S.A.

» Doğanlar Furniture USA INC.



Points of Sale
Abroad

DOĞTAŞ

Kelebek

lova

ruum,store

BİGA

58

19

7

7

16

Doğanlar Furniture Group Abroad

» Doğanlar Furniture Group operates in 45 countries.

» There are a total of 58 Doğanlar stores in 37 countries.

» There are 19 Kelebek stores in 13 countries.

» There are seven Monobrand Lova Sleep stores in six countries.

» There are a total of 77 Lova corners in Doğanlar and Kelebek stores.

» BİGA Home has three showrooms and 13 corner points of sale in Senegal.

» In addition to the store channel, overseas sales are made through corner, chain, wholesale, online and projected business channels.

Doğanlar Furniture Group in Türkiye and Abroad

Doğanlar Furniture Group serves with 730 sales points in Türkiye and abroad.

Doğanlar Furniture Group has 623 sales points in Türkiye and 107 sales points abroad.

Channel	2021	2022	2023
Domestic Retail	101	110	93
Doğtaş	31	31	31
Kelebek	46	43	38
Lava Sleep (Exclusive)	21	33	23
Lava Sleep (Corner)*	77	70	72
Kelebek Kitchen-Bathroom	3	3	1
Domestic Franchise	338	451	530
Doğtaş	163	195	214
Kelebek	127	166	192
Lava Sleep (Exclusive)	25	51	78
Lava Sleep (Corner)*	262	357	403
Kelebek Kitchen-Bathroom	23	39	46
Domestic Total	439	561	623
Foreign Retail (Subsidiary)	2	4	7
Doğtaş	2	3	3
Kelebek	-	1	1
Lava Sleep (Corner)*	2	3	4
BİGA Home	-	-	3
Foreign Franchise	68	92	100
Doğtaş	49	55	55
Kelebek	9	20	18
Kelebek Kitchen-Bathroom	-	1	-
Lava Sleep (Exclusive)	1	7	7
Lava Sleep (Corner)*	45	49	73
Ruumstore	9	9	7
BİGA Home (Corner)*	-	-	13
Foreign Total	70	96	107
General Total	509	657	730

* Lava Sleep corners inside Doğtaş and Kelebek sales points are not included in the calculation.

Points of Sale Abroad

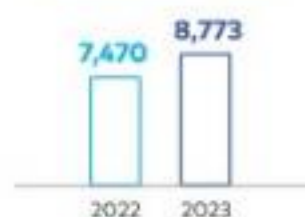
Region	Country	Brands
Europe	Bosnia and Herzegovina	Doğtaş, Lova Sleep
	France	Doğtaş, Lova Sleep
	Kosovo	Doğtaş, Kelebek, Lova Sleep
	Switzerland	Doğtaş, Lova Sleep
	Croatia	Doğtaş, Lova Sleep
	United Kingdom	Doğtaş, Kelebek, Lova Sleep
	Germany	Doğtaş, Lova Sleep
	Austria	Doğtaş, Lova Sleep
	Moldova	Doğtaş, Lova Sleep
	TRNC	Doğtaş, Kelebek, Lova Sleep
	Romania	Doğtaş, Lova Sleep
	Montenegro	Doğtaş, Lova Sleep
	Belgium	Doğtaş, Lova Sleep
	Middle East	UAE
Iraq		Doğtaş, Kelebek, Lova Sleep
Lebanon		Doğtaş, Lova Sleep
Palestine		Doğtaş, Kelebek, Lova Sleep
Oman		Doğtaş, Lova Sleep

Region	Country	Brands	
Asia	Uzbekistan	Doğtaş, Lova Sleep	
	Tajikistan	Doğtaş, Lova Sleep	
	Kazakhstan	Doğtaş, Kelebek, Lova Sleep	
	Turkmenistan	Doğtaş, Lova Sleep	
	Azerbaijan	Doğtaş, Kelebek, Lova Sleep	
	Pakistan	Doğtaş, Lova Sleep	
	Kyrgyzstan	Doğtaş, Lova Sleep	
	Mongolia	Doğtaş, Kelebek, Lova Sleep	
	Africa	Libya	Doğtaş, Lova Sleep
		Angola	Doğtaş, Lova Sleep
Zambia		Doğtaş, Lova Sleep	
Liberia		Doğtaş, Lova Sleep	
Uganda		Doğtaş, Lova Sleep	
Kenya		Doğtaş, Lova Sleep	
Nigeria		Doğtaş, Lova Sleep	
Senegal		Doğtaş, Kelebek, BİGA Home, Lova Sleep	
Ghana		Doğtaş, Lova Sleep	
Mauritius		Doğtaş, Kelebek, Lova Sleep	
America	US	Doğtaş, Lova Sleep	

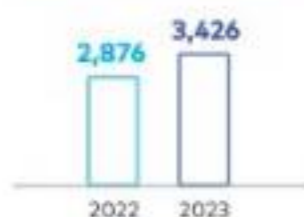
Main Financial and Operational Indicators

In 2023, Doğanlar Furniture Group generated 8,773 million Turkish lira in revenues, up by 17.40% year-over-year.

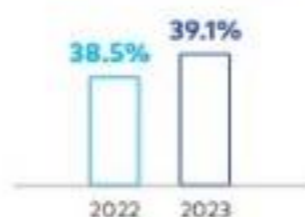
Revenue (TRY, millions)



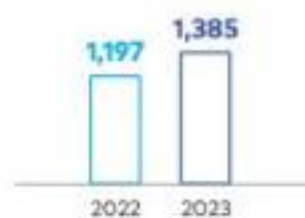
Gross Profit (TRY, millions)



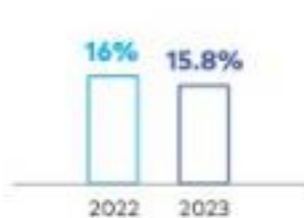
Gross Profit Margin (%)



EBITDA (TRY, millions)



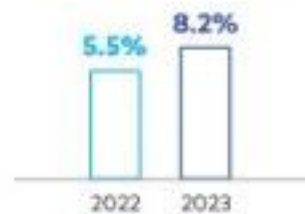
EBITDA Margin (%)



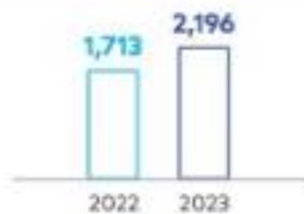
Net Profit (TRY, millions)



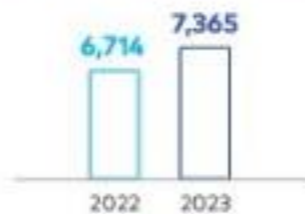
Net Profit Margin (%)



Shareholders' Equity (TRY, millions)



Total Assets (TRY, millions)



Balance Sheet (TRY, thousands)	December 31, 2022	December 31, 2023
Current Assets	3,228,183	3,523,657
Non-Current Assets	3,485,676	3,841,194
Short-Term Liabilities	3,683,664	4,239,598
Long-Term Liabilities	1,316,859	929,415
Shareholders' Equity	1,713,337	2,195,839
Total Assets	6,713,859	7,364,851

Income Statement (TRY, thousands)	2022	2023
Revenues	7,469,783	8,772,534
Cost of Sales (-)	(4,593,757)	(5,346,832)
Gross Profit	2,876,026	3,425,702
Operating Profit from Main Operations	721,545	1,100,654
Net Profit/(Loss) for the Period	409,754	718,320
EBITDA	1,197,285	1,385,495

Profit Margins (%)	2022	2023
Gross Profit Margin	38.5%	39.1%
EBITDA Margin	16.0%	15.8%
Net Profit Margin	5.5%	8.2%

Investments (TRY, thousands)	2022	2023
Lands	10,379	-
Underground and Aboveground Utilities and Buildings	132,238	66,558
Machinery, Plant and Equipment	262,598	47,384
Vehicles	3,292	2,484
Furniture and Fixtures	121,981	135,630
Special Costs	256,004	233,920
Ongoing Investments	184,574	151,532
Total	971,066	637,508

Main Financial and Operational Indicators

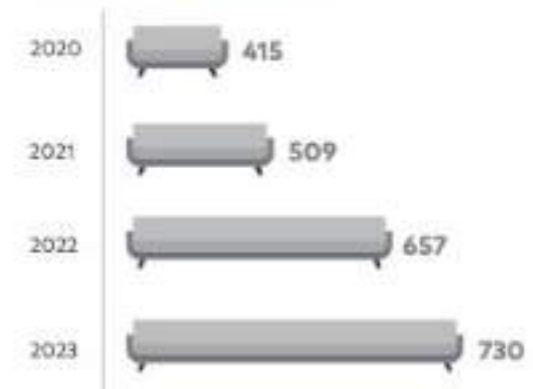


Doğanlar Furniture Group has a total sales area of 717,000 m² as of the end of 2023.

In 2023, Doğanlar Furniture Group's total sales area increased by 10% year-over-year, reaching 717,000 square meters.

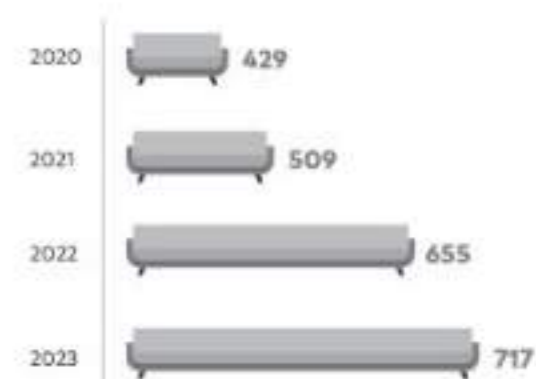
Domestic and International Points of Sale by Year (units)	2020	2021	2022	2023
DOĞTAŞ	220	245	284	303
Kelebek	156	182	230	249
lova	21	47	91	108
Kelebek	18	26	43	47
rum store		9	9	7
BiGA				16
Total	415	509	657	730

Total Domestic and International Points of Sale by Year (units)



Domestic and International Points of Sale by Year (thousand m ²)	2020	2021	2022	2023
DOĞTAŞ	248	279	367	396
Kelebek	177	220	271	294
lova	4	10	17	23
BiGA				4
Total	429	509	655	717

Total Domestic and International Sales Points by Year (thousand m²)

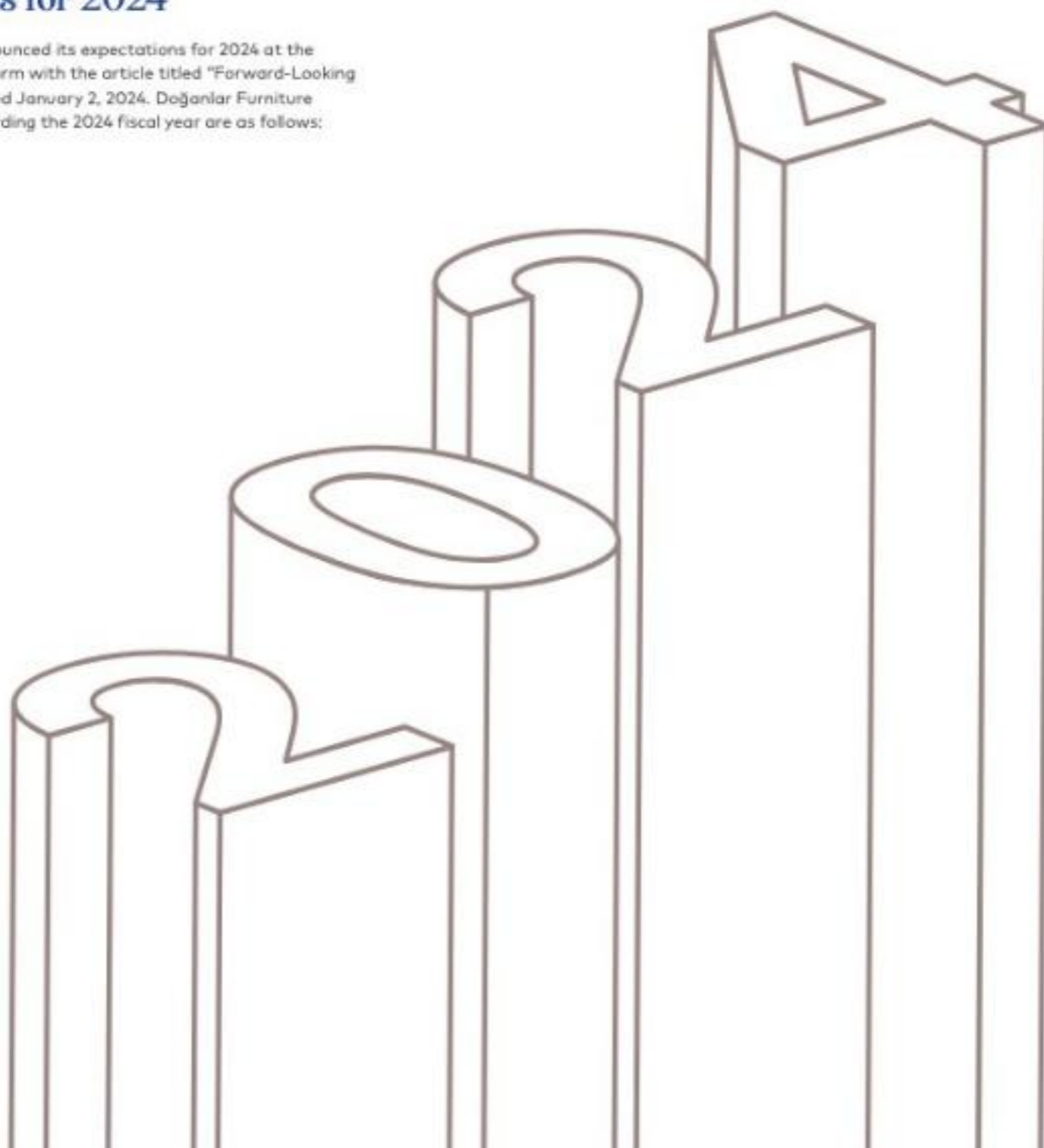




Main Financial and Operational Indicators

Expectations for 2024

Our Company has announced its expectations for 2024 at the Public Disclosure Platform with the article titled "Forward-Looking Assessments" and dated January 2, 2024. Doğanlar Furniture Group's forecasts regarding the 2024 fiscal year are as follows:



Doğanlar Furniture Group's 2024 Targets

TRY 11.2 Billion \pm 3% | Consolidated Sales Revenues

10% \pm 2% | Share of Exports in Consolidated Sales Revenues

14-15% | Consolidated EBITDA Margin

1.00x - 1.25x | Net Financial Debt/EBITDA

110-115 new points of sale | Total Point of Sale Growth

80-90* new points of sale | Total Domestic Store Growth

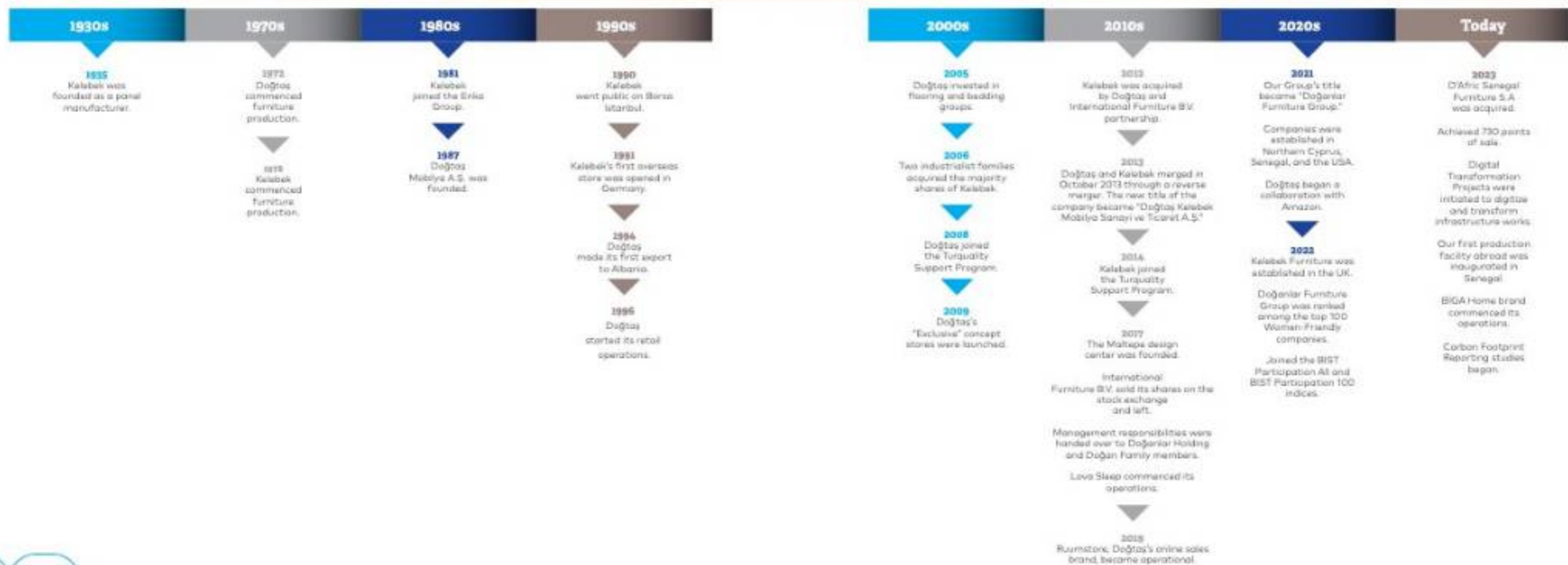
20-25 new points of sale | Total International Store Growth

5-6% | Share of Investment Expenditures in Consolidated Sales Revenues

Expectations for 2024 are without taking into account the potential effects of TMS 29 (Financial Reporting in High Inflation Economies).



Milestones



Shareholding Structure

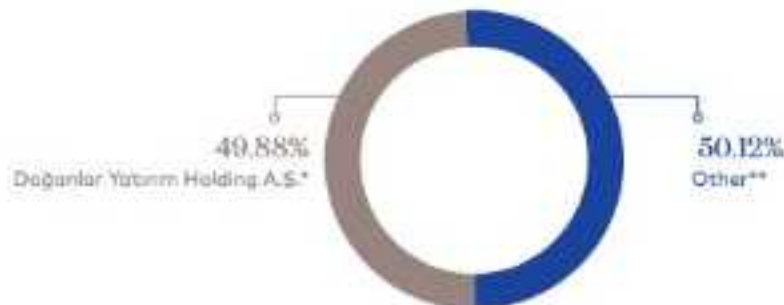
The committed, registered and issued capital of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi ("Doğanlar Furniture Group") as of December 31, 2022, and December 31, 2023 are displayed below:

Shareholding Structure	December 31, 2022	December 31, 2023
Registered Capital Ceiling	500,000,000	500,000,000 *
Issued Capital	350,000,000	350,000,000

Our Board of Directors passed a resolution on June 3, 2020, to extend the validity period of the Registered Capital Ceiling, and we applied for the amendment of Article 6 titled "Company Capital" of the Articles of Association and received the necessary permission letters from the Capital Markets Board of Türkiye and the Ministry of Customs and Trade. The amendment to the Articles of Association, which set the Registered Capital Ceiling as 500 million Turkish liras from 2020 to 2024 (five years), was accepted at the 2019 Ordinary General Assembly held on October 30, 2020.

To strengthen the capital structure of the Company, the Board of Directors in their resolution dated October 22, 2020, agreed on a capital increase through rights issues. The request to increase the issued capital of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. from 269,069,767 Turkish liras to 350 million Turkish liras was accepted in line with the prospectus approved as per the Capital Markets Board Resolution no. 79/1619, dated December 31, 2020.

As of December 31, 2023, Doğanlar Furniture Group's shareholders and their shareholding percentages are as follows:



* An application was made to the Capital Markets Board on 03.06.2023 for the approval of the amendment of Article 6 titled "Capital" of the Articles of Association of our Company within the scope of the transactions regarding the increase of the registered capital ceiling of our Company from TL 300,000,000,000 to TL 500,000,000,000 and determination of the validity period of the registered capital as 2024-2028, and it was approved by the Board's letter dated 24.06.2024 and numbered 1399A.

** During the period, shares of Doğanlar Yatırım Holding A.Ş. increased from 69.3% to 49.88% as a result of shares purchased from Borsa İstanbul.

*** Free float rate is 50.00%.

Subsidiaries and Affiliates

Business Name	Company's Field of Activity	Place of Establishment and Operation	Currency	Hold-in	Company's Share in Capital (%)
İK Oturma Grubu İnşaat ve Tashhüt San. ve Tic. A.Ş.	Sofa Manufacturing, Construction and Contracting	Türkiye	TRY	104,250	100
İK Mobilya Dekor. San. ve Tic. A.Ş.	Furniture Manufacturing and Trade	Türkiye	TRY	15,700,000	100
Doğtaş Mobilya Pazarlama Ticaret A.Ş.	Retail Furniture Trade	Türkiye	TRY	9,250,000	100
Doğtaş Bulgarla EOOD	Retail Furniture Trade	Bulgaristan	BGN	40,000	100
Doğtaş Holland BV	Retail Furniture Trade	The Netherlands	EUR	1,650,000	100
Doğtaş Germany GmbH	Retail Furniture Trade	Germany	EUR	1,200,000	100
Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti.	Retail Furniture Trade	TRNC	TRY	400,000	99
Doğtaş Kelebek Mobilya Senegal Sarl	Furniture manufacturing, exports, imports	Senegal	XOF	1,000,000	100
Doğtaş Furniture USA INC	Retail Furniture Trade	USA	USD	100,000	100
Kelebek Furniture UK Limited	Wholesale and Retail Furniture Sales	United Kingdom	GBP	1,000	100
FTM Da Ticaret Mobilya Anonim Şirketi	Export-Oriented Intermediation, Consulting and Foreign Trade	Türkiye	TRY	47,800,000	94
D'Alic Senegal Furniture S.A	Furniture Manufacturing and Trade	Senegal	XOF	10,000,000	100

Since 2006, a chain of sales stores has been serving customers within İK Mobilya Dekorasyon San. ve Tic. A.Ş. ("İK"), selling furniture and commercial products. The production activities of the Company's other subsidiary, İK Oturma Grubu İnşaat Tashhüt Sanayi ve Ticaret A.Ş., were terminated as of March 28, 2007, and the manufacturing plant was closed. Doğtaş Mobilya Pazarlama Ticaret A.Ş. ("Doğtaş Pazarlama") was established in 1995 to sell furniture, sofa groups and commercial products through its branches throughout Türkiye. As of December 31, 2023, the related companies are inactive.

One of the subsidiaries of the Company, Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti. ("Doğtaş Cyprus"), was established in the Turkish Republic of Northern Cyprus on June 4, 2021, to operate in retail furniture sales and marketing. As of December 31, 2023, it has 1 (one) branch.

One of the Company's subsidiaries, Doğtaş Kelebek Mobilya Senegal Ltd. Şti. ("Doğtaş Senegal"), was established on April 27, 2021, in Senegal, to manufacture, export and import furniture. As of December 31, 2023, it has 1 (one) branch office.

One of the Company's subsidiaries, Doğtaş Furniture USA INC. ("Doğtaş America"), was established on July 28, 2021, in New Jersey, United States of America, to manage and develop the Company's overseas retail sales activities more effectively. As of December 31, 2023, Doğtaş America has 1 (one) branch office.

One of the subsidiaries of the Company, Kelebek Furniture UK Limited ("Kelebek UK"), was established in England on April 26, 2022, to manage and develop the Company's overseas retail sales activities more effectively. As of December 31, 2023, Kelebek UK has 1 (one) branch office.

Doğtaş Germany, Doğtaş Holland and Doğtaş Bulgarla, all subsidiaries of the Company, are not included in the consolidation and not recognized as available-for-sale financial assets since they are not significant for the consolidated financial statements.

About Doğanlar Holding



Founded by Hacı Ali Doğan in the 1970s, Doğanlar Holding is one of the leading group companies in Türkiye in the furniture, retail, energy and construction industries. Doğanlar Holding embarked on its journey in the furniture industry with Doğan Furniture founded by Hacı Ali Doğan in Biga, Çanakkale, and has consistently expanded over the years. Today, it stands as a conglomerate operating across various industries and contributing to both social and economic development. Cooperating with various institutions and organizations from different continents, Doğanlar Holding is setting an example of an innovative and global corporation for Türkiye. Its product lines meet the highest international standards and are backed by numerous quality assurance certifications. In addition to its constant emphasis on contributing to the national economy, Doğanlar Holding continues to support education, health, culture, arts, and the environment through its social responsibility projects and helps strengthen international relations with the 45 countries it exports to.

Listed on the BIST in 1990, Doğanlar Furniture Group opened its first overseas store in Dortmund,

Germany in 1991, under the Kelebek brand. In 1994, Doğtaş made its first export to Albania and began retailing two years later. Troy Park Shopping Mall, an investment of the holding, which also operates in the construction industry, was opened in Çanakkale in 1999.

In 2012, Doğanlar Furniture Group acquired Kelebek Furniture, and in 2013, the Doğtaş and Kelebek companies were merged, fortifying the Group's position in the industry. In 2017, the Group entered the energy industry, and Biotrend Energy, Doğanlar Holding's energy company, was established. In 2021, Biotrend Energy was offered to the public. In the same year, the BIGA Home brand, the production of which will take place in Senegal, Africa, was established, and in 2023, BIGA Home started its operations in Senegal.

Since its inception, Doğanlar Holding has distinguished itself with notable achievements, earning its position as an exemplary group both in Türkiye and the rest of the world.

In addition to its constant emphasis on contributing to the national economy, Doğanlar Holding continues to support education, health, culture, arts, and the environment through social responsibility projects and helps strengthen international relations with the 45 countries it exports to.

Doğanlar Holding continuously expands its investments at home and abroad with Biotrend in the energy industry; Doğyap in the construction industry; Troypark in the retail industry; and Doğtaş, Kelebek Furniture, Kelebek Kitchen-Bathroom, Lova Sleep, BaumStore and BIGA.

Home in the furniture industry, it stands as one of Türkiye's top 100 business groups. With a dedicated team of 3,500 people, Doğanlar Holding proudly contributes to the national economy with its successful operations.

4
Industries

3,500+
Employees

2
Design
Centers

730
Domestic and
international
Points of Sale

9
Brands

45
Export
Destinations

22
Production
Centers

1
R&D
Center

Our Vision, Mission, Values, and Objectives



Our Vision

To become a leading "global brand" in the furniture industry.



Our Mission

To contribute to a more livable world through social and environmental initiatives, while creating lifestyles in the furniture industry characterized by innovation and a focus on people.



Our Values

Our Brand

In everything we do, we act with a keen awareness of our most valuable asset — our brands.

Transparency

To consistently prioritize openness in our management and business ethics. To embed a culture of self-criticism within our company.

Warmth

To prioritize family closeness and friendliness in our internal and external relations, and to process and ensure the family concept is felt in our organization. To see our employees, solution partners and dealers as members of our family.

Socially and Environmentally Responsible Company Culture

Aligned with our mission, we will proceed on our path, prioritizing a social and environmental perspective that highlights communal sharing and humanitarian values.

Reliability

It is essential for us to offer the most reliable product in terms of price and performance quality, and the most reliable service before and after sales. Reliability is built with a corporate culture that provides a fair working environment for our employees, a transparent management system for shareholders, and respect for environmental laws for society.



Our Objectives

As Doğanlar Furniture Group, we strive to create projects that will bolster our country's economy and increase employment opportunities. Together with the brands under our roof, we pledge to be an organization that delivers tangible benefits to society. We recently signed the UN Global Compact, committing to align our strategy and operations with the 10 principles in human rights, labor standards, the environment, and anti-corruption, and to report publicly on our efforts every year.

Our motto is to feed the income received from each investment into another investment. Our goal is to achieve global recognition with our brands and to enrich the world's perspective. We aim to extend the quality and lifespan of our products thanks to the hybrid technology we have introduced in our Doğtas and Kelebek brands. We apply this approach to our raw material selection as well as production processes.

We also have undertaken important work on CRM. Our aim is to feed brands from top to bottom with the CRM framework to be created.

Strategy and Areas of Growth

- » Achieving sustainable, profitable growth with new brands, new product ranges, and new markets.
- » Increasing customer satisfaction.
- » Investing in technology and human resources.
- » Advancing our environmentally sustainable production and resource utilization.



Awards and Achievements

Doğanlar Furniture Group: "Türkiye's Happiest Workplace" two years in a row

Doğanlar Furniture Group forges ahead with important branding successes. The awards we have won so far crown our achievements, making us stronger and bringing great pride to our organization.

As Doğanlar Furniture Group, we are proud to be ranked 335th in the ISO 500 list, up 30 places from last year, and to be included in the Capital 500 and Fortune 500 lists.

As a result of a survey conducted by Happy Place to Work, an independent research and consultancy company founded by academics and consultants, we were again named "Türkiye's Happiest Workplace" in 2023. We also ranked third in the top 50 list of design registrations received at the Turkishtime R&D center.

Our success streak continued with the awards given to our brands. Doğtaş received the 2022 A.C.E Awards – Excellent Customer Satisfaction Award, 2023 Social Media Awards – Türkiye Social Media Awards, and 2022 Crystal Apple Awards – Social Responsibility Category.

In 2023, Kelebek Furniture received a total of six awards.

- 21st Golden Spider Awards: E-Commerce and Shopping Category Runner-Up,
- 21st Golden Spider Awards: Retail and Merchandising Category Winner.
- Brandverse Awards: Best Social Media Usage and Data Analytics Gold Award. It has been awarded the gold prize in this category for three consecutive years.
- Brandverse Awards: Gold Award for Best Use of VR/AR
- Brandverse Awards: Best Digital Customer Experience Gold Award
- The Hammers Awards: Best VR/AR Team Gold Award





Live your dreams!

**Our 2023
Recap**

Brands

Doğanlar Furniture Group offers a reliable and high-quality service to its customers with Doğtaş, Kelebek, Kelebek Kitchen-Bathroom, Lova Sleep, Room Store, and finally, with BIGA Home, which it acquired in 2023. The Group grows more successful every day with its six well-established brands and maintains industry leadership with collections that leverage all technological advancements.



Points of Sale



Our Brands

DOĞTAŞ

www.dogtas.com

Doğtaş continues its journey as one of the leading brands in the sector, growing steadily with its wide range of product options, stylish designs and quality that carefully beautify living spaces.

Doğtaş strives to infuse living spaces with style and character, enhancing the value of shared moments with its distinctive designs and superior quality. From cozy chats to large gatherings, it accompanies memorable unions with its elegant, comfortable and unique design line.

As a global Turkish brand, Doğtaş sets trends worldwide, boasting 58 stores in major cities like New York, London, Paris, Lyon, Berlin, Vienna, and Lausanne and extending its reach to Africa, the Turkic Republics, and Asia. With over 300 concept stores at home and abroad, Doğtaş is one of the most important players in the furniture industry. Doğtaş is proud to offer functional, high-quality and accessible collections that satisfy diverse needs, supporting its customers in creating living spaces of all styles and types. From material to fabric, and color to design, Doğtaş products give people the freedom to express themselves with whichever combinations they like in their living spaces. The designs, which reflect years of experience and expertise, are offered to customers with 300 different fabric and 35 different wood color options.

In 2022, Doğtaş launched the Design and Innovation Center, which paved the way for Hybrid Technology, where comfort is brought to the forefront. This technology helps people with back and joint pain to sit more comfortably and for longer periods with supportive hybrid chairs designed according to body curves. Doğtaş shows how much it cares about the comfort and convenience of consumers in its renewed product collections. As such and in addition to implementing hybrid technology, it has taken comfort to the next level with products featuring highly comfortable Comfort Plus and Relax mechanisms.

For a better future and greater sustainability, Doğtaş has, for the first time in Türkiye, transformed 100-percent recycled fabrics into armchairs. In addition to furniture, Doğtaş operates in the Doğtaş Genç, Doğtaş Garden and Doğtaş Home categories, growing in the furniture industry's different sections and continuing its journey as a leading brand in the industry.

The Doğtaş Home collection offers more than 300 designs in 14 categories for those looking to personalize their homes and add a touch of their soul. It features a collection that spans the entire spectrum of living space essentials, including carpets, trinkets, decoration objects, lighting options, vases, frames, mirrors, candles, and air fresheners. Doğtaş knows that living spaces greatly affect the quality of young people's success and daily lives. As such, it strives to improve young people's lives with the Doğtaş Genç collections.

As living spaces move to gardens, balconies and terraces, Doğtaş Garden brings style, comfort and quality to the outdoors. Featuring metal and rattan group furniture, it stands apart from its contemporaries in both design and quality. The brand maintains its industry leadership by offering products that are washable, stainless and ready for anything, even in climatic conditions.



What did it do in 2023?

- The Company continued to invest in domestic and international stores.
- Expansion has been achieved with new categories (Doğtaş Garden, Doğtaş Genç, Doğtaş Home).
- Projects prepared according to customer insights (Paw Guarantee and Paw Friendly Fabric, Wipeable Fabric) were implemented.
- New product designs are developed in line with current design and trend applications.
- As people transition to spending more time at home, comfort must be prioritized in furniture design. In light of this direction, the Hybrid Technology created by the R&D Center has been implemented.
- Technological Applications (VR Merchandising) were implemented.
- Actions were taken to manage country-based marketing activities.

What will it do in 2024?

- The Company will continue to invest in domestic and international stores.
- New recycling activities will be added to facilitate the transition to being a more socially and environmentally conscious brand.
- New product designs will be introduced to customers according to current design and life trends.
- Emphasis will be placed on quality architectural services and decoration works.
- Brand and designer collaborations will continue.
- Efforts will be intensified for integration into alternative sales channels.
- Portfolios studies specific to target countries will be drafted.
- Digital transformation projects will be implemented for end-to-end customer experience management.
- Efforts for managing country-based marketing activities will continue.
- Work will be initiated to activate a new website focused on a user-friendly customer experience.

Our Brands


www.kelebek.com

Kelebek proudly offers its products in over 200 furniture stores at home and abroad, aspiring to be a mass and global brand.

Kelebek offers its products in over 200 furniture stores at home and abroad with the aim of becoming a mass and global brand. With its overseas concept stores and exports of standard and special Kelebek products to 13 countries, Kelebek is among the most distinguished brands in the international market.

Pioneering in the industry, Kelebek presented VR/AR experience and three-dimensional product display to consumers with Kelebek Dijital, Türkiye's largest digital project, and was awarded five different prizes.

Offering furniture for every taste and style with its wide range of products, Kelebek maximized customer satisfaction with its stylish and trendy designs in living room, bedroom, dining room and youth room furniture, as well as its free architectural services.

Kelebek continues to grow by category in its journey of more than 88 years. In addition to the furniture group, Kelebek operates in the Kelebek Kids, Kelebek Garden & Balcony and Kelebek Dekor categories, thriving in the furniture industry's different sections. Kelebek is on a steady growth trajectory with its sub-brands Kelebek, Kelebek Kids, Dekor, and Garten, maintaining its leadership in the industry.



What did it do in 2023?

- In January, the company participated in the Istanbul Furniture Fair and presented its new collections featuring a global design vision for 2023.
- **Kelebek X Karim Rashid Collaboration:** Kelebek announced its collaboration with the world-famous industrial designer Karim Rashid with a special press launch at home and abroad. Karim Rashid will design new products for Kelebek as part of the collaboration. At the same time, he provided trainings to interior architects working within Kelebek.
- In March 2023, 87 people were awarded 87 prizes ranging from cars to vacation vouchers, from furniture to electronic home appliances, with the "Big Giveaway at Kelebek" campaign launched for the 87th anniversary in 2022.
- **Kelebeki Kids 5th Traditional Drawing Contest:** In April, the fifth traditional painting contest was organized with the motto "Tiny hands draw for their mothers." On April 23rd, National Sovereignty and Children's Day, the winners were determined and awarded by a jury at the Kelebek store in the Marmara Forum Shopping Mall.
- A sponsorship agreement was signed with the Turkish Women's Ice Hockey Federation. Showcasing its commitment to supporting women in sports, Kelebek released a special film for the May 19 Commemoration of Atatürk, Youth and Sports Day in all media outlets.
- Through the launch of its digital display project, the brand has introduced digitalization to its stores.
- In June, the Company participated in the IMM fair in Germany and presented its new collections featuring a global design vision for 2023.
- With Ahmed Abazi Saygıman, the face of the brand, new collections were promoted in all channels with the movies prepared in the Kelebek Dekor and Kelebek Garten categories.
- The ITU Zec Solar Car Team was sponsored at the Bridgestone World Solar Challenge 2023 competition in Australia. A special advertisement for the 100th anniversary of our Republic was filmed and broadcasted on all media channels, focusing on the founding story of Kelebek, a brand of the Republic established with the signature of Mustafa Kemal Atatürk to produce plywood and airplane wings for the first domestic airplanes.

What will it do in 2024?

- The Company will continue to invest in domestic and international stores.
- Recycling activities will be emphasized to facilitate the transition into becoming a more socially and environmentally conscious brand.
- With a global design vision, new product designs will follow current design and life trends.
- Brand and designer collaborations will also be emphasized in 2024.
- Alternative sales channels will be fully integrated.
- Portfolio studies specific to target countries will be drafted.
- An end-to-end customer experience management project will be implemented.
- Participation in domestic and international fairs will be achieved. (Türkiye-Germany)
- Efforts will be focused on transitioning to a website with an infrastructure that will provide an excellent customer experience 24/7.

Our Brands



www.kelebekmutfak.com

Kelebek, Türkiye's first in panel furniture and kitchen manufacturing, extends its expertise to kitchens and bathrooms. Leveraging this experience, today Kelebek Kitchen-Bathroom designs comfortable living spaces tailored to each customer's needs, desires, and lifestyle standards.

Kelebek Kitchen-Bathroom offers free project design service with 30 cabinet door models and more than 1,500 product options at its widespread sales points across the country.

The brand provides Türkiye's first and only five-year warranty for all kitchen and bathroom models, along with complimentary measurement, delivery, and installation services.



What did it do in 2023?

- To increase our interaction with customers in domestic stores, events were organized with famous chefs.
- The Kelebek Kitchen-Bathroom website was renewed with up-to-date designs to become more user friendly.
- Fast Kitchen Sets, developed under the Kelebek Kitchen guarantee, started to cater to customers seeking utmost comfort in offices, compact spaces, or summer homes and desiring to purchase a standard kitchen complete with all elements without necessitating custom project designs.
- The quotation and ordering system has been made suitable for use in different languages.
- Sign of the City, a competition where construction projects are awarded, was sponsored as a project partner.

What will it do in 2024?

- The Sign of the City Awards sponsorship will continue in 2024.
- Digital display work will be undertaken in stores.
- An e-commerce channel will be activated.
- Modular bathrooms will be added to the product portfolio.
- In projected works, communication channels will be developed by meeting with architects and contractors on different platforms.
- On the export front, more focus will be placed on projected business, and new projects will be undertaken.

Our Brands



www.lovayatak.com

Lova Sleep adopts globally recognized technologies and developments to create tailored products backed by scientific studies.

Türkiye's leading furniture manufacturer Doğanlar Furniture Group has extended its experience and industry know-how to Lova Sleep in a unique way. Developed with a focus on sleep comfort and quality, Lova Sleep introduced dynamic sleep features in 2017. As of 2023, it continues to provide services at 520 corner and 108 mono brand sales points.

Positioning itself as Türkiye's "Comfortable Sleep Brand," Lova Sleep strives to deliver a high-quality and comfortable sleep experience. With this goal in mind, it constantly advances its mattress technologies and responds to different sleep needs with mattresses produced from cutting-edge materials. It offers a unique comfort experience with a comfortable sleep experience tailored to an individual's body structure and sleeping habits.

With its modern facility located in Biga, Çarşıskale, Lova Sleep manufactures with the latest technology production lines and ergonomic designs. Lova Sleep teams conduct extensive research on body anatomies and sleeping positions, all to provide a more satisfying and healthier sleeping experience. The research carried out at the brand's R&D center and the findings obtained by using cutting-edge devices contribute greatly to the shaping of the product portfolio. Thus, each product is iterated on, improved and innovated regularly to ensure customers receive the most comfortable sleeping comfort. Lova Sleep meticulously integrates new-generation in-bed materials into its products and offers high-quality bed solutions to meet the special demands of its customers.

Lova Sleep aims to be more environmentally friendly for a sustainable world by utilizing recycled fabrics and materials.



What did it do in 2023?

- In 2023, the "comfort" theme was adopted based on market research and consumer purchasing forecasts. As part of this theme, service and product quality and customer satisfaction were prioritized and distilled into the following: "comfortable when buying, comfortable when using, and comfortable after buying."
- In 2023, Lova Sleep embraced a multi-channel communication strategy. The media was actively used to increase brand visibility, and a comprehensive media strategy was pursued. Continuous communication was established with consumers on radio, television, outdoor platforms, magazines, and digital platforms.
- The Company prioritized easy availability to its consumers and reached 520 corner sales points in 108 exclusive and Doğuş Kelebek stores by the end of the year.
- The user experience was enhanced by optimizing the website. The website operated as a 24/7 online sales channel and featured live customer support, a 360-degree virtual store tour, and a comfortable sleep test.
- In 2023, the Company exhibited its new product collections to consumers and potential new investors by opening stands at IFH in Türkiye and the IMM Cologne Fair.
- Performance systems were implemented in the retail channel, and the customer experience was improved through the establishment of a more measurable and traceable structure.

What will it do in 2024?

- In 2024, Lova Sleep will continue to adopt a comprehensive 360-degree communication strategy. This strategy will be expanded to include interactions from the brand's digital platforms, social media communications, traditional media tools and interactive events. In addition, this strategy, which will be continuously updated in line with customer feedback and requests, will support Lova Sleep's mission to provide customers with a more effective and personalized experience.
- In 2024 and beyond, the Company plans to increase the number of stores in target markets, implement customer satisfaction-oriented improvements, and enhance its online sales, store sales and after-sales processes.
- Lova Sleep aims to maximize customer satisfaction, especially in online sales, and provide end-to-end customer experiences. Besides providing customers with high-quality products, the brand will implement various improvements to make the shopping experience on online sales platforms more immersive and seamless.
- As part of its sustainability efforts, the Company seeks to diversify its product portfolio to include products made from recycled fabrics and expand it to home textiles and sleep textiles. The company will give precedence to eco-friendliness and adherence to ecological balance principles in its production processes.

Our Brands


www.roomstore.com

Boasting 80 sub-categories and 20,000 different products, roomstore.com offers high quality, functional, modular, multi-purpose furniture to suit all rooms at accessible prices.

Total Number of Product Categories: 80
Products Sold: 20,000

10,000 AI-powered products in the Metaverse universe and
500 products offered on the 3D assistance site (see 3D at Home)

Doğanlar Furniture Group's youngest brand, roomstore.com, met with internet customers in 2019 with the motto "Whatever your dream is, it is in your home" and is the online and offline/retail sales brand of the Doğanlar Furniture Group. With 80 categories and 20,000 product types, Room Store offers quality, functional, modular, multi-purpose furniture to suit all rooms at affordable prices and reaches those seeking practicality and function in their living spaces with the quality and assurance of the Doğanlar Furniture Group. Room Store furniture is crafted with meticulous attention to fine details and a focus on high-quality materials. The brand offers next-business-day delivery and ensures straightforward assembly with clear instructions. Room Store brands convenience with technology, providing customers with QR codes and AI-supported 3D imaging. This enables a broad selection of functional furniture, including coffee tables, desks, bookcases, ottomans, bedside tables, and TV units. Room Store, which underscores a long-term vision in its designs, strives to design pieces that can be easily combined with each other in its collections and to cater to all rooms in a living space, such as the living room, balcony, kitchen, children's room, bedroom, bathroom, and entrance.

Room Store offers a combination of physical and digital concepts in its Fijital Experience stores, designed as a first in the industry.

In 2024, Room Store Fijital Experience Stores, which are set to become retail stores, offer showroom, café, gaming, and metaverse areas. In the Metaverse, Room Store presents 10,000 products through VR/AR and smart screen applications and has brought a brand-new perspective to the industry thanks to its ability to display more than 10,000 products on 86 square meters. Room Store emerges as a beacon of innovation in the industry, recognized for its inventive approaches that continue to sculpt the industry's landscape.

Room Store increased the number of products on its website six-fold to over 20,000.

What did it do in 2023?

- Growing its chain markets projections, Room Store has stepped up its work with chain markets which enjoy a widespread network across Türkiye. Sales volume was increased in Migros, A101, Şok, and BİM channels, with sales projections expanding to the district, neighborhood, street, and household level.
- As part of our alternative and stronghold markets strategy, contacts were increased in countries such as Russia, Morocco, and Bulgaria, and a new sales channel was created in the Russian market.
- Through the warehouses established in the US and the UK, sales in global marketplaces have begun. Growth gained momentum in channels such as The Range in the UK and Wayfair in the US.
- The brand became the supplier of Arçelik-EU in Türkiye and praxosid sales areas in 12 different channels globally.
- Sales increased in all marketplaces in Türkiye.
- Room Store boosted the number of products on its website six-fold to over 20,000. The number of multi-purpose, easy-to-install product groups that are high-quality and serve every room has increased.
- The number of categories and subcategories quadrupled to 80 subcategories. The brand planned a regional product management, channel management, and a localized global approach.

What will it do in 2024?

- To support a healthy lifestyle, Room Store designed a jump box, a smart fitness tool suitable for home, work, and office use. The brand will promote this product across all channels and develop sustainable projects aimed at enhancing the brand's commitment to encouraging physical activity and combating obesity.
- A new product portfolio for tinyhouse, bungalow and container house projects will be created.
- Through the initiative Design – Transform project, Room Store aims to pioneer recycling efforts in the industry by digitally showcasing its recycling studios to customers. This initiative will enable the brand to reintegrate returned or damaged products back into the market without resorting to destruction.
- Room Store products will include earthquake information sheets to enhance earthquake preparedness, detailed guides on securing furniture, and smart QR Code cards that outline emergency response steps, all designed for the safety and benefit of customers.
- Room Store will enhance customer experience by enabling the digital projection of "rooms" tailored to the specific square meter specifications provided by the customer, incorporating functional products that align with individual tastes and feedback. These personalized room designs will be transformed into videos, facilitating "the room I dream of" projects for customers.
- Using new-generation payment methods, the brand will enable customers to accumulate "room money" and enjoy the many advantages of Room Store membership, overall increasing its communication with customers.
- To promote accessible shopping, the brand will develop voice-command shopping, shopping with sign language, free installation support for people with disabilities, a special website design for color-blind people, and holistic shopping processes for all disadvantaged groups.
- Digital stores will contribute to the customer's new-generation technological shopping experience through the positioning of AR/VR glasses, which display 10,000 products on a 90-square-meter space, and smart screens with a voice-command system.
- Smart screen panels will be used to show customers the detailed product content.
- In the Metaverse area, a virtual store and player-focused gaming area will be provided.
- The brand aims to increase customer contact points by designing corner Room Store areas in chain markets or shopping malls, which enjoy a widespread domestic and/or international sales network.

Our Brands

BİGA
HOME

www.bigahome.com

BİGA Home joined Doğanlar Furniture Group in 2023 as the first brand to produce abroad.

BİGA Home has swiftly reached 16 sales points with three showrooms and 13 corner sales points. The brand is present as a corner in Senegal's leading home-life stores as well as mono-brand stores. The brand offers high-quality, innovative products to suit Senegalese users' every taste and style requirement and aims to extend its success in Senegal to the entire African continent. All BİGA Home-branded designs will be produced in the factory established in Senegal.

With the BİGA Home brand, the Group aims to export to nearly 20 countries, primarily Senegal and African countries, including the Economic Community of West African States (ECOWAS), Mauritania, and the USA. Trade with ECOWAS countries is exempt from customs duties.

Launched with a 10,000-square-meter production area, the brand has commenced mass production and sales in categories such as home, bedding, bed base, headboard, upholstered products, kitchen, and office, where there are projected works.



Sales-Marketing

"Ruumstore," the newest brand of Doğanlar Furniture Group, successfully completed the Amazon audit processes and made the first shipments to Amazon Europe.

Doğanlar Furniture Group is actively enhancing its sales and marketing efforts to efficiently communicate its product range, services, and customer-centric solutions. Throughout 2023, marketing teams seized every opportunity to engage with their target audiences in Türkiye and globally, leveraging both physical and online platforms to continue their successful efforts.

Doğtaş

Doğtaş expanded its sales and marketing operations across Türkiye through franchises, company-owned stores, and digital channels, while internationally, it leveraged franchises, subsidiaries, corner shops, and chain outlets.

The brand increased the quality of all sales channels and carried out country- and region-based advertising activities and market-specific social media activities. New categories are being introduced at points of sale, and the architectural service of the stores has been improved. Traffic was generated to the stores through advertising & communication activities specific to the target markets and newly opened sales points.

The Group attended several fairs in Türkiye and abroad. In Türkiye, Doğtaş participated in the Istanbul Furniture Fair and in Italy the ISALONI MILANO Fair held in April, and "Lova Sleep" participated in the IMM Cologne Fair. Investments in new stores continued. Pakistan, Libya-Tripoli, Moldova, Mauritius, Mauritius, and Germany-Cologne stores commenced operations.

In 2023, Doğtaş signed new store agreements in addition to existing franchise stores abroad, including Paris and Marseille in France, London 2 in England, Antwerp in Belgium, Tel Aviv in Israel, Nablus in Palestine, Accra in Ghana, Ashgabat 2 in Turkmenistan, Bishkek in Tajikistan, and Podgorica in Montenegro. Our subsidiaries' stores in New York, the USA, and Dakar, Senegal, also commenced operations.

In 2024 and beyond, Doğtaş is set to continue its growth trajectory by adding new sales points and sustainably increasing both turnover and profitability at its existing outlets. Points of sale are targeted to become experience centers through the use of technology.

In its international business development efforts, the Company is focused on expanding its customer base across wholesale, chain, corner, and projected business sales channels. The primary goal is to enhance its export turnover by securing additional sales through these diversified channels. The Company aims to expand its customer base by actively participating as a direct exhibitor in major industry fairs, which are crucial for business development. Additionally, it plans to visit other fairs to further its efforts.

In 2024, as in previous years, participation in both domestic and international fairs will continue to be a priority. Doğtaş will participate in leading international fairs such as Iscloni/Italy, High Point/USA, MOW/Germany, Ciff/China, and InDEX/ Dubai.



Kalebek

In 2023, Kalebek emphasized marketing activities to support sales. In addition to the work done on Meta, the brand has made significant gains through joint projects with famous social media figures. Furthermore, television and radio advertisements and sponsorships also contribute to increasing Kalebek brand awareness. In coordination with the countries where the Company has sales points abroad, extra significance was given to social media communication.

Kalebek's main growth target for 2024 will be to continue its expansion through exclusive stores and corner outlets. The Company is specifically aiming to reinforce its presence in Russia and the Balkan region, while also continuing to expand into key African markets. Kalebek is also focused on enhancing its market presence in the Middle East, recognizing the region's significant role in Turkish exports. Besides exclusive stores, the Company aims to be one of the major players in multi-stores and construction projects with competitive prices and high-quality products.

In 2024, the Kalebek brand will strategically emphasize design, directing its communication efforts to highlight its dedication to design within the furniture industry.

Kalebek Kitchen-Bathroom

The brand continued to provide outdoor advertising support to both newly opened dealers and dealers in need of advertising, and to organize special events with chefs for architects in stores. In 2023, VR investments will be made in stores to allow customers to see their kitchens in 3D, construction projects will be evaluated, an award organization will be sponsored, and the brand name will be focused on projected works.

Lava Sleep

Lava Sleep has adopted a 360-degree marketing communication strategy. Continuous communication was carried out throughout the year on radio and digital platforms, and periodically through TV commercials, printed media, and outdoor advertisements. By increasing the number of stores, the Company strives to make its products more accessible for the target audience. The infrastructure of the 24/7 online sales site was strengthened, and necessary integrations were made to provide a better customer experience. Platforms have been launched that allow site visitors to tour the store at any time and from any location and to chat live with a customer representative. In June, the Company participated in the International IMM Cologne furniture fair in Cologne, Germany, where the 2023/24 Collection was presented and investor meetings were held.

After Germany, Turkmenistan, and Tajikistan, new "Lava Sleep"-branded franchise stores, known as "Lava Sleep" abroad, have opened in France, Azerbaijan, and Iraq. In 2024, the brand will continue to launch new sales points abroad.

In 2024, the brand will persist in its efforts to streamline operations, aiming for faster and higher quality management. This will include reducing wait times for shopping and enhancing the customer experience across all channels, supported by significant investments in technological infrastructure to achieve these goals. To enhance the customer journey, efforts are planned across pre-sales, in-store sales, and post-sales processes to optimize each phase. These improvements aim to be implemented swiftly. The initiative to enhance the customer experience by developing a "talking store" will be advanced through upgrades to in-store audits, FOP and promotional materials.



Rum Store

"Rumstore," the newest brand of Doğtaş Furniture Group, successfully completed the Amazon audit processes and made the first shipments to Amazon Europe.

For Rumstore, Turkey's first digital and metaverse store, the first NFT collection in the furniture industry was prepared. We aim to turn Abos software into a global solution that can perform channel engineering, integrate with marketplaces and function as a smart sales screen.

In 2024, besides the accessible shopping experience, "concept marketing" strategies are implemented to address marketing concerns and to market the brand's ability to respond to all the needs of a room and/or home.

E-Commerce

Our brands are available via the online shopping services at www.dogtas.com/tr, www.kalebek.com/tr, www.kayyatal.com, and www.rumstore.com. The Doğtaş, Kalebek, Lava Sleep, and Rum Store brands are sold through foreign dealers and subsidiaries, and online through marketplaces.

In 2023, the infrastructure transition on the Lava Sleep website significantly improved the customer experience. Thanks to order, payment and shipping integrations, users can enjoy an easier and smoother shopping experience on the website. In addition, features such as 360-degree virtual tour and Comfortable Sleep Test were added, allowing visitors to learn about and try the products more closely.

PersonaClick integration was implemented to make the Lava Sleep web page more user-friendly. Thanks to this integration, the consumer experience is personalized, and services are provided more effectively in line with users' preferences and needs. In addition, remarketing efforts have been initiated for users who have previously visited our website without making a purchase but have consented to data access.

With the dogtas.us website for the Doğtaş brand, Doğtaş continues its online sales of Doğtaş products primarily in New York and New Jersey. Through its warehouses established in the US and the UK, Rum Store has begun selling in global marketplaces. Growth gained momentum in channels such as The Range in the UK and Wayfair in the US.

The brand became the supplier of Amazon EU in Türkiye and prepared sales areas in 12 different channels globally.

Corporate Sales and Projected Works

As part of our company strategies, in 2023, the "Corporate Sales" department was established to manage and develop the corporate sales channel more effectively and with greater focus. In addition, Kalebek Kitchen-Bathroom was restructured to form the Kitchen Projected Works department. Kalebek Kitchen-Bathroom aims to participate in wooden constructions of kitchens, bathrooms, classrooms, and more, without being limited by the project scope.

In 2023, the Company has been involved in many important projects. Some of these include the movable furniture manufacturing works of the Yeşilovak Housing Project in Menas; kitchen cabinets and bathroom cabinet manufacturing works for the İstanbul Beyoğlu Ökmeçdarı Urban Transformation Housing and Commercial Construction Project in İstanbul Beyoğlu Ökmeçdarı; kitchen works for the İncirli Vadi Project in İstanbul Sarıyer; and kitchen and bathroom works for the Best Vadi Project in İstanbul Levent.

Production Facilities and Logistics Centers

Doğanlar Furniture Group's production facilities located in Düzce and Biga are equipped with the latest technology, allowing the Group to put its stamp on collections that shape the furniture industry. The Company's Düzce Plant operates on a total area of 159,500 square meters and the Biga Plant on a total area of 233,000 square meters.

The production facility in Dakar, Senegal was also put into operation in 2023.

Biga Factory

İdriskoru Köyü, Hacivenez Mevkii, No.: 29, Biga, ÇANAKKALE



Total area	Indoor space	R&D space	Storage space
233,000 m ²	84,000 m ²	1,175 m ²	20,000 m ²

Production capacity

2.4 million m²/year panels, 96,000 pieces/year flooring

Annual Bed Production capacity

75,600 pieces

Düzce Factory

Ankara Yolu Üzeri 9. km, Doğanlı Köyü, 81100, DÜZCE



Total area	Indoor space	R&D space	Storage space
159,500 m ²	55,000 m ²	1,325 m ²	25,000 m ²

Production capacity

1.92 million m²/year panels, 53,500 units/year flooring

Senegal Factory



En Face Du Marche D'intérêt National, D Afric Senegal Furniture, Diamniadio/DAKAR

Total area 52,800 m² **Indoor space** 10,000 m²

Production capacity
220,000 m²/year panel,
15,000 pieces/year flooring

Annual Bed Production capacity
25,000 pieces

Logistics Centers



Logistics centers were established in six major centers in Türkiye to reduce logistics and operation costs and increase customer satisfaction for Doğanlar Furniture's extensive dealer and supplier network across the country. Together with the warehouse areas in Düzce and Biga, a total of 122,000 square meters of storage area has been attained in Türkiye.

Domestic Logistics Centers

- » Ankara Logistics Center
- » Bursa İnegöl Logistics Center
- » İstanbul Hadımköy Logistics Center
- » İstanbul Tuzla Logistics Center
- » İzmir Logistics Center
- » Kayseri Logistics Center

In addition, the Company's overseas subsidiaries have 6,000 square meters of storage space in four different locations.

- » USA
- » Senegal
- » UK
- » Cyprus

R&D Activities

Doğanlar Furniture Group meticulously manages every stage of design, from the initial concept and selecting unique, appropriate materials to product planning, creating production prototypes, completing product manufacturing and certification, and developing commercial identities for its offerings.

Doğanlar Furniture Group applied to the Ministry of Industry and Technology requesting to operate as a Design Center and obtained the Design Center Certificate following the Ministry inspections to the Design Centers in Maltepe and Düzce on August 3, 2017, and January 10, 2020, respectively. The Group has emerged as a leader in sustainable furniture, showcasing unique design models produced to international quality standards and sofas crafted from fabric made of recycled plastic bottles. Doğanlar Furniture Group and R&D provides positive direction for the company vision while implementing infrastructure for distinctive studies and research, which could be described as an industry first.

In 2023, Doğanlar Furniture Group Design and R&D expenditures reached 68.609.576 Turkish lira. Doğanlar Furniture Group Design and R&D Center has 61 employees, 47 of whom are designers.

Doğtaş

- has a new 1,175-square-meter design and innovation space.
- enjoys state-of-the-art production machinery.
- designs more comfortable products with hybrid technology.
- increases product designs that prioritize comfort and convenience.
- integrates technological module studies into its products.

Kalebek

- has 1,335 square meters of new design and innovation space.
- unites minimalism and naturalness as a brand of individual pleasure and design, creating a butterfly effect in millions of homes in our country and around the world.

Kalebek Kitchens-Bathroom

- plans to implement the VR application, a TÜBİTAK project, for kitchen sales.

Levit Sleep

- continuously develops mattress technologies for a unique sleep experience and offers personalized comfort by using cutting-edge materials, all to attain its goal of becoming "Turkey's Most Comfortable Sleep Brand."
- studies and documents Turkey's sleeping habits as well as body and spine types by utilizing several tests and technological devices together with the Turkish Physiotherapists Association and Hacettepe University academics, and integrates its findings into its products.
- offers free consultation in stores with a physiotherapist who will recommend the right mattress and pillow for customers.

Bum Store

- seeks to design distinctive furniture and home-life products and sell online with the motto "The most stylish solutions for narrow spaces," all of which began in 2019.
- embraces a "cover strategy" to more effectively produce single-panel, smaller-packaged and popular items that are more suited to the global online sales culture.



The Doğanlar Furniture Group Design and R&D Center employs 61 personnel, of which 47 are designers.

Investments

Doğanlar Furniture Group's total investment spending in 2023 reached TRY 638 million.

Investments Made

An artificial intelligence-powered shopping experience

Room Stars has launched digital experience stores and built product control panels with smart displays. The brand developed Adas, which has a multi-function infrastructure, as well as holographic assistants for an accessible shopping experience. The design of the metaverse store was also completed. An NFT collection was created; an artificial intelligence-supported installation-solution robot with QR Code functionality was developed for product installations; and VR & AR glasses were started to be used for room designs and shopping experiences.

Customer-oriented production investments

With the addition of newly opened sales points, Lava Sleep has enhanced its accessibility by reaching a total of 610 sales points. By increasing the number of outlets, the factory production line has been expanded, thereby increasing the daily production. These developments were supported by machinery and equipment investments. Improvements have also been made in quality control covering all these processes. Investments were also made in human resources by employing managers and teams experienced in mattress production. In addition, production techniques implemented in cooperation with R&D and Design teams have provided price and cost advantages in production.

In 2023, Doğanlar Furniture Group's investment spending reached 632,507,992 Turkish liras in total, including the modernization of retail, marketing and production facilities, and IT and future investments. Within the scope of digital infrastructure investments, an investment of TL 60 million was realized during the period for the SAP-HANA project, which started this year. In 2024, the Group aims to make investment expenditures corresponding to 5-6 percent of consolidated sales revenues.

Investment Incentive Certificates

Doğanlar Furniture Group obtained investment incentive certificates from the Ministry of Industry and Technology for Biga/Çanakkale and Düzce production facilities. Support provided by these investment incentive certificates are detailed below.

The investment incentive certificate for the **Biga/Çanakkale Production Facility** was received on February 6, 2020. The incentive belongs to the Second Region support class, which includes VAT Exemption, Corporate Tax Deduction (55 percent), Investment Contribution Rate (ICR) 20 percent, Insurance Premium Employer Share Support (Three Years), and Customs Duty Exemption. The expiry date of this document is August 6, 2026.

The investment incentive certificate for the **Düzce Production Facility** was received on January 29, 2020. The incentive belongs to Fourth Region support class, which includes VAT Exemption, Corporate Tax Reduction (70 percent), Investment Contribution Rate (ICR) 30 percent, Insurance Premium Employer Share Support (Six Years), Customs Duty Exemption, and Interest Support. The expiry date of this document is July 24, 2026.

The Doğtaş brand has been granted another five years in the Turquality support program.

Turquality

TURQUALITY® is the world's first-ever and the only state-sponsored brand development program. Today, increasingly fierce competition and changing consumption patterns encourage companies to create strong brands if they seek to become international players. TURQUALITY® program is the first-ever and the only state-sponsored brand development program established to create global players with exclusive brands in international markets and instill a positive Made-in-Türkiye image from these brands through executive know-how, corporate development, and growth, including production, marketing, sales and after-sales services by the companies that hold a competitive advantage for our country and present a potential for brand development.

The focus of the TURQUALITY® Program differs from the usual export incentives; it aims to support companies in their efforts of brand development rather than help them simply increase exports. Doğtaş brand has been a part of the Turquality support program since 2008. The five-year roadmap submitted to the Ministry of Trade was approved by the Ministry and the Turquality support period for Doğtaş brand was extended until December 30, 2023 on December 13, 2023. To date, 68 stores in 36 countries in Europe, Africa, Asia and the Americas have received Turquality support for rent, store decoration, promotion and advertising. We received Turquality support also for participation in exhibitions.

Our "Kelebek" brand entered the Brand Support Program from 2014 to 2018 and the Turquality support program in 2019 for five years. To date, the Company has benefited from Turquality support for seven stores in four countries.

Turquality support programs also provide support for corporate infrastructure expenses. Support in this context includes:

- » Corporate infrastructure-related software and software-related consultancy expenses
- » Overseas brand and patent registration
- » Environmental and quality certifications
- » Fashion and industrial designer expenses
- » Overseas market survey
- » A growth roadmap.

Our brands under Turquality benefited from all the support items mentioned above.



Human Resources

Doğanlar Furniture Group's human resources approach is designed to create a meaning and purpose-oriented work culture.

Doğanlar Furniture Group prioritizes its people as its most valuable asset, and in this regard, implements various practices for its employees. Doğanlar Furniture Group's human resources approach has been created with the aim of creating a meaning and purpose-oriented work culture. The basic principle of Doğanlar Furniture Group, which closely follows HR trends with its human resources policy and strategy, is to ensure that employees continuously improve themselves by balancing their individual goals with the company goals to best contribute to the organization.

Doğanlar Furniture Group Human Resources Principles

- We believe in open communication and support it at all levels.
- We create a peaceful work environment in which our employees will be happy and proud to take part.
- We do not discriminate against or favor anyone in our career and talent management operations, and offer equal opportunities to those who possess role model qualities with their knowledge, skills, and behavior.
- We provide training and development programs to improve our employees' expertise and personal and leadership skills.
- We put in place suggestion and reward systems that encourage innovative ideas that grow our business.
- We encourage high-performance and success and reward the results.

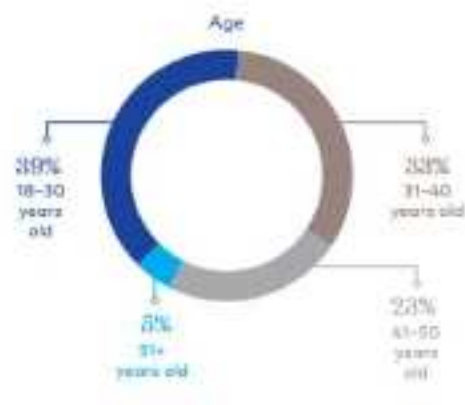
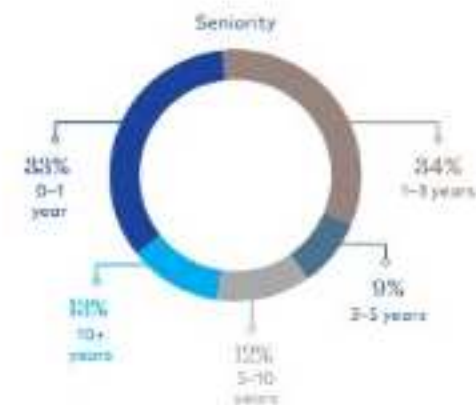
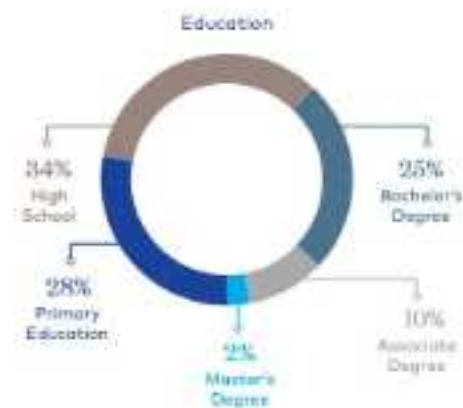
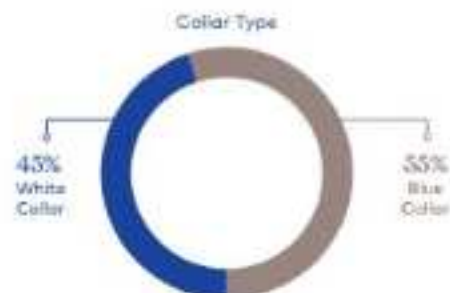
Career Management

Aligned with the Company's strategic objectives, we conduct annual planning activities to assess our human resources needs. This planning process not only fosters our Company's sustainable success but also diversifies our employees' career paths within our organization by enhancing their skills and competencies. As a first step, we evaluate our high-potential employees who meet these requirements. As part of succession activities, employees are given the opportunity to work horizontally or vertically in different positions within the Company through annual performance evaluations based on their competencies and business objectives, and are offered opportunities for promotion, rotation and reassignment. We value the career plans of all our employees. Therefore, we make development plans for our employees to transform their potential into performance, and we contribute to their development by providing them with training options.

Recruitment

We aim to recruit the candidates who best suit our Company values and corporate culture, and who possess the education, experience and competencies required for the job. We position our guiding "values" at the center of our recruitment process, and prefer candidates who share our common values and can adapt themselves to our corporate culture. The most important criteria in the recruitment process are a candidate's educational background, knowledge and skill set, professional experience, and competencies as required by the position. Eligibility criteria for candidates are defined separately for each position. We offer employment based on this definition. All applications made to our company are recorded in the candidate database. As part of our annual labor force planning, we manage our recruitment process by searching this database to find eligible candidates for open positions.

We treat all applications as confidential to ensure fairness and equal opportunities. During the recruitment process, we use various candidate evaluation techniques based on the requirements of the position for fresh graduates and experienced professionals alike.



Training and Development

In 2023, our Training and Development department began transforming the corporate academy. Our aim is to add value to the Doğanlar Furniture Group ecosystem by providing training and development solutions that are focused on needs and benefits, support corporate strategies, and promote a learning organizational culture. To this end, our training and development activities are shaped by four Ds – Driving, Deepening, Designing, and Delivering Value, all of which form the basis of our Academy D.

We foster our employees' growth through training in Corporate Development, Personal Development, Professional Development, and Leadership. These trainings are tailored to each position based on a thorough needs analysis. Additionally, the outcomes of this analysis are confirmed through discussions with senior management and department heads. We also consider requests for other forms of development, such as seminars, conferences, and external technical or behavioral training. These requests are covered by the Human Resources team and relevant managers, considering budget, benefits, and suitability.

In 2023, 10,306 person/hours of training was provided to approximately 1,693 people, including Headquarters, Enterprises, and domestic and international dealers. Approximately 10,000 hours of training have been completed online on the Akademi-D Development Platform, which we have taken live and which includes over 300 pieces of content.

We prepared and launched tailored programs for our brands including Retail School Sales Consultant, Interior Architect Development Journey, Store Manager Development Journey, and Dealer Development Journey. This hybrid program, which incorporates on-site learning, practical job applications, and online solutions, consists of five separate modules.

For topics highlighted in the needs analysis, we promote self-learning by guiding employees to our Akademi-D Development Platform, which features monthly training content under the "Training of the Month" section.

In 2024, our focus will be on providing training and development opportunities for all our employees, and designing, offering and enriching alternative learning methods. We will work to continuously improve and develop our systems and processes. We aim for continuous learning in our organization through internal trainer training and mentor projects.

Success-Oriented Performance Management

Aligned with the Company's strategies, every department has specific goals and related performance indicators. In this setting, how well employees meet the duties and responsibilities outlined in their job descriptions, along with their competencies, are regularly assessed. These assessments are based on criteria and weights set by department managers.



Employee Satisfaction and Loyalty Management

Employee loyalty and satisfaction are regularly assessed by independent companies to obtain employee feedback and identify the actions required to increase employee loyalty. The results are evaluated in terms of loyalty, leadership, performance culture, and employee experience.

Motivation Practices

At our company, we evaluate the recommendations of our employees through the employee suggestion system and adopt these recommendations to improve our processes. With Süper Fikir, our employee suggestion system, our employees earn points and rewards for the ideas they provide individually or as a team.

Through our Entertainment, Culture, and Communication Platform (E.C.C.P), we generate ideas and explore the best methods to gather, have fun, increase our knowledge, and improve communication. We organize activities that reflect our employees' common interests. With our corporate social responsibility events, we strive to enhance team unity and contribute positively to our environment.

In 2023, Doğanlar Furniture Group:

- Carried out internal communication activities to enhance employee interaction within the organization;
- Created the infrastructure for a target- and competency based performance system with the Strategic Planning department to implement a development-oriented performance management system;
- Periodically conducted employee engagement and opinion surveys and formed action plans;
- Initiated efforts to implement the corporate culture project, which began in 2022, to embark on a transformation journey where cultural principles are embraced by all;
- Established D-Academy to create a structure that supports continuous development and inspires others;
- Conducted training programs that ensure the development of employees and increases motivation;
- Provided internship opportunities for students.

As of December 31, 2023, Doğanlar Furniture Group has 2,761 employees. Of these, 1,027 employees are members of the Öz Ağaç-İs Union. The Collective Labor Agreement negotiations between Doğanlar Mühür Group and the Öz Ağaç Labor Union have come to a successful conclusion. A three-year Collective Labor Agreement was signed, and it entered into force as of January 1, 2024.

The Company offers its employees the opportunity to benefit from Private Health Insurance within the scope of social benefits. This insurance also allows the spouses and dependants of employees and their children to benefit from this right. Nursery assistance is provided to working women with children who are covered by the union. Social benefits, such as transportation and meals, are also provided.

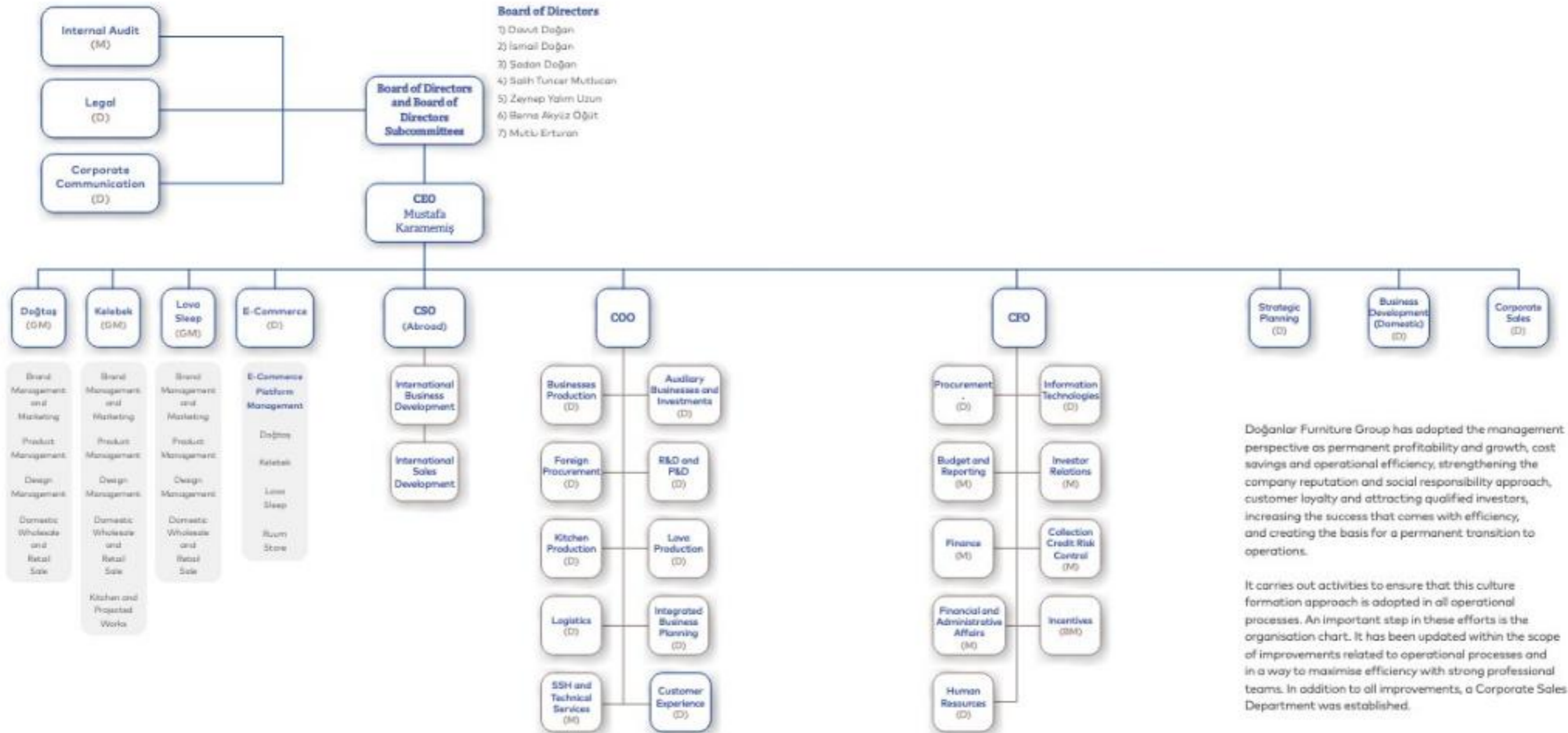
What will happen in Human Resources in 2024?

Doğanlar Furniture Group Human Resources remains committed to enhancing organizational competencies, designing the employee experience for happiness and engagement, and building a strong employer brand. Centered on these three key strategies, the Company targets to execute its projects for the years 2024-2027. For 2024, planned human resources activities encompass transforming corporate culture, attracting talent through employee branding efforts, becoming the top choice for candidates, setting up talent management, developing the performance management system and fostering its acceptance among employees, introducing flexible working conditions and benefits packages to promote employee satisfaction, overhauling the reward system, and broadening the feedback culture.





Organizational Chart



Doğanlar Furniture Group has adopted the management perspective as permanent profitability and growth, cost savings and operational efficiency, strengthening the company reputation and social responsibility approach, customer loyalty and attracting qualified investors, increasing the success that comes with efficiency, and creating the basis for a permanent transition to operations.

It carries out activities to ensure that this culture formation approach is adopted in all operational processes. An important step in these efforts is the organisation chart. It has been updated within the scope of improvements related to operational processes and in a way to maximise efficiency with strong professional teams. In addition to all improvements, a Corporate Sales Department was established.

GM: General Manager

AGM: Assistant General Manager

M: Manager

D: Director

BM: Business Manager

Information Technologies

At Doğanlar Furniture Group, we are leading the digital transformation in the furniture industry with an innovative approach by migrating all our processes to the cloud through the industry's first "Rise with SAP HANA" project and tailoring our processes to meet current needs.

Doğanlar Furniture Group consistently enhances and evolves its digital infrastructure, ensuring it meets contemporary requirements. In 2023, the Company launched important Information Technologies projects and applications.

With SAP S/4HANA CLOUD and SAP SERVICE CLOUD Digital Transformation Projects that we started this year:

- Business processes and operations will be equipped with SAP Cloud and Google solutions.
- Business processes will be automated across operations. Business processes will be interconnected and fast, easily adjusting to market variables.
- Access to real-time and complete data as well as reporting will be available.
- A stronger digital infrastructure in CRM will be achieved, increasing retail turnover efficiency.
- Business processes will be customized without requiring costly maintenance.
- Risk will be reduced through continuous improvement across operations.
- The level of security will be increased.
- A stable, performant and standardized structure will be established on the system side.

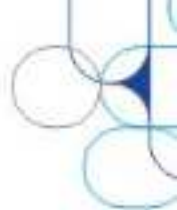


Projects and Practices Implemented in 2023

- Infrastructure renewal efforts were completed at all production sites and distribution centers.
- New certification studies have been initiated according to ISO 27001:2022 standard.
- Data center server improvement efforts were finalized.
- New software infrastructure was established for e-solution processes.
- The warehouse management system was commissioned in all warehouses and operation centers.
- SAP process improvement projects are ongoing.
- Service sections in mobile development projects went live.
- Business intelligence reporting system dashboard studies were completed.
- Our Rise with SAP HANA project has started. With the project, we plan to transform all our processes into a structure that will enable us to manage the needs of our customers in the fastest and most efficient way.
- IIOT – Data collection and monitoring projects have started. We are planning to increase efficiency in production with Machine Learning applications and to implement monitoring methods.
- As part of sustainable energy efficiency activities, the factory energy monitoring and tracking (Scada system) project has been initiated.
- A training portal was launched to enable all employees to benefit from and access training activities instantly.
- A personnel shift planning tracking system was put into operation at our retail stores.
- To consolidate and manage all data in a single portal, Master Data Management software work has been initiated.
- E-commerce infrastructure processes were improved and renewed.
- An in-house job tracking portal was commissioned.

In 2024, the Doğanlar Furniture Group's Information Technologies initiatives will include the following projects and applications:

- The Rise with SAP HANA project will continue with development and go-live phases. According to the project schedule, a live transition is planned for January 2025.
- Phase 2 and 3 of our mobile sales projects will continue. Plans are in place to commission our tablet-based quick sales and fabric dressing applications and our individual mobile application.
- Integration of cyber security software will be completed.
- Business intelligence reporting system dashboard studies will be expanded to dealer and retail channels.
- The consistent improvement of our data center will continue.
- New e-commerce infrastructure will be commissioned. A unified management structure for websites and marketplaces through a single application will be established.
- RPA (Robotic Process Automation) applications will support both efficient work processes and the operations of a qualified workforce.
- Plans are in place to actively deploy decision support systems by analyzing years of accumulated data through Artificial Intelligence applications.



Investor Relations and Share Performance

In 2023, Doğanlar Furniture Group organized and attended over 50 video conferences and face-to-face meetings, including webcasts.

As part of the disclosure policy, the Investor Relations Department of Doğanlar Furniture Group provides information regarding the Company's operational results, performance, and other periodical developments through meetings with shareholders, investors, research specialists from intermediary institutions, and other stakeholders.

Doğanlar Furniture Group Investor Relations hosts webcast presentations with corporate investors every quarter, following the announcement of financial and operational results. The Company's CEO and CFO participates in the meetings, where investors' questions are immediately addressed. The Department also conducts one-on-one meetings with investors, emphasizing the regularity of these meetings for transparency, accurate information sharing, and corporate governance. In 2023, more than 50 events, including video conferences, face-to-face meetings, and webcasts, were organized and attended.

At the same time, the website www.doganlarmabilyagrubu.com is prepared in Turkish, English and French to provide direct access to institutional and individual investors and to keep them informed about developments. The Company strives to transparently respond to inquiries from institutional and individual investors who reach out to the Company via phone, email, or during General Assembly Meetings through the Electronic General Assembly (e-GEM) system, adhering to the publicly disclosed information framework.

Investor Relations Department operates under the CFO. At the same time, Grâde Çivci, Doğanlar Holding Investor Relations Director and Secretary General, provides services to the Doğanlar Furniture Investor Relations Department. Investor Relations Manager Aysun Vardan serves as a member of the Corporate Governance Committee.

Aysun Vardan – Investor Relations Manager

License Documents

Capital Market Operations Level 3
Corporate Governance Rating License

Investor Relations General Communication

Telephone: +90 216 625 1234
Email: ir@doganlarmabilyagrubu.com

Share Performance

The shares of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. have been traded on Borsa İstanbul A.Ş. since 1990. On December 31, 2023, the closing share price was 9.37 Turkish lira. The Company's share performance information is given below.

Share Information

BIST code	DGNMO
Initial Public Offering	1990
Indices Included	BIST INDUSTRIALS / BIST 500 / BIST BUYBACK / BIST ALL - 100 / BIST ALL / BIST STARS / BIST WOOD PAPER PRINTING / BIST PARTICIPATION ALL SHARES
Number of Publicly Traded Shares	175,299,742.74
Free Float Rate	50.08

Share Value on December 31, 2023

	TRY	USD
Lowest (May 24, 2023)	5.4	0.27
Highest (October 5, 2023)	14.06	0.51
Total Market Value of Shares	3,279,500,000	111,000,000



As of 2023 year-end, Doğanlar Furniture Group's market cap is TRY 3.2 billion.

Live your dreams!

Sustainability

Sustainability Approach

Doğanlar Furniture Group maintains its financial sustainability by identifying and addressing environmental, social, and governance-related risks while transforming opportunities into value.

- » Our company upholds its commitment to sustainability, diversity, equality, inclusion, and robust corporate governance. We aim to deliver enduring value to all stakeholders by innovating sustainable and durable product designs for consumers and conducting our interactions with employees, partners, communities, and the planet with integrity.
- » Our commitment to producing high-quality and comfortable furniture differentiates our brands in the market. In the new world order, we are dedicated to doing what is right for our customers, consumers, employees, shareholders, and the planet.
- » Together with our environmental, social and governance (ESG) efforts, our organization continuously invests in sustainable products, a healthy planet, and a culture rooted in values.



Sustainability Management



Our sustainability management consists of Sustainable Design, Sustainable Planet and Sustainable Culture.



Sustainable Design

We have taken a very important step to ensure the protection and sustainability of our forests and documented our responsibility and sensitivity to nature by obtaining FSC® certification. This document aims to protect forest resources and contribute to the goal of creating a sustainable world for future generations.



ADVANCED SDGs



Sustainability Management 



Sustainable Design

As a member of SEAQUAL, an organization that collects and recycles plastic waste from the oceans and seas, we use 100-percent recycled yarns as raw materials in mattress production.



ADVANCED SDGs



In 2023, Doğanlar Furniture Group successfully finalized its ISO 14064-1 Corporate Carbon Footprint Reporting, aiming to determine its environmental impact, set sustainability targets and develop strategies to reduce emissions in line with Turkey's 2053 targets. With our Carbon Footprint Reporting project, we have identified emission-intensive steps along our entire value chain. To achieve the our Country's net-zero target, we use the outcomes of this study as a guideline and develop projects to reduce emissions.

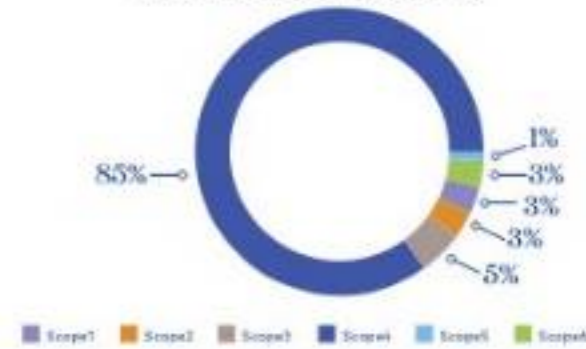


Sustainable Planet

Our production facilities have been awarded the Zero-Waste Certificate issued by the Ministry of Environment, Urbanization and Climate Change. We engage in continuous improvement activities to conserve resources and minimize pollution at our plants.

Within the scope of energy management, charging stations have been established at the production facilities in Düzce and Bigo and at the head offices within the scope of efforts to convert fossil fuel vehicles into electric fuel vehicles. Efforts are being made to convert the fossil-fuelled rental vehicles available in the company into electric fuel vehicles.

Emission distribution by scope (%)



ADVANCED SDGs



Sustainability Management 

We remain committed to reducing gender inequality.
43% of our Board of Directors are female independent board members.



Sustainable Culture

In line with our equality, diversity and inclusion approach, we observe equal opportunity in all human resources practices such as recruitment, career and additional rights. As a signatory to the United Nations Global Compact and Women's Empowerment Principles (WEPs), we declare that we commit to maintaining a fair, equitable and respectful workplace that upholds human rights.



Sustainable Culture

In line with our social development goals, we are proud to contribute to the sustainability of Turkish sports as the official sponsor of the Turkish Ice Hockey Federation (TBHF) – Ice Hockey Women's Super League with our Kelebek brand.



ADVANCED SDGs



ADVANCED SDGs



Sustainability Strategy and Targets

A. OUR ENVIRONMENTAL SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Establishing a zero-waste system and obtaining zero-waste certificates	X	X			 
Reporting and verification of carbon footprint, announcement of the Company's carbon footprint reduction targets	X	X			
Reporting water footprint	X		X		 
Conducting suppliers' environmental sustainability assessment				X	
Composting organic wastes (from cafeteria, etc.) (fertilizer production)				X	 
Implementing carbon pricing and considering this price when making investment decisions (carbon tax and carbon emission trading system)				X	
Building vehicle fleets in a way that allows the use of alternative, low-carbon or renewable fuels			X		 
Reducing energy intensity in production processes			X		

A. OUR ENVIRONMENTAL SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Reducing the consumption of plastic packaging			X	X	 
Installing a SPP system (Renewable energy investments)				X	 
Participating in RE100 initiative (Renewable energy)				X	 
Reducing the need for new resources and waste disposal by extending product life, and repairing, reusing, remanufacturing and recycling products				X	 
Moving toward green investments (SPP Investments)				X	 
Choosing or developing products that improve the energy efficiency of offices, including lighting, ventilation, heating and cooling			X	X	



Sustainability Strategy and Targets

B. OUR SOCIAL SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Improving workplace health and safety	X	X			
Developing projects to keep women in the labor force and ensure their participation in the labor force	X	X			
Determining a zero tolerance policy against all forms of discrimination in the workplace	X		X		
Developing emergency plans (disaster, weather events, etc.)	X	X			
Including women-owned businesses and SMEs in the supply list			X	X	
Applying for employee support programs	X	X			
Investments to increase the physical activity of employees (sports, etc.)			X	X	

B. OUR SOCIAL SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Developing practices within the company for cultural training and career development of employees	X	X			
Cultural training of employees and for career development applications within the company development	X	X			
Creating opportunities for low-wage employees to upgrade their skills and gain access to improved employment opportunities within and outside the industry	X		X		
Providing training and support to women entrepreneurs and small business owners and to develop co-operations with them			X	X	
Providing internship opportunities for young people from disadvantaged groups to increase social mobility and improve company performance through increased workforce diversity	X	X	X		
Increasing access to technologies and innovations that can benefit underserved markets and communities			X	X	



Sustainability Strategy and Targets

C. OUR GOVERNANCE SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Participating in initiatives such as Business for Peace and Business for the Rule of Law			X	X	
Developing policies to prevent corruption and bribery	X		X		
Actively participating in global and local sustainability platforms (UN Global Compact, UN Global Compact Türkiye)	X	X			
Providing internationally recognized certifications and standards to maintain and strengthen its position in global markets					

C. OUR GOVERNANCE SUSTAINABILITY GOALS					
Description	Target (2023)	Achieved (2023)	Target (2024)	Target (After 2024)	Sustainable Development Goal and Indicator
Ensuring equal opportunities among employees	X	X		X	
Incorporating innovation and R&D into production processes through technology, applications and knowledge	X	X		X	
Preparing a road map for combating bribery and corruption by determining the code of ethics	X	X			
Participation in the Women's Empowerment Principles	X	X			



Sustainability Strategy and Targets

Environmentally Friendly Practices

Doğanlar Furniture Group prioritizes environmental sustainability in all its activities, recognizing that natural resources are finite. The Group aims to protect people, society, and the environment through its investments, develop efficient and creative business models, and address future generations' expectations by offering eco-friendly, value-added products.

Climate Action

Efforts to mitigate the impacts of climate change are undertaken by assessing its effects globally, across industries, and within organizations, and implementing necessary adaptation measures.

Sustainable Product Design

The Group is committed to designing products that utilize materials from sustainable sources, with an emphasis on sustainable production and distribution processes. This approach aims to minimize the use of energy and scarce resources throughout the entire product lifecycle, from inception to completion.

Equality, Diversity and Inclusion

The Group develops practices to ensure that individuals are not discriminated against on the basis of gender, ethnic origin, religion, sexual orientation, age, etc., in the workplace and throughout the value chain.

Social Responsibility

To take part in social projects that add value to people and the environment, the Group continues to make an impact in its operational fields through initiatives that make donations to various foundations and provide financial support for the development of local communities and disadvantaged groups.

Occupational Health and Safety

As part of occupational health and safety, we establish production conditions that eliminate risks across our industries. Our group companies comply fully with the Occupational Health and Safety Law No. 6331, Labor Law No. 4857, and all regulations and legal obligations associated with these laws, ensuring comprehensive safety measures are in place.

R&D, Innovation and Technology

To provide products and services by creating value for all stakeholders, we prioritize R&D and innovation in all our industries and incorporate technological innovations into our business processes.

Environment

Doğanlar Furniture Group and its six leading brands under the same roof share the same values and commitment to quality. One of our indispensable values is to ensure the continuity of the life cycle. As a pioneering company in the industry with our practices and approaches, we are committed to leaving a more habitable world for future generations.

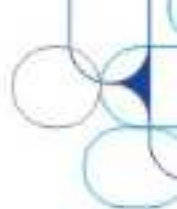
As part of our Environmental Policy, we aim to:

- » Comply with applicable national and international regulations regarding the environment and meet stakeholder expectations in this regard.
- » Periodically analyze and continuously improve the environmental impact of our businesses under the "Sustainable Development" approach.
- » Ensure our products' compliance with our purpose and context, including the environmental impact of our products created by suppliers, contractors, retailers and all recycle stakeholders; embrace measures to prevent pollution at the source; reduce our waste and implement recycling methods as much as possible starting from the project design process;
- » Reduce our consumption by efficiently utilizing all resources, including energy and water, vital for our operations; monitor and ensure sustainable development in this regard by setting annual targets;
- » Plan and implement measures to minimize environmental damages from any undesirable event or emergency that may occur during our activities;
- » Carry out training activities to spread our environmental awareness and sensitivity to all our stakeholders and help them acknowledge their individual responsibility;
- » Ensure that our policy serves as a framework for setting environmental targets.

In 2024, our company plans to measure and verify its carbon and water footprint, reduce the use of plastic packaging, implement SPP projects, utilize organic waste with composting techniques, and increase the amount of products with environmentally friendly and sustainable design.

At Doğanlar Furniture Group, together with our six brands, we share a core, indispensable value: ensuring the continuity of the life cycle. As a pioneering company in the industry with our practices and approaches, we are committed to leaving a more habitable world for future generations.













Sustainability Principles Compliance Framework

If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/link including the publicly disclosed information.




Explanations on compliance with the principles are presented in the "Description" column.



The extent to which the requested information is provided on a consolidated or solo basis should be indicated in the "Description" column.

If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/link including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
A. General Principles						
A1. Strategy, Policy and Goals						
A1.1			X		ESG issues, risks and opportunities are evaluated, and the company's ESG issues, risks and opportunities will be explained.	
A1.2	X				Policies on Environmental Protection, Employee Rights, Occupational Health and Safety, Remuneration, Disclosure, and Derivatives and Aflares in place.	
A1.3		X			In 2024, short, long and medium term targets will be set.	
A2. Implementation/Monitoring						
A2.1		X			In 2024, plans have been created to establish a Sustainability Committee.	
A2.2		X			In 2024, plans have been created to establish a Sustainability Committee. The necessary reports will be made once the committee has been established.	
A2.3	X				The annual report describes ESG practices and plans. (Page 104-113)	
A2.4		X			Plans are in place to conduct studies in 2024 focused on ESG Key Performance Indicators (KPIs).	

If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/link including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
A2.4			X		The annual report specifies the company's sustainability efforts for products and services. (Page 104-110)	
A3. Reporting						
A3.1	X				The annual reports comprehensively, accurately, and clearly presented information about the company's sustainability performance, targets, and actions.	
A3.2	X				Information on which of the company's activities are signed with the United Nations (UN) 2030 Sustainable Development Goals (SDGs) has been made public by the company.	
A3.3				X	Results filed against and/or finalized on ESG issues, which are important in terms of ESG policies and/or which may significantly affect operations, have been disclosed to the public.	
A4. Verification						
A4.1		X			The company's ESG Key Performance Measures have been verified by an independent third party and disclosed to the public.	
B. Environmental Principles						
B1	X				The company has publicly disclosed its policies and practices, action plans, environmental management systems (approved by the ISO 14001 standard) and programs in the field of environmental management.	 
B2			X		Regarding environmental reports providing information on environmental management, limitations on the scope of the report, reporting period, reporting date, and reporting conditions have been made public.	
B3					Provided in A2.1.	
B4		X			Environmental objectives that are part of the performance incentive systems for stakeholders (including Board members, managers, and employees) have been made public.	



If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/web including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
B5 The ways in which material environmental issues are integrated into business objectives and strategies have been disclosed to the public.			X		The sustainability section of the annual report identifies environmental strategic objectives. (Page 106-107) Plans are in place to publish the sustainability report in 2024. The report is planned to detail the processes of integrating environmental targets and strategies into the business plan. 2024 prioritization analysis studies are carried out.	
B6 Provided in A24.						
B7 Information on how environmental issues are managed and integrated into business objectives and strategies throughout the company's value chain, including operational processes, suppliers, and customers, has been made public.		X			We are continuously working on this issue. Procedures for Responsible Supply Chain Management are currently being developed.	
B8 Information on whether the company participated in the policy creation process of environmental institutions and non-governmental organizations as well as the company's cooperation with such institutions and organizations has been made public.			X		Within the scope of the cooperation with organizations, 100% recycled paper are used in business production by participating in the SEAGULL organization, which collects and recycles plastic waste in the ocean and seas. (Page 100)	
B9 Information on environmental impacts, based on environmental indicators such as Greenhouse Gas Emissions (Scope 1 [Direct], Scope 2 [Energy Indirect], Scope 3 [Other Indirect]), air quality, energy management, water and wastewater management, waste management, and biodiversity impacts, has been periodically shared with the public in a comparable manner.			X		In the Sustainability section of the Annual Report, information was provided on the carbon footprint reporting activities carried out. (Page 102) As part of energy management, we are continuing projects to transition our company's fossil fuel vehicles to electric vehicles and to install charging stations. (Page 103) In the sustainability report planned to be published in 2024, environmental indicators within the scope of GRI standards will be given comparatively for the years 2021, 2022 and 2023.	









If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/web including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
B10 Details of the standard, protocol, methodology and base year used to collect and calculate the data have been publicly disclosed.		X			The 2024 sustainability report will specify the data and calculation standards.	
B11 The increase or decrease in environmental indicators for the reporting year in comparison with previous years have been disclosed to the public.		X			In the sustainability report planned for 2024, comparisons will be made in light of data collected from 2021, 2022 and 2023.	
B12 Short- and long-term targets have been set to reduce environmental impacts, and these targets and progress against the targets set in previous years have been disclosed to the public.			X		We have started to work on short, long and medium term targets to reduce environmental impacts. Together with the sustainability working group, we will work on our resources and time frames planned to be released.	
B13 A strategy to tackle the climate crisis was established, and planned actions have been made public.			X		We have an environmental policy. Our annual report identifies climate crisis actions under the heading of environmental strategies and targets. (Page 106-107)	
B14 Programs or procedures have been established and disclosed to the public to prevent or minimize the potential negative impact of products and/or services on the environment.		X			During the sustainability report studies planned to be prepared in 2024, programmes and procedures will be established.	
B15 Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			In the sustainability report to be published in 2024, details of the ESG assessment to be made for suppliers and dealers will be shared.	
B16 Environmental benefits/gains and cost savings from initiatives and projects aiming to reduce environmental impacts have been disclosed to the public.		X			The 2024 sustainability report will present our environmental impact mitigation efforts and benefit/gain analyses.	
B17 Energy consumption data (natural gas, diesel, gasoline, LPG, oil, electricity, heating, cooling, etc.) have been disclosed to the public in Scope 1 and Scope 2.		X			Our 2023 Sustainability Report will include the emission amounts for the last three years.	



If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/link including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
B17		X			The 2024 sustainability report will include the detailed data.	
B18			X		Project studies are in progress for our business' SPP systems.	
B19		X			Currently, renewable energy is not used. It is among our company's medium-/long-term targets.	
B20			X		Measurements and reports for energy efficiency assessments were conducted as part of our energy efficiency initiatives. Under the VAP Grant program with the Ministry of Energy and Natural Resources, dust collection systems are being replaced with new filter units. In 2024, detailed information will be provided in the sustainability report.	
B21			X		Domestic water is consumed. Information on water quantity and source is available, and preparations for a procedure are in progress.	
B22				X	We do not participate in any carbon pricing system.	
B23				X	We do not have any carbon credits.	
B24				X	Carbon pricing is not yet in place.	

If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/link including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
B25			X		The sustainability section of the annual report identifies environmental objectives. (Page 106-107)	
C. Social Principles						
C1. Human Rights and Employee Rights						
C11	X				A Corporate Human Rights and Employee Rights Policy has been established in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, the responsible parties for the implementation of the policy have been identified, and the policy and responsible parties have been disclosed to the public.	
C12	X				Considering supply and value chain impacts; fair labor, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the employee rights policy.	
C13		X			Measures to protect economically, environmentally, and socially sensitive groups (including low-income communities and women), and to uphold minority rights and equal opportunities throughout our value chain have been made public.	
C14	X				Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor has been made public.	



If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/web including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
C1.5	X				We have an employee rights policy. We support employee development by conducting needs analyses and providing Competency, Professional Development and Leadership training that differs based on position. (Page 90-91) 2022 annual report (Pages 88/92)	 
			X		We have an employee rights policy.	
	X				As a result of employee satisfaction surveys conducted in 2022 and 2023, our Company was selected as "Turkey's Happiest Workplace." (Page 94-94) 2022 annual report (Pages 76/40)	
	X				We have an OHS policy.	
C1.A			X		Duğanlar Furniture Group prioritizes employee health and safety, aiming for zero workplace accidents through its Occupational Health and Safety Policy (Page 122) 2022 annual report (Page 100)	
C1.7	X				Personal Data Protection Policy and Information Security Policy are available and disclosed to the public.	
C1.8		X			The ethics policy is being prepared.	
C1.9	X				We share the social responsibility projects we carry out on our website and in our annual report. (Page 124) 2022 annual report (Page 57)	
C1.10			X		In 2024, within the scope of sustainability activities carried out, information meetings and training programmes will be organized for employees on ESG policies and practices.	

If the compliance status with the principles is determined as "Yes" or "Partially," there must be information about the report/web including the publicly disclosed information.	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	IRRELEVANT		
C2. Stakeholders, International Standards and Initiatives						
C2.1			X		A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	Our Company holds a ISO 10002 Customer Satisfaction Management System Certificate (Page 132) 2022 annual report (Page 32) Our Kalecik brand received an award in the furniture category at the A.C.E Awards, the Outstanding Customer Satisfaction Achievement awards by Skaykay.com, Turkey's first and only platform for measuring customer satisfaction. (Page 98) 2022 annual report (Pages 32/41)
C2.2		X			Information on communication with stakeholders (which stakeholder, topic and frequency) have been disclosed to the public.	Details on stakeholder communication will be included in the 2024 Sustainability Report.
C2.3		X			International reporting standards adopted in reporting have been explained.	The 2024 sustainability report will include information on the standards adopted.
C2.4	X				Principles adopted in relation to sustainability, and international organizations, committees and principles of which the Company is a signatory or member have been disclosed to the public.	UNGC and WFP membership were completed. Necessary announcements were made on the Company's website. Developments are included in the annual report. (Page 104) 2022 annual report (Pages 16/19)
C2.5		X			Efforts were made to qualify for inclusion in Borsa Istanbul's sustainability indices and those of international providers.	Efforts are underway to be included in the Borsa Istanbul Sustainability Index.
D. Corporate Governance Principles						
D1			X		Stakeholders' opinions were consulted to determine the most effective measures and strategies to implement in the field of sustainability.	A Stakeholder Workshop was organized in 2024 to receive the views of different stakeholder groups in determining the sustainability vision and priorities.
D2			X		Sustainability awareness was boosted through social responsibility projects, events and trainings emphasizing its significance.	In 2024, Sustainability Awareness and Alignment trainings were organized for Duğanlar Furniture Group employees. Details of the training will be included in the 2024 Sustainability Report.



Quality, Occupational Health and Safety

Doğanlar Furniture Group prioritizes employee health and safety, aiming for zero workplace accidents through its Occupational Health and Safety Policy.

Under our Occupational Safety Policy, we aim to:

- Create healthy and safe working conditions with zero occupational accidents and zero occupational diseases;
- Identify and eliminate hazards, risks and near misses in the workplace;
- Engage in communication activities to understand the needs and expectations of our employees and related parties on OHS;
- Take proactive measures by making necessary plans for possible emergencies;
- Provide opportunities for all OHS trainings that may be required and monitoring the effectiveness of the trainings;
- Monitor and improve the OHS performance of contractor companies within the scope of our OHS Management System;
- Identify opportunities related to OHS and integrate them into our processes and practices;
- Set quantitative targets, create action plans and monitor their achievement levels to ensure a successful OHS performance;
- Foster a culture where safe and healthy work practices are ingrained, and ensure resources are available to support this;
- Comply with national and international regulations, collective bargaining agreements and other obligations related to OHS in all geographies where we operate, in new investments, and existing operations;
- Engage all organizational levels and stakeholders in our Occupational Health and Safety (OHS) activities, focusing on continuous improvement;

Doğanlar Furniture Group has established the ISO 45001 Occupational Health and Safety System. The Group adheres to legal requirements and takes appropriate measures. It also implements systems like work permit protocols and near-miss/hazard reporting. OHS Specialists provide basic training, and the Group's own OHS Specialists provide occupational training, field training, on-the-job training, and occupational health and safety training. OHS Specialists and process managers offer various trainings to raise OHS awareness and prevent occupational accidents.

In 2023, 2,710 hours of training was provided to employees on Occupational Health and Safety to increase their OHS awareness and ensure their participation in the ISO 45001 Management System.

In 2024, the Group plans to renew risk values, organize trainings to enhance awareness on occupational safety, conduct on-the-job talks, carry out Turkish Standards Institution and Business Social Compliance Initiative audits, and reduce occupational accidents.

Documents and Certificates Received

The focuses of Doğanlar Furniture Group's Integrated Management Systems include increasing performance, continuous improvement, the fulfillment of legal and other requirements, and the achievement of the system objectives.

Doğanlar Furniture Group holds the following certificates:

- ISO 45001 Occupational Health and Safety Management System Certificate
- ISO 10002 Customer Satisfaction Management System Certificate
- ISO 9001 Quality Management System Certificate
- ISO 14001 Environmental Management System Certificate
- FSC® Certificate
- ISO 50001 Energy Management System Certificate
- ISO 27001 Information Security System
- Düzce Plant After Sales Services Competence Certificate
- Biga Plant After Sales Services Competence Certificate



Integrated Management System

At Doğanlar Furniture Group, we seek to fulfil our "Mission" and achieve our "Vision" without compromising our "Values." We believe that success depends on implementing and maintaining management systems designed to continuously improve performance. As such, we, as a company, pledge to:

- Meet and exceed our customers' expectations;
- Ensure continuous feedback and address all customer complaints promptly by maintaining effective control;
- Conduct all activities in compliance with laws and regulations;
- Increase the competencies of our employees;
- Strive to prevent injuries and protect employee health;
- Reduce environmental impacts and work to prevent pollution, aligned with the organization's context;
- Continuously decrease energy consumption without sacrificing product quality or production performance;
- Follow and implement technological developments;
- Provide the necessary resources to effectively run the Integrated Management System;
- Continuously improve the effectiveness and performance of our Integrated Management System.

We have adopted Integrated Management Systems as our policy and we commit to conducting all activities in accordance with this policy.

Doğanlar Furniture Group has established an Integrated Management System. Employees are made aware of Integrated Management Systems through continuous trainings.

Doğanlar Furniture Group uses QDMS for the execution of Integrated Management Systems (ISO9001 Quality Management System, ISO14001 Environmental Management System, ISO45001 Occupational Health and Safety Management System, ISO10002 Customer Satisfaction Management System, ISO27001 Information Security Management System).

QDMS, document management, and Integrated Management Systems trainings are provided to raise employee awareness of the Integrated Management System.

Corporate Social Responsibility Projects

Doğanlar Furniture Group brands are dedicated to advance Türkiye's social development through their projects. The Group has established a special department to work on sustainability and the environment. It collaborates with shareholders, managers, and all employees on diverse projects, from management to human resources processes, at all locations, aiming to benefit society and the environment.

Just like last year, Doğanlar Furniture Group participated in the 45th Istanbul Marathon with Doğanlar Furniture Group's Running Team and supported the "My Dream is School" project together with the Korucuk Foundation.

Doğanlar Furniture, which always adapts social responsibility as its leading principle, places kennels called "Guest Paws" in Doğtaş stores. The kennels are produced within the scope of the project. This initiative supports cats and dogs to live in a safe environment and enables each Doğtaş store to adopt a stray animal. It also offers a "Paw Insurance" service to encourage the adoption of shelter animals. For those who buy upholstered products from Doğtaş, the insurance, which is valid once for one year, guarantees the replacement of the faces of the seats damaged by the pawed friend, free of charge. In 2023, 23 people benefited from our paw insurance program.

Following the earthquake disaster in February, the Company launched the "Kelebek Scholarship for Our Girls" social responsibility project with the Turkish Education Foundation to support the education of girls living in the region. The project was launched with a film featuring brand ambassadors Nikhet Duru, Almada & Tolgahan Soyğman, Cem Bolevi, and Sebnem Sungur, and shared across all media channels. By the end of 2024, it aims to aid the education of more than 1,000 girls impacted by the earthquake.

To contribute to Türkiye and the furniture industry, Doğanlar Furniture Group has completed its preparations to launch the **Doğanlar Masters Academy** in 2024. This Academy will consider the needs and requirements of our age and bring new furniture masters into the industry. This will solve the ever-growing need for qualified employees in the Turkish furniture market and increase employment opportunities.

The Academy will primarily train three groups: Masters (Production and Design), Interior Architects, and Store Teams. All groups trained will be offered job guarantees and will be supported to secure jobs in relevant departments.

Our goals with this program:

- To bring qualified labor force into the industry;
- To ensure the survival and revival of professions related to furniture production;
- To encourage the industry in positions related to sales and decoration;
- To support quality education and Gender Equality in line with the UN Sustainable Development Goals.





Live your dreams!

**Corporate
Governance**



Board of Directors Committees and Evaluation of the Board of Directors

Structure and Formation of the Board of Directors, and Independent Members

We comply with the TCC, the capital markets legislation, the Capital Market Law, and the CMB regulations and resolutions. The Articles of Association also provides the rules on the matter. The Board of Directors is composed of seven members elected by the General Assembly. There are three independent members on the Board.

The CMB's Corporate Governance Communiqué stipulates that "The number of independent members in the Board of Directors cannot be less than one third of the total number of members." Furthermore, 43 percent of the Board of Directors is composed of independent members. In determining the members of the Company's Board of Directors, the goal is to create a structure that will enable efficient and constructive work, rapid and rational decisions, the formation of committees, and the effective organization of the committee work.

The Board of Directors consists of qualified and experienced members possessing the requisite knowledge and skills. In the current Board structure, İsmail Doğan, Sadan Doğan, Saâh Tuner Mutlucan are Executive Board Members, while Davut Doğan, Beraç Akyüz Ögüt, Mutlu Erturan and Zeynep Yalım Utun are non-executive Board Members. Pursuant to Article 7 of the Company's Articles of Association, the Board members are elected for a maximum term of three years. It is possible to re-elect the members who have completed their terms. There are three female members on the Board, and the ratio of female members is 43 percent.

A written declaration is obtained from our Independent Members of the Board of Directors stating that they must meet the "independence" requirement in accordance with the Capital Market Law and the CMB Regulations and Resolutions. As of the date of the report, there were no circumstances that compromised the independence of the independent Board members.

Operating Principles of the Board of Directors

Our Company's Board of Directors operates transparently, accountably, fairly, and responsibly, adhering to all principles outlined in the Corporate Governance Principles. In accordance with Corporate Governance Principles no. 4.4.1., the Board of Directors convenes as often as necessary to effectively execute its responsibilities. Monthly meetings are organized to evaluate the financial and operational results of the previous month.

The Company's Articles of Association outline the principles of the Board of Directors' meetings, including their frequency and the quorums for meetings and decisions. Board meetings may be held at the Company's headquarters, or if at least a majority of the Board agrees, at any other place within or outside Türkiye. The members may attend the Board meetings physically or electronically in accordance with Article 1327 of the Turkish Commercial Code. A Board resolution can also be passed by securing written approval from the quorum of members specified in the Articles of Association for a proposal on a specific issue, made by a Board member and written as a resolution, unless a member requests a meeting. However, such a resolution is only valid if the same proposal is presented to all members.

At the Board of Directors meetings, a meeting quorum is achieved by the attendance of the majority of the total number of members. Resolutions at the Board meetings are passed with the affirmative vote of the majority of the members present at the meeting, without prejudice to the cases where the affirmative vote of the majority of the Independent Members is required as per the capital markets legislation. The relevant provisions of the Turkish Commercial Code and the capital markets legislation apply to matters such as the meeting format, agenda, invitation to the meeting, voting, and meeting and decision quorums of the Board of Directors. Members have no casting votes.

In 2023, the Board of Directors convened 12 times, and the participation rate was 84 percent. The Board passed 99 resolutions on the agenda items.

Decisions of the Board of Directors are announced to the public through the Public Disclosure Platform (PDP).

The duties that our Board Members carry out outside the company are as follows:

Full Name	Davut Doğan
Role	Honorary Chairman and Board Member
Duties Outside the Company	Chairman of the Board of Directors of Doğanlar Holding A.Ş., Chairman of the Furniture and Mattress Industrialists and Retailers Confederation (MOYKON), and Chairman of the Furniture and Mattress Industrialists Association (MOYSAD).
Full Name	İsmail Doğan
Role	Chairman, Board of Directors
Duties Outside the Company	
Full Name	Sadan Doğan
Role	Vice-Chairman, Board of Directors
Duties Outside the Company	Chairman of the Biga Chamber of Commerce and Industry, Chairman of the Board of Directors of Biga Organized Industrial Zone, and Member of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB)-European Union Harmonization Commission
Full Name	Saâh Tuner Mutlucan
Role	Member, Board of Directors
Duties Outside the Company	Board Member and CEO of Doğanlar Yatırım Holding A.Ş., Board Member of Biotrend Çamaş ve Enerji Yatırımları A.Ş., and Independent Board Member of Aster Enerji A.Ş.
Full Name	Mutlu Erturan
Role	Independent Member, Board of Directors
Duties Outside the Company	CEO of Mage Biotechnology
Full Name	Beraç Akyüz Ögüt
Role	Independent Member, Board of Directors
Duties Outside the Company	General Manager of LCW Merchandising, Board Member of LCW
Full Name	Zeynep Yalım Utun
Role	Independent Member, Board of Directors
Duties Outside the Company	Independent Board Member of Mavi Giyim Sanayi ve Ticaret A.Ş.



Board Committee and the Board's Assessment

Board of Directors Committees

Audit Committee

Full Name	Role
Mutlu ERTURAN	Chair (Independent Board Member)
Berna AKYUZ ÖĞÜT	Member (Independent Board Member)

Corporate Governance Committee

Full Name	Role
Zeynep YALIM UZUN	Chair (Independent Board Member)
S. Tunçer MUTLUÇAN	Member
Aysun YARDAN	Member

Early Detection of Risk Committee

Full Name	Role
Zeynep YALIM UZUN	Chair (Independent Board Member)
Mutlu ERTURAN	Member (Independent Board Member)
Salih Tunçer Mutluçan	Member

Committee Working Principles

Corporate Governance Principle no. 4.5.3 foresees that the Board of Directors, to be able to soundly fulfill its duties and responsibilities, should establish the Audit Committee, the Corporate Governance Committee, the Nomination Committee, the Early Detection of Risk Committee, and the Remuneration Committee. However, due to the structure of the Board of Directors, if a separate Nomination Committee and Remuneration Committee can not be formed, then the Corporate Governance Committee may fulfill the duties of these committees. In this context, the Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee were established in our Company. The duties of the committees that are not yet determined by the Board of Directors are fulfilled by the Corporate Governance Committee in accordance with the Corporate Governance Principles.

According to Corporate Governance Principle no. 4.5.3, all members of the Audit Committee and the chairs of all other committees should be elected from among the independent members of the Board. In this context, the elections of the chairs and members for the committees established by the Board of Directors' decision dated April 24, 2023, have been conducted in accordance with the principles of Corporate Governance. Again, in accordance with these principles, the CEO and General Manager of the Company do not take part in the committees.

Audit Committee: Non-Executive Independent Board Member Mutlu Erturan is the committee chair while Non-Executive Independent Board Member Berna Akyuz Ögüt is the only member.

The Audit Committee oversees the alignment of the Company's annual and interim financial statements and footnotes with current laws and international accounting standards. It collects insights from managers and independent auditors on the conformity of these statements with the Company's accounting principles and their accuracy. The Committee then documents its findings, alongside these insights and its own evaluations, in a report to the Board of Directors. The committee reviews the annual report to be disclosed to the public and observes whether the information contained here is accurate and consistent with the information it has. In general terms, the Committee is responsible for overseeing the functioning and effectiveness of the Company's accounting system, the independent audit and public disclosure of financial information, the internal control system, and related party transactions. In 2023, the Audit Committee held six meetings with the members in office.

Corporate Governance Committee: Independent Non-Executive Board Member Zeynep Yalim Uzun is the chair while Executive Board Member Salih Tunçer Mutluçan and Investor Relations Manager Aysun Yardan are the members.

The Corporate Governance Committee's primary purpose is to determine whether the Corporate Governance Principles are being implemented, and if not, to determine the reasons thereof and the conflicts of interest arising from the failure to fully comply with these principles, to make recommendations to the Board of Directors to improve corporate governance practices and to oversee the work of the Investor Relations Department. In the implementation of management practices aiming to enhance business performance, the Committee assesses the systems and processes in place or planned by the Company and offers recommendations.

As per the Corporate Governance Principles, since separate Nomination and Remuneration Committees have not been established due to the structure of the Company's Board of Directors, the Committee also fulfills the duties of the Nomination and Remuneration Committees specified in the Corporate Governance Principles. The Committee evaluates and submits proposals to the Board of Directors on identifying, evaluating and training suitable candidates for the Company's Board of Directors and determining the principles of remuneration of the Company's Board Members and senior executives.

In 2023, the Corporate Governance Committee held four meetings with the members in charge.

Early Detection of Risk Committee: Non-Executive Independent Board Member Zeynep Yalim Uzun is the chair while Non-Executive Independent Board Member Mutlu Erturan and Executive Board Member Salih Tunçer Mutluçan are the members.

The Committee's purpose is to proactively identify risks threatening the company's existence, growth, and sustainability, including environmental, social, and governance (ESG) risks, alongside climate-related risks and opportunities. It aims to implement necessary safeguards against these risks and effectively manage them. The Committee guides the Board in identifying, defining, monitoring, and reviewing strategic, financial, operational, ESG, or climate-related risks that may affect the Company's activities. It assesses the impact and probability of these risks, ranks them accordingly, ensures they are reported, and integrates these evaluations into the decision-making mechanisms. A member of the Committee has specific responsibility for ESG and climate-related risks and opportunities, including formulating policies, incorporating these risks and opportunities into the Company's strategy and reporting and providing relevant information.

In 2023, the Early Detection of Risk Committee held six meetings with the members in office.

THE BOARD'S ASSESSMENT ON THE WORKING PRINCIPLES AND EFFECTIVENESS OF THE BOARD COMMITTEES

As per the Capital Markets Board's Corporate Governance Principles, the Company has established the Corporate Governance Committee, Audit Committee, and Early Detection of Risk Committee to ensure that the Board of Directors efficiently fulfill its duties and responsibilities.

The Board of Directors has determined the duties, working principles, and members of the Committees. The Board resolution dated December 27, 2022, defined the Committees' duties and working principles. Then, the Working Principles of the Committees were made public on the Public Disclosure Platform and on the "Investor Relations" section of www.doganlar.mobilyagrub.com. The Board of Directors Performance Evaluation is conducted once a year, encompassing the individual performance of Board Members, the effectiveness of Board Meetings, and assessments of both the Chairman and the CEO through performance surveys.

In 2023, all Board Committees fulfilled their duties and responsibilities in accordance with the Corporate Governance Principles and their own Working Principles.

İbrahim DOĞAN Board Chairman	Serdar DOĞAN Board Vice Chairman
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Policy

Donations and Aid Policy

1. Introduction

The donation and aid policy aims to set the Company's principles for donations and aid in accordance with applicable regulations and the Articles of Association.

The Company complies with the Capital Market Law no. 6362 ("CMB Law"), Turkish Commercial Code no. 6102 ("TCC"), capital markets legislation, other relevant legislation and regulations regarding donations and grants. The Company strictly adheres to the principles outlined in the Corporate Governance Principles of the Capital Markets Board's ("CMB") Corporate Governance Communiqué, subject to amendments and replacements over time.

This Policy has been prepared in accordance with the CMB's Corporate Governance Communiqué no. 1673 and Communiqué on Dividends no. 8-191 and announced to all stakeholders through the Doğanlar Furniture Group website (www.doganlarmobilyagrubu.com).

2. Authority and Responsibility

The Donation and Aid Policy was established by the Board of Directors within the framework of the CMB Corporate Governance Principles and submitted to the approval of the shareholders as a separate item on the agenda of the Company's General Assembly Meeting. The Board of Directors is authorized and responsible for monitoring, supervising, developing and updating the Company's Donation and Aid Policy. Amendments to the Donation and Aid Policy necessitate a Board decision, followed by shareholder approval at the General Assembly Meeting, and are then published on the Company's website (www.doganlarmobilyagrubu.com).

3. Donation and Aid Principles

As stated in Article 12 of the Company's Articles of Association titled "Distribution of Profit":

The Company can donate to various organizations, institutions, foundations, and associations with a General Assembly resolution as per capital markets legislation. These donations, which must not contravene the Capital Market Law's ban on illegal transfer pricing or impede the Company's objectives and activities, require material event disclosures and must be reported to shareholders at the General Assembly.

The upper limit of donations are determined by the General Assembly. Any donation exceeding such a limit is prohibited, and the donations made are added to the distributable profit base.

The above-mentioned provision of the Articles of Association enables the Company to make donations. The General Assembly may determine the upper limit of donations to be made each year at the General Assembly Meeting. Donations and grants that may deviate the Company from upholding shareholder rights are avoided. However, donations and grants deemed appropriate by the Board of Directors within the framework of social responsibility, in accordance with the provisions of the capital markets legislation and the Company's policies and practices, may be made in a manner that will not hinder the Company's purpose and subject matter. Donations and aids to any legal or real person can be made in cash or in kind. Donations and payments to be made by the Company under the above-mentioned provision of the Articles of Association are disclosed to the public as per the CMB's regulations on the disclosure of material events to the public. Shareholders are informed about the amount and beneficiaries of all donations and grants made during the relevant

period, as well as any policy changes, with a separate agenda item at the General Assembly Meeting. Donations and grants must be submitted for the information of shareholders at the General Assembly. With respect to donations and grants, the Company complies with the relevant legislation, particularly the CMB's regulations on the prohibition of illegal transfer pricing and the mandatory corporate governance principles.

Dividend Distribution Policy

1. Objective

The dividend distribution policy aims to define Doğanlar Mobilya Grubu (malat Sanayi ve Ticaret Anonim Şirketi) ("Company") principles for dividend distribution, consistent with applicable regulations and the Company's Articles of Association ("Articles of Association"). It also seeks to provide shareholders with a framework for anticipating future profit distribution procedures and principles. The Company meticulously ensures that the interests of shareholders and the Company are balanced in the distribution of dividends.

The Company complies with the Capital Market Law No. 6362 ("CMB Law"), Turkish Commercial Code No. 6102 ("TCC"), capital markets legislation, other relevant legislation and regulations regarding profit distribution. The Company strictly adheres to the principles outlined in the Corporate Governance Principles of the Capital Markets Board's ("CMB") Corporate Governance Communiqué, subject to amendments and replacements over time.

This Dividend Distribution Policy of the Company has been prepared in accordance with the CMB's Corporate Governance Communiqué (8-171) and Communiqué on Dividends (8-191) and is disclosed to all stakeholders, particularly shareholders, via the Company's website (www.doganlarmobilyagrubu.com).

2. Authority and Responsibility

The Dividend Distribution Policy was established by the Board of Directors within the framework of the CMB Corporate Governance Principles and submitted for the approval of the shareholders as a separate item on the agenda of the Company's General Assembly Meeting. The Board of Directors is authorized and responsible for monitoring, supervising, developing and updating the Company's Dividend Distribution Policy. Amendments to the Donation and Aid Policy necessitate a Board decision, followed by a public disclosure detailing the justifications as per the regulations on material event disclosures. Then, shareholder approval is obtained at the General Assembly Meeting before publishing the amendments on the Company's website (www.doganlarmobilyagrubu.com).

3. Dividend Distribution Principles

The Board of Directors will propose a profit distribution to the General Assembly for the distribution of accumulated profits and annual dividends, considering the Company's yearly performance, current economic conditions, investments, and cash flow. The Company's primary policy is to follow the criteria determined by the Capital Market Law and balance the interests of the shareholders and the Company.

In principle, subject to relevant regulations and our financial capability, a minimum of 40 percent of the period's distributable profit, as determined by the capital markets legislation and considering market expectations and our long-term strategy as well as the capital requirements, investment and financing policies, profitability, and cash position of our Company and its subsidiaries and affiliates, is distributed to shareholders. Dividends may be distributed to shareholders in cash or in bonus shares by way of capitalization of profits, or partly in cash and partly in bonus shares. Dividends are distributed equally to all current shares based on the number of shares regardless of their issue and acquisition dates. The Company does not have any shares with dividend privileges.



Unless the reserves required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for shareholders in the Articles of Association or this Dividend Distribution Policy are set aside, no decision can be made to set aside other reserves, to transfer profits to the following year or to distribute dividends to the members of the Board of Directors, employees of the Company or persons other than shareholders nor can dividends be distributed to these persons unless the dividend determined for shareholders is paid in cash.

The details on the location and timing for profit distribution, as decided by the General Assembly according to legislative provisions, are communicated to shareholders through a material event disclosure on the Public Disclosure Platform and the Company's website. The aim is to distribute dividends within one month after the General Assembly meeting at the latest, with the General Assembly determining the dividend distribution date. The General Assembly, or the Board of Directors if authorized, may decide to distribute dividends in installments in accordance with capital markets legislation. The Board of Directors may distribute advance dividend provided that it is authorized by the General Assembly and complies with capital markets legislation.

A. Dividend Distribution Principles

Dividend distribution principles are set out in Article 12 of the Articles of Association titled "Distribution of Profit." The period profit, reported in the annual balance sheet, is determined by subtracting obligatory payments or allocations (i.e. general expenses, amortization, and due taxes from the Company's income at the reporting period's end. After deducting any prior years' losses, the profit for the period is distributed in the order listed below.

General Legal Reserves:

- a) 5 percent is allocated to legal reserves

The First Dividend:

- b) The first dividend is set aside from the remainder, after adding the donations (if any) made in the year, as required by the dividend distribution policy to be determined by the General Assembly and in accordance with the relevant legislation.
- c) Once the aforementioned discounts are made, an amount of dividend at a percentage to be determined by the General Assembly is distributed among the members of the Board of Directors except the Independent Members of the Board of Directors.

The Second Dividend:

- d) The General Assembly is authorized to fully and partially distribute or set aside as voluntary reserve pursuant to the Article 521 of the Turkish Commercial Code the remaining part after deduction of the amounts specified in the items (b), (c) and (d) from the net period profit.

General Legal Reserves:

- e) One fifth of the balance that remains after deducting the 5 percent of the issued capital as a profit share from the portion earmarked for distribution to shareholders and others who have a claim on the profits, is added to the general legal reserves pursuant to Article 519 paragraph 2 of the Turkish Commercial Code.

Unless the legal reserves are set aside and the dividend prescribed for the shareholders in the Articles of Association is distributed in cash or as stocks, resolving to set aside additional reserves, carrying over any profit to the upcoming year, and distributing dividends to Board Members, officers, employees and workers, foundations established for various purposes or similar other individuals and/or organizations are not allowed. Dividends are distributed equally to all current shares regardless of their issue and acquisition dates.

The General Assembly will determine the method and timing of the dividend distribution as proposed by the Board of Directors. The decision by the General Assembly to distribute dividends according to these Articles of Association cannot be revoked. The Company can donate to various organizations, institutions, foundations, and associations with a General Assembly resolution as per capital markets legislation. These donations, which must not contravene the Capital Market Law's ban on illegal transfer pricing or impede the Company's objectives and activities, require material event disclosures and must be reported to shareholders at the General Assembly. The upper limit of donations are determined by the General Assembly. Any donation exceeding such a limit is prohibited, and the donations made are added to the distributable profit base.

5. Advance Dividend Distribution Principles

Dividend distribution principles are regulated in Article 20 of the Articles of Association titled "Advance Dividends." "The General Assembly may resolve to distribute advance dividends to shareholders in accordance with the provisions of the Capital Market Law and other relevant legislation. The provisions of the relevant legislation apply in the calculation and distribution of these amounts. The Board of Directors may be authorized by a resolution of the General Assembly to distribute advance dividends, limited to the relevant accounting period."

Disclosures Policy

1. General Framework and Purpose

The disclosure policy of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. ("Doğanlar Furniture Group" or the "Company") aims to ensure that necessary information and non-confidential disclosures are provided to shareholders, investors, employees, customers, and relevant parties promptly, accurately, fully and clearly, in an accessible and equitable way, at minimal cost. The Company adopts and implements corporate governance principles actively, exerting maximum effort to fulfill public disclosure and communication obligations as per relevant legislation.

The Company complies with the Capital Market Law No. 6362 ("CMB Law"), Turkish Commercial Code No. 6102 ("TCC"), capital markets legislation, other relevant legislation and regulations, and Borsa İstanbul A.Ş. ("BİST") regulations regarding public disclosures. It strictly adheres to the principles outlined in the Corporate Governance Principles of the Capital Markets Board ("CMB") Corporate Governance Communiqué, subject to amendments and replacements over time.

Doğanlar Furniture Group adopts and implements corporate governance principles actively, exerting maximum effort to fulfill public disclosure and communication obligations as per relevant legislation. In this context, Doğanlar Furniture Group embraces a thorough disclosure policy:

According to Article 62 of the Company's Articles of Association titled "Company Announcements,"

"Company Announcements are made pursuant to Article 35 of the Turkish Commercial Code and the Capital Market Law. With respect to the meetings of the General Assembly, the Company complies with the announcement periods and principles stipulated in the Turkish Commercial Code, the Capital Market Law, and the Corporate Governance Principles of the Capital Markets Board. Provisions of Article 474 of the Turkish Commercial Code apply to announcements regarding the reduction of capital. Upon approval and finalization by the General Assembly, the balance sheet, profit and loss statement, and the auditors' report are announced in the Turkish Trade Registry Gazette and other locations determined by the Capital Markets regulators, in the manner and principles stipulated by the legislation.





The Board of Directors is obliged to submit the annual report and the audit report to the Capital Markets Board within thirty (30) days following the General Assembly meeting.*

Doğanlar Furniture Group's Disclosure Policy has been prepared in accordance with Article 17 of the CMB's Communiqué on Material Events (II.15.1) and the Corporate Governance Communiqué (II.17) and is disclosed to all stakeholders via the Company's website (www.doganlarmobilyogrubu.com).

2. Authority and Responsibility

The disclosure policy was established by the Board of Directors within the framework of the CMB Corporate Governance Principles and submitted for the information of the shareholders as a separate item on the agenda of the General Assembly Meeting. It is under the authority and responsibility of the Board of Directors to monitor, supervise, develop and make necessary updates and amendments to the public disclosure and information policy of Doğanlar Furniture Group. Amendments to the Disclosure Policy are published on the Company website (www.doganlarmobilyogrubu.com) following the approval of the Board of Directors.

The Investor Relations Department has been assigned to coordinate the disclosure function. These authorities discharge such responsibilities in close cooperation with the audit committee and the Board of Directors. All questions regarding the implementation principles and procedures of this policy should be directed to the Investor Relations Department.

3. Public Disclosure Methods and Instruments

The public disclosure efforts, methods, and instruments used pursuant to the Capital Market Law, the Turkish Commercial Code, and relevant other legislation are given below:

- Financial statements, independent auditor's reports and declarations periodically disclosed on the Public Disclosure Platform ("PDP")
- Annual Reports
- Company Corporate Website (www.doganlarmobilyogrubu.com)
- Material event disclosure forms
- Announcements and notices made through the Turkish Trade Registry Gazette and daily newspapers
- Communication via telephone, email, or fax.

4. Persons with Administrative Responsibilities and the Authority to Make Public Disclosure

Within the framework of capital markets legislation, "Persons with Administrative Responsibility" are defined as (i) members of the Company's Board of Directors, and (ii) persons who, although not members of the Board of Directors, have regular access to the Company's internal information, directly or indirectly, and who are authorized to make administrative decisions affecting the Company's future development and business objectives. In the selection of individuals with administrative responsibility, the duties of such individuals in the Company's organization and the content of the information accessible to them are taken as the criteria. In this respect, the Doğanlar Furniture Group's board members, the CEO, and the Chief Financial Officer are designated as the individuals with administrative responsibility who have regular access to insider information. Accordingly, those managers and other employees who lack knowledge that may affect the value of the capital market instruments and the investment decisions of investors, in other words, who have knowledge about only a department of the Company but know less about the entirety of the Company are not considered to have access to insider information. Unless otherwise specified in the Disclosure Policy, persons authorized to make public disclosures about the Company are Executive Board Members, the CEO, and Investor Relations Department. In principle, material event disclosures are signed and submitted to the relevant authorities by "qualified electronic certificate" holders who are in charge of financial reporting. Those in charge of making material event disclosures are chosen among the persons authorized to represent and bind the Company.

5. Investor Relations Department

Doğanlar Furniture Group fulfills all liabilities arising from the Turkish Commercial Code and capital markets legislation under the supervision of the Investor Relations Department reporting to CFO pursuant to the CMB Communiqué on Corporate Governance Principles. The Investor Relations Department, mandated by law plays a crucial role in ensuring and facilitating the exercise of shareholder rights, especially the rights to information and review. The Investor Relations section of the Company's corporate website (www.doganlarmobilyogrubu.com) contains information and data on the Company under the corporate governance profile. The Company's corporate website (www.doganlarmobilyogrubu.com) is monitored and kept up-to-date by the Investor Relations Department.

The main activities of the Investor Relations Department are summarized below:

- a) Responding to the verbal and written information requests of shareholders about the Company provided that such information is not confidential or a trade secret
- b) Conducting the general assemblies in accordance with the applicable legislation, the Articles of Association, and other internal regulations.
- c) Preparing the documents that may be utilized by shareholders at General Assembly meetings.
- d) Ensuring that any matter related to the public disclosure, including the Legislation and Disclosure Policies, is observed and monitored.
- e) Keeping the records of shareholders reliable, secure, and up-to-date.
- f) Informing the analysts who make assessments about the Company.
- g) Following and checking the contents of any written and visual news about the Company, the value and price of capital market instruments, or the information and disclosures that may affect the investors' behaviors in coordination with the Corporate Communications Department.
- h) Presenting the information and disclosures that may affect the exercise of shareholder rights to the use of the shareholders on the Company's corporate website (www.doganlarmobilyogrubu.com).
- ı) Informing the public by notifying the Central Securities Depository of the Turkish capital markets through the PDP of the necessary material event disclosures in accordance with the CMB's Communiqué on Material Events, which may be amended and replaced from time to time.
- ii) Keeping track of the amendments in the Capital Market Law and the relevant legislation, and submitting them for the benefit of the Company's relevant units.

6. Public Disclosure of Material Events

The disclosures that must be made under the capital market legislation regarding material events containing internal or continuous information that may affect the value and price of capital market instruments or investor decisions are submitted to the Public Disclosure Platform in due time. Furthermore, the disclosures submitted electronically to the PDP are published on the Company's corporate website (www.doganlarmobilyogrubu.com) within the time specified in the legislation following the disclosure.

7. Measures to Maintain Confidentiality of Material Events Until Public Disclosure

The Company is responsible for taking measures to ensure the confidentiality of material events until they are disclosed to the public. In this context, employees who have relevant information cannot share the information with third parties until a material event disclosure is made. The Company may postpone the disclosure of insider information to the public to prevent damage to its legitimate interests, provided that it does not mislead investors and can ensure that this information is kept confidential. In these cases, the Company takes all kinds of measures to ensure the confidentiality of insider information in accordance with capital markets legislation. Should an unauthorized disclosure of insider



information to a third party be detected, an immediate material event disclosure will be made in accordance with capital markets legislation and CMB regulations if confidentiality is deemed unmanageable. As soon as the reasons for the postponement of public disclosure of insider information are removed, public disclosure is made in accordance with the legislation. The statement must state the decision to postpone and the underlying reasons for the postponement.

The Company informs its managers and employees through corporate training about their legal obligations regarding insider information and the sanctions for the misuse or dissemination of this information. The Company takes the necessary measures by signing a confidentiality agreement with employees and third-party service providers to ensure that their access to insider information is restricted if they have not been authorized. The Company may also resort to other similar measures to protect confidentiality. Persons who have access to insider information are informed in writing that they must accept the obligations under the law and relevant legislation regarding this information, and the sanctions for the misuse or dissemination of this information. In addition, to prevent unauthorized disclosures about the operational results, sharing information with capital market participants concerning undisclosed operational results and other issues is prohibited during certain periods of the calendar year. This period is considered the "Silent Period." During the Silent Period, Company officials do not comment on the Company's financial position, except for information disclosed to the public on behalf of the Company. Questions from capital market participants, such as analysts and investors, regarding the financial situation will not be answered.

The Executive Board Members, the CEO and the Investor Relations Department are authorized to make public statements about the Company during the Silent Periods, are allowed to attend and speak at conferences, panels, and other similar events, may give interviews in print and visual media, and have the authority of the Investor Relations Department to attend investors' meetings, provided in each case that the confidentiality rules concerning insider information are followed. For the Company, the "Quiet Period" begins two weeks before the date on which the financial statements and footnotes for all financial accounting periods are publicly announced and ends when the relevant financial statements and footnotes are publicly announced.

8. Principles on Press Releases, Informative Meetings, and Presentations and Reports at Informative Meetings

Company press releases are issued to print and broadcast media as needed. The Executive Board Members, the CEO, and the Investor Relations Department have the authority to issue press statements to print and broadcast media. Before or alongside the public announcement of the matters subject to material events, a disclosure is made to the Public Disclosure Platform, and the related statement is published on the Company's Corporate Website (www.doganarmobilogrubu.com).

The Investor Relations Department responds to information requests from shareholders, investors, and analysts. Answers are provided correctly, completely, and equitably, whether in writing, verbally, or during informational meetings, based on information that has been publicly disclosed. Shareholders and other relevant parties are informed during investor meetings. The executives in charge of financial management and reporting and the managers of the Investor Relations Department attend such meetings held by the Investor Relations Department. Presentations and reports used in these events can be published on the Company's Corporate Website (www.doganarmobilogrubu.com).

The Investor Relations Department sends the relevant information, including financial statements, to the shareholders and organizations that prepare research reports or our company upon request.

The Company may occasionally attend national and international conferences or meetings to share information with investors and analysts. Presentations and reports used in these events can be published on the Company's Corporate Website (www.doganarmobilogrubu.com).

9. News and Rumors in the Press and Media Outlets

A professional media monitoring agency monitors the news and rumors about Doğanlar Furniture Group in the press and media organs or on websites. When it is legally required to make a public disclosure of material events, such a statement is made after the necessary information is compiled from the relevant units.

When a news item or rumor exists in the press, in a media outlet or among the public and has the potential to affect the investment decisions of investors or the value of capital market instruments, and which does not originate from those authorized to represent the company, and which differs in content from the information disclosed to the public by a material event disclosure, prospectus, circular, announcement texts approved by the CMB, financial report, or other means of public disclosure, Doğanlar Furniture Group makes a statement about the accuracy and completeness of such information. It does not, however, comment on the comments, analyses, evaluations, and forecasts about the Company based on information disclosed to the public.

The Executive Board Members, the CEO, and the Investor Relations Department evaluate whether a piece of news or a rumor affects the value of company shares or investor decisions and decide whether a material event disclosure should be made. If news and rumors are deemed to potentially impact the Company's share value and investor decisions, a material event disclosure is made. The Executive Board Members, the CEO, and the Investor Relations Department are authorized to make these material event disclosures.

10. Principles Regarding the Disclosure of Forward-Looking Statements

Assessments that include plans and forecasts, which constitute insider information about the future, or that give investors an idea about the Company's future activities, financial status and performance may be disclosed to the public within the framework of the principles specified in the capital markets legislation. If forward-looking information is disclosed to the public, it is disclosed together with the assumptions and historical realizations on which these assumptions are based. If it is later understood that the estimates for the future will not be realized to a significant extent, the information in question is reviewed and restated.

Future assessments are based on reasonable assumptions and estimates. In case of deviations caused by unforeseen risks and developments, if a significant difference occurs between the matters previously disclosed to the public and the realizations, a public disclosure is made with a clear explanation for these differences.

A Board of Directors' decision is taken regarding the disclosure of the Company's forward-looking statements. Pursuant to capital markets legislation principles, besides material event disclosures, forward-looking assessments may be shared through press and media organs, press conferences, press releases, national and international conferences or meetings, and other means of communication.

11. Corporate Website

In public disclosure, the Company's Corporate Website at (www.doganarmobilogrubu.com) is actively used as recommended by CMB's Corporate Governance Principles. The disclosures on the Company's website do not replace the notifications and material event disclosures that must be made under the provisions of the capital market legislation. All company disclosures to the public can be accessed via the website. The website is structured and segmented accordingly. Every measure is taken regarding the security of the website. The website content and layout are organized according to CMB's Corporate Governance Principles. In particular, the announcements regarding the upcoming General Assembly meetings, the agenda items, and other information, documents, and reports on the agenda items, and information on the methods of participation in the general meeting are prominently featured on the website. The website is continuously improved.



Remuneration Policy

1. Objective

The remuneration policy aims to set the pay principles for the Board of Directors and senior management of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi ("Company"), aligning with the Company's long-term objectives and adhering to the regulations applicable to the Company as well as the provisions of the Company's Articles of Association ("Articles of Association").

The Company complies with the Capital Market Law No. 6362 ("CMB Law"), Turkish Commercial Code No. 6102 ("TCC"), capital markets legislation, other relevant legislation and regulations regarding remuneration. It strictly adheres to the principles outlined in the Corporate Governance Principles of the Capital Markets Board's ("CMB") Corporate Governance Communiqué, subject to amendments and replacements over time.

This Remuneration Policy of the Company has been prepared in accordance with the CMB's Corporate Governance Communiqué (01-17) and is disclosed to all stakeholders, particularly shareholders, via the Company's website (www.doganlarmobilyagrubu.com).

2. Authority and Responsibility

The Remuneration Policy was established by the Company's Board of Directors within the framework of the CMB's Corporate Governance Principles and submitted to the shareholders as a separate item on the agenda of the General Assembly Meeting to receive their opinions. The Board of Directors is authorized and responsible for monitoring, supervising, developing and updating this Remuneration Policy. Amendments to the Remuneration Policy require Board approval, after which they are presented to shareholders for their information and insights at the General Assembly Meeting and published on the Company's website (www.doganlarmobilyagrubu.com).

3. Remuneration Principles

The Remuneration Committee, or in its absence, the Corporate Governance Committee, submits to the Board of Directors its recommendations regarding the remuneration of board members and executives with administrative responsibilities.

The Board of Directors is responsible for the Company's achievement of the operational and financial performance targets set and disclosed to the public. The assessment of the Company's success in meeting its publicly announced operational and financial performance targets, and the explanations for any shortfalls, are detailed in the annual report. The Board of Directors reviews and assesses the performance of itself, its members, and executives with administrative responsibilities. The remuneration for Board of Directors members and executives with administrative duties is set based on these evaluations. After the General Assembly sets the remuneration for Board members and executives with administrative duties, the Remuneration Committee, or the Corporate Governance Committee in its absence, tracks if economic shifts, including inflation, within the fiscal year necessitate a pay rate. Should adjustments be needed, a recommendation is made to the Board of Directors. If the Board evaluation concludes that it would be appropriate to adjust the remuneration of Board members and executives with administrative responsibilities, the Board passes a resolution on this matter and submits it for the approval of the General Assembly to decide on the remuneration change, if necessary. The rights of the Board Members: A fixed fee/attendance fee may be paid to the chairman and members of the Board of Directors for the services they render under these titles. The amount to be paid is determined by the General Assembly. In any case, independent board members receive a specific payment amount that guarantees their independence; and dividends, stock options and payment schemes based on the Company's performance cannot

be used to compensate the independent board members. The Company discloses to the public on the annual report the remunerations and all benefits provided to the board members and executives with administrative responsibility. Disclosures are made for individuals.

The rights of senior executives: These rights are set based on market and industry conditions, inflation, and the executive's position, rank, qualifications, and personal performance. They receive a monthly salary for the duration of their employment contract. The monthly salary is adjusted annually based on established principles and salary determination criteria, assuming stable market conditions.

Consideration is also given to market and industry conditions, salaries for similarly ranked executives in the industry, achievement of goals, and the executive's potential. The assessment of individual performance takes into account the manager's approach, work style, behavior, and annual targets set with their superior, at specified rates. Bonus: The Company does not pay any bonuses.

Premium: Premiums are calculated based on the overall economic conditions, the Company's annual performance, and an employee's individual performance, provided a defined lower threshold—set by the Board of Directors based on specific weighted criteria for the calendar year—is met. The Company's premium plan is tailored specifically for job descriptions and areas of competence and is conditional on the absence of major risk events (including climate-related risks) in the relevant jobs and areas. Where considered necessary by the Board of Directors, different methods may be used to determine the premium which may include financial and non-financial performance measures. Premium payments may be made in cash and/or in the form of other benefits (such as employee share acquisition plans or deferred bonus plans) to be determined at the discretion of the Board of Directors. Currently, the Company does not offer any regular premiums to its senior executives.

The total amount of benefits offered to the Board Members and Senior Executives is explained below:

December 31, 2023

69,271,652 TL

December 31, 2022

95,080,480 TL

Doğanlar Furniture Group's other policies can be accessed from the links below:

Employee Rights Policy



Integrated Management Systems Policy



Anti-Bribery and Anti-Corruption Procedure



Environment Policy



Occupational Health and Safety Policy



Information Security Management System Policy



Personal Data Protection and Processing Policy





Other Matters

Changes from Period End to Report Preparation

- Our Company has decided to invest in the establishment of a Solar Power Plant (SPP) on the roofs of our production facilities located at Bandırma Yalı E. İm Bldi. Çanakkale (Bigal) and Doğanlı Kuyu Düze (Düze) to protect nature, increase efficiency, and reduce electricity costs by supporting the clean energy production of our country. As such, the necessary contracts have been concluded with Schmid Pakintaz Güneş Enerji Sistemleri and Free Yasa Enerji San. ve Ticaret A.Ş. in this regard. Accordingly, the electricity generation power is planned to be 4,542 kWp for Bigal and 5,000 kWp for Düze, totaling 9,542 kWp. The investment cost of the SPP investments is \$4,233,069 and plans are in place to complete these investments within six months. These SPP investments will also serve our Company's sustainability strategy by reducing its carbon footprint.

- Within the scope of Article 10 of the Communiqué on Material Events, with the decision of our Board of Directors dated 22.01.2024, it has been decided to disclose our Company's expectations for 2024 to the public. In this context, the expectations for 2024 are given as follows, without taking into account the potential effects that may arise from the application of TAS 29 (Financial Reporting in Hyperinflationary Economies).

Consolidated Sales Revenue: TL 11.2 billion ± 3
Share of Exports in Consolidated Sales Revenue: 50% ± 2%
Total Point of Sale Growth: 100 - 115 new points of sale
 - Domestic Point of Sale Growth: 80 - 90 new sales points
 - Overseas Point of Sale Expansion: 20 - 25 new sales points
Consolidated EBITDA margin: 14-15
Net Financial Debt / EBITDA (including IFRS-16): 1.00x - 1.25x
Capital Expenditures: 5% - 6% of consolidated sales revenue

- At the Extraordinary General Assembly Meeting of FTB Dış Ticaret Mobilya Anonim Şirketi, in whose capital we hold a 14,2857% stake, it has been resolved to increase its capital by TL 37,800,000 to TL 42,810,000, fully funded in cash. It has been decided that our Company will use all of its right to purchase new shares and the amount of our Company's participation in the cash capital increase will be determined as 5,400,000 Turkish Lira.

- Due to the expiry of the authorization of the registered capital ceiling granted by the Capital Markets Board in 2024, to extend the authorization for a period of 5 years, valid for the years 2024-2028, and to obtain a new authorization from the Capital Markets Board in order to increase the registered capital ceiling of TL 500,000,000 to TL 1,500,000,000, and within the framework of the regulations of the Capital Markets Board regarding the registered capital system, it has been resolved to amend Article 5 of the Articles of Association of the Company as attached, and to submit the registered capital ceiling to the approval of the first General Assembly to be held after obtaining the necessary approvals regarding the amendment of the Articles of Association. In this context, an application was made to the Capital Markets Board on 03.04.2023 and the Board gave an appropriate opinion with the letter dated 26.04.2023 and numbered 20936.

- JCR Avrupa Derecelendirme A.Ş. has affirmed our Company's Long Term National Rating as "BBB+ (b)" and Short Term National Rating as "D2 (a)" in the investment grade good category. The outlook for both ratings has been set as "Stable". On the other hand, in parallel with the international ratings and outlooks of the Republic of Turkey, our company's Long Term International Foreign and Local Currency Corporate Credit Ratings and outlooks have been determined as "BB / Negative".

- Our Company Doğanlı Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. and one of the Public Institutions and Organizations affiliated to the Republic of Turkey have reached an agreement on the production of Furniture-Group, Bedding and Textile product groups. Pursuant to the agreement, the total price of the products to be supplied by our Company has been determined as 47,800,000 Turkish Lira (the buyer has the right to increase and decrease by 20% in accordance with the agreement). The term of the agreement is one year from the date of signature.

- A contract has been signed between our Company and our customer operating in the Central Asian Turkish Republics for the delivery and assembly of fixed + movable furniture and beds to be exported, and the total value of the products to be manufactured by our Company pursuant to the said contract has been determined as 42,500,000 Turkish Lira. The delivery and assembly of the products to be manufactured in accordance with the contract is planned to be realized within 135 days at the latest from the signing of the contract.

Legislative Amendments in 2023

During the period, the following legislative changes that affect the Company's balance sheets were implemented

As per the Presidential Decree dated July 7, 2023, and numbered 7346, effective from July 10, 2023:

- The general VAT rate of 18 percent was increased to 20 percent.
- The VAT rate for deliveries and services subject to 8 percent VAT was increased to 10 percent.

In addition, the General Communiqué on Tax Procedure Law was published on December 30, 2023, for the determination of the procedures and principles of the financial statements to be subject to inflation adjustment for the end of the 2023 accounting period and the following accounting periods in accordance with paragraph (A) of the repeated Article 298 and provisional Article 33 of the Tax Procedure Law No. 213.

Information on Own Shares Acquired by the Company

During the accounting period January 1, 2023-December 31, 2023, the Company purchased shares with a nominal value of 13,839,743 Turkish Lira as part of the share buy-back transactions pursuant to the decision dated May 23, 2018, and the share buy-back transactions initiated and completed with the decisions of the Board of Directors dated February 17, 2023, and August 7, 2023, as per the announcement made by the Capital Markets Board ("CMB") on February 14, 2023. The Company purchased shares with a nominal value of 796,695 Turkish Lira within the scope of share buy-back transactions initiated with the Board of Directors decision dated October 31, 2023.

The total nominal value of the company shares owned by our Company together with the shares repurchased with the decisions of the Board of Directors dated August 23, 2018, February 17, 2023, and August 07, 2023 reached up to 14,636,438 Turkish Lira, and the ratio of the shares to the capital reached up to 4.18 percent.

Information on Lawsuits Filed Against the Company That May Affect the Company's Financial Position and Activities and Their Possible Outcomes

In 2023, the Company was not subjected to any lawsuits that may affect its financial position and activities.

Credit Rating*

Title of the rating agency	Rating date	Long-term notional rating	Investment grade status
JCR Avrupa	April 24, 2023	BBB(+)	Investable

(*) JCR Avrupa Derecelendirme A.Ş.'s rating report dated 17.04.2024 confirmed the rating as BBB(+).



Explanations on Administrative or Judicial Sanctions Against the Company and Governing Body Members for Non-Compliance with Legislative Provisions

The Company and its Board of Directors have not engaged in any activities that violate legislative provisions, nor have any administrative or judicial sanctions been imposed on the Company and the Board of Directors.

Information on Conflicts of Interest Between the Company and Service Providers Like Investment Consulting and Rating Agencies, and Preventive Measures Taken

No conflict of interest was observed during the period. In the procurement of such services, we adhere to CMB regulations and other relevant legislative requirements, taking great care to prevent any potential conflict of interest.

The Company's capital adequacy has been evaluated pursuant to Article 376 of the Turkish Commercial Code no. 6102 and applicable legislation, confirming that the capital is sufficient and not eroded.

During the year, the Company made donations and grants amounting to 4,060,566 Turkish Lira.

In the previous fiscal year, despite being part of a group of companies, the Company engaged in no legal transactions benefiting the parent company or one of its affiliates upon a directive from the parent company, and no measures were taken or avoided from being taken to benefit the parent company or any of its affiliates.

Nature and Amount of Capital Market Instruments Issued During the Period:

None.

Commercial and Financial Relations with Direct and Indirect Subsidiaries During the Period:

Information is provided in the Footnotes of Related Party Disclosures on Consolidated Financial Statements dated December 31, 2023, and on Special Independent Audit Reports.

Substantial Amounts in Asset Sales or Purchases

None.

Main Factors Affecting the Performance of the Business and Significant Changes in the Business Environment:

None.

Amendments to the Articles of Association

With the Board decision dated November 15, 2022, the Company's Articles of Association was modified by amending Articles 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, and 22; removing Articles 23 through 45; and adding Articles 7, 16, and 19. The Capital Markets Board, in its letter dated March 13, 2023, reference number E-29833736-110.03.03.03-34486, endorsed the amendment of the Articles of Association. Following this, the Ministry of Trade's letter dated March 29, 2023, with reference number E-50035191-431.03-00084058903, granted approval as per Article 333 of the Turkish Commercial Code No. 6102. These amendments were ratified at the Company's Ordinary General Assembly on May 2, 2023.

Declarations of Independence

March 15, 2024

I hereby declare that I am a candidate to serve as an "Independent Member" on the Doğanlar Mobilya Grubu İncelet Sanayi ve Ticaret Anonim Şirketi ("Company") Board of Directors according to the criteria set forth in the Company's Articles of Association and the Corporate Governance Communiqué No. 9-171 announced by the Capital Markets Board (CMB), in this context:

a) I, my spouse, or my relatives by blood or marriage have not had an employment relationship in a managerial position where important duties and responsibilities would be assumed in the last five years, have not owned more than 5 percent of any capital or voting rights or privileged shares by ourselves or with someone else, and have not established any significant commercial relationships with the Company or the partnerships under the control or significant influence of the Company, or partners holding the managerial control of or exerting significant influence in the Company or legal entities over which these partners have managerial control;

b) Within the last five years, I have not held a partnership stake of 5 percent or greater, have not assumed a management position where I would have important duties and responsibilities, or have not been a Board Member at companies which the Company has procured products and services from or sold products or services to, especially the services of auditing (including tax audit, legal audit and internal audit), rating and consultancy, as part of a contractual relationship, during the times these transactions took place;

c) I have the professional education, knowledge and experience required to fulfill the duties I will undertake as an Independent Board Member;

d) In compliance with the legislation, I will not be working full-time in public institutions and organizations after being elected as a member, except as a faculty member;

e) I am a resident in Türkiye pursuant to the Income Tax Law no. 119, dated December 31, 1960, and December 29, 1960;

f) I have the strong ethical standards, a professional reputation, and the experience required to contribute to the Company's activities, maintain impartiality in conflicts of interest between the Company and the shareholders, and make decisions freely by considering the rights of the stakeholders;

g) I can devote sufficient time to company affairs to follow the operation of the Company's activities and duly fulfill the requirements of the duties I have undertaken;

h) I have not been a member of the Company's Board of Directors for more than six years within the last 10 years;

i) I do not serve as an Independent Board Member at more than three of the companies in which the Company or the partners holding the management control of the Company have managerial control, and in more than five of the companies listed on the stock exchange;

j) I am not registered and announced in the name of the legal person elected as a Board Member.

ZEYNEP YALIN UZUN

Statements of Independence

March 15, 2024

I hereby declare that I am a candidate to serve as an "Independent Member" on the Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi ("Company") Board of Directors according to the criteria set forth in the Company's Articles of Association and the Corporate Governance Communiqué No. İ-171 announced by the Capital Markets Board (CMB), in this context:

a) I, my spouse, or my relatives by blood or marriage have not had an employment relationship in a managerial position where important duties and responsibilities would be assumed in the last five years, have not owned more than 5 percent of any capital or voting rights or privileged shares by ourselves or with someone else, and have not established any significant commercial relationships with the Company or the partnerships under the control or significant influence of the Company, or partners holding the managerial control of or exerting significant influence in the Company or legal entities over which these partners have managerial control;

b) Within the last five years, I have not held a partnership stake of 5 percent or greater, have not assumed a management position where I would have important duties and responsibilities, or have not been a Board Member at companies which the Company has procured products and services from or sold products or services to, especially the services of auditing (including tax audit, legal audit and internal audit), rating and consultancy, as part of a contractual relationship, during the times these transactions took place;

c) I have the professional education, knowledge and experience required to fulfill the duties I will undertake as an Independent Board Member;

d) In compliance with the legislation, I will not be working full-time in public institutions and organizations after being elected as a member, except as a faculty member;

e) I am a resident in Türkiye pursuant to the Income Tax Law no. 139, dated December 31, 1960, and December 19, 1960; f) I have the strong ethical standards, a professional reputation, and the experience required to contribute to the Company's activities, maintain impartiality in conflicts of interest between the Company and the shareholders, and make decisions freely by considering the rights of the stakeholders;

g) I can devote sufficient time to company affairs to follow the operation of the Company's activities and duly fulfill the requirements of the duties I have undertaken;

h) I have not been a member of the Company's Board of Directors for more than six years within the last 10 years;

i) I do not serve as an Independent Board Member at more than three of the companies in which the Company or the partners holding the management control of the Company have managerial control, and in more than five of the companies listed on the stock exchange;

j) I am not registered and announced in the name of the legal person elected as a Board Member.


BERNA AKÇÖZ ÖGÜTStatements of Independence

March 15, 2024

I hereby declare that I am a candidate to serve as an "Independent Member" on the Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi ("Company") Board of Directors according to the criteria set forth in the Company's Articles of Association and the Corporate Governance Communiqué No. İ-171 announced by the Capital Markets Board (CMB), in this context:

a) I, my spouse, or my relatives by blood or marriage have not had an employment relationship in a managerial position where important duties and responsibilities would be assumed in the last five years, have not owned more than 5 percent of any capital or voting rights or privileged shares by ourselves or with someone else, and have not established any significant commercial relationships with the Company or the partnerships under the control or significant influence of the Company, or partners holding the managerial control of or exerting significant influence in the Company or legal entities over which these partners have managerial control;

b) Within the last five years, I have not held a partnership stake of 5 percent or greater, have not assumed a management position where I would have important duties and responsibilities, or have not been a Board Member at companies which the Company has procured products and services from or sold products or services to, especially the services of auditing (including tax audit, legal audit and internal audit), rating and consultancy, as part of a contractual relationship, during the times these transactions took place;

c) I have the professional education, knowledge and experience required to fulfill the duties I will undertake as an Independent Board Member;

d) In compliance with the legislation, I will not be working full-time in public institutions and organizations after being elected as a member, except as a faculty member;

e) I am a resident in Türkiye pursuant to the Income Tax Law no. 139, dated December 31, 1960, and December 19, 1960;

f) I have the strong ethical standards, a professional reputation, and the experience required to contribute to the Company's activities, maintain impartiality in conflicts of interest between the Company and the shareholders, and make decisions freely by considering the rights of the stakeholders;

g) I can devote sufficient time to company affairs to follow the operation of the Company's activities and duly fulfill the requirements of the duties I have undertaken;

h) I have not been a member of the Company's Board of Directors for more than six years within the last 10 years;

i) I do not serve as an Independent Board Member at more than three of the companies in which the Company or the partners holding the management control of the Company have managerial control, and in more than five of the companies listed on the stock exchange;

j) I am not registered and announced in the name of the legal person elected as a Board Member.


MUTLU ERTURAN



Corporate Governance Principles Compliance Statement

Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. ("Doğanlar Furniture Group") operates pursuant to the Corporate Governance Principles published by the Capital Markets Board ("CMB") (6-171). Doğanlar Furniture Group conducts its relations with shareholders, employees, customers, and all relevant parties through effective management and oversight, embracing core corporate governance principles of accountability, fairness, transparency, and responsibility.

The Group adheres to all mandatory principles outlined in the Corporate Governance Communiqué no. 6-171 and follows the majority of the recommended non-mandatory principles. While striving for full adherence to the non-mandatory Corporate Governance Principles, the Group acknowledges that practical challenges and discrepancies between some principles and the current market and Company structure have prevented achieving this objective. We are currently working on the principles yet to be implemented and will enact them once the necessary administrative, legal, and technical frameworks are established, facilitating the Company's effective management.

The Company's Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023, have been prepared in accordance with the presentation principles set forth by the CMB's resolution no. 2/19 dated January 10, 2019, and the CMB's Corporate Governance Communiqué no. 6-171. Doğanlar Furniture Group's Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023, are available on the Company's corporate website (www.doganlarmobilyagrubu.com) under the heading "Corporate Governance/Corporate Governance Principles Compliance Report" as well as on the Public Disclosure Platform's website (tdp.gov.tr).

General Assembly Meetings

The General Assembly meetings of our Company are organized in strict adherence to the guidelines specified under the "General Assembly" section of the Corporate Governance Principles, the Turkish Commercial Code, and the Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Turkish Ministry of Trade Representatives to Be Present at These Meetings.

Upon the announcement of the General Assembly Meeting on the website of our company, the notifications and explanations required by the legislation, as well as all other matters that are required to be included by the Corporate Governance Principles are announced to the shareholders in accordance with the principles.

As such:

- We published on the corporate website the total number of shares, which shows the Company's share structure, and information on the right to vote, on the General Assembly Meeting announcement date.
- We prepared the General Assembly agenda by putting each proposal under a separate title and describing the agenda item headings clearly to prevent misinterpretations. Care has been taken to avoid the use of phrases such as "other" or "miscellaneous" in the agenda. The information provided prior to the General Assembly meeting is posted based on the agenda items.
- During preparation of the Ordinary General Assembly agenda, there were no matters that the shareholders requested in writing from the Company's Investor Relations Department to add to the agenda items. Similarly, the shareholders, the CMB, or other organizations and institutions related to the Company did not request any items to be included on the agenda.

- The meeting method of the General Assembly aims to achieve maximum participation from the shareholders. We hold General Assembly meetings to prevent any inequality between the shareholders. General Assembly meetings are held at the Company headquarters.

The 2022 Ordinary General Assembly meeting held on May 2, 2023, and the Extraordinary General Assembly meeting held on August 8, 2023, were held in Istanbul, where the Company headquarters is located, in accordance with the Company's Articles of Association. The Company's Articles of Association allow the meetings to be held at other locations of the city where its headquarters is located.

- The meeting chair made the necessary arrangements and obtained the essential information prior to running the General Assembly pursuant to the TOC, the applicable law, and the relevant legislation.

- The meeting chair endeavored to ensure agenda items were handled in a clear and understandable way during the Ordinary General Assembly. Shareholders were given equal opportunity to express their views and ask questions. The meeting chair ensured that the shareholders' questions, except those that fell into the category of trade secrets, were answered directly by the General Assembly.

- Executive Board Members, at least one other Board Member and a representative of the independent audit company participate in the General Assembly meetings. Additionally, those with responsibilities relating to the agenda items and those who need to make statements are required to be present. If those other than the ones required to be present by the law cannot attend the meeting, the chair submits to the General Assembly their reason for not being present. The CMB resolution no. 4/19 dated February 1, 2013, applies in this regard. Our shareholders, our Chairman of the Board of Directors, members of the Board of Directors, the CEO of the Company, the Independent Auditor, and employees of the Company participated at the Ordinary General Assembly with regard to the 2022 fiscal year.

The 2022 Ordinary General Assembly meeting was held on May 2, 2023, at 10:30 a.m. at Kavaklı Mah. Entürk Sk. No: 3/1 Ç Kapi No: 1 Beykoz/Istanbul. At the General Assembly Meeting, 17,737,970,967 shares out of the 35 billion shares, which accounted for the Company capital on that date, were represented.

On August 8, 2023, the Extraordinary General Assembly meeting was held at 10:30 a.m. at İskitape Mah. İbriha Tanager Caddesi No: 107 Masape/Istanbul. At the General Assembly Meeting, 17,581,372,647 shares out of the 35 billion shares, which accounted for the Company capital on that date, were represented.

Agenda item questions by shareholders that attended the meeting personally or by proxy were answered during the meeting. Meeting minutes and a list of attendees were disclosed to the public through the TDP on the same day. Meeting minutes and a list of attendees are available for the shareholders on the corporate website.

Pursuant to Article 12 of the Articles of Association, the General Assembly determines the upper limit of donations. Any donation exceeding such a limit is prohibited, and the donations made will be added to the distributable profit base. The Company's donations must not violate the Capital Market Law's ban on illegal transfer pricing, the Turkish Commercial Code (TOC), or any other applicable laws. Material event disclosures are required, and shareholders must be informed about donations at the General Assembly. At the May 2, 2023, General Assembly Meeting, it was reported that the company donated 100,000 Turkish Lira in 2022, and the upper limit for donations and aids was designated as 6 million Turkish Lira for 2023. Meeting minutes of the General Assembly, including for past years, are available on the corporate website on www.doganlarmobilyagrubu.com.



Voting and Minority Rights

The Company avoids practices that make it hard for the shareholders to vote. It puts in place the mechanisms necessary to provide each shareholder to exercise the right to vote in the easiest and most appropriate way. According to subparagraph 3 of Article 10 of the Company's Articles of Association regarding Electronic Attendance to the General Assembly Meeting, the right holders who are entitled to attend the General Assembly Meetings of the Company under the "Regulation on General Assembly Meetings of Joint Stock Companies to be Held Electronically" may attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. At the 2022 Ordinary General Assembly meeting, in accordance with this provision of the Articles of Association, it was ensured that the right holders and their representatives could exercise their rights specified in the aforementioned regulation through the system established.

There are no privileged shares and thus no voting shares in the Company's Articles of Association. Each share has one vote. The partnership structure of the Company does not include a legal entity with which it has a mutual affiliate relationship. There is no regulation on minority shares to be represented in the management. The Articles of Association does not include a cumulative voting method.

Transfer of Shares

The Company's Articles of Association does not have a provision that restricts the transfer of shares. The transfer of the Company's shares is carried out in accordance with the Turkish Commercial Code, capital markets legislation and other relevant legislation. Shares may be transferred outside of the stock exchange without restrictions. No restrictions may be imposed on the transfer of shares traded and to be traded on the stock exchange.

When the Company buys back its shares, it follows capital markets legislation and other relevant laws and ensures that all necessary material event disclosures are made.

Public Disclosure and Transparency

Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. strives to make all legislated disclosures to the public. The Company pursues an active and transparent disclosure policy. It complies with the Capital Market Law in all public disclosure practices and aims to employ the most effective communication policy within the scope of the CMB Corporate Governance Principles.

The Company's Articles of Association sets forth the information, other than that required by the legislation, to be disclosed to the public; the frequency and method of the disclosure; the approach to responding to the questions sent to the Company; and other matters.

The information to be made public pursuant to the Public Disclosure and Transparency principle is disclosed on the "Public Disclosure Platform" at the www.kap.org.tr address and on the corporate website on www.doganlarmobilyagrubu.com on time, in full, and in a comprehensible, interpretable and low-cost manner to help in decision-making by the individuals and institutions that will benefit from the disclosure.

There were 28 material event disclosures made in the year in accordance with the CMB regulations. All of the material event disclosures were made on time and published on our website.

The Disclosure Policy is available on the corporate website.

Corporate Governance Principles Information Form and Compliance Report

The Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023 are available on the Company's corporate website (www.doganlarmobilyagrubu.com) under the heading "Corporate Governance/Corporate Governance Principles Compliance Report" as well as on the Public Disclosure Platform's website (kap.gov.tr).



Information on Risk Management and Internal Control Mechanism Practices

The Board of Directors has established a risk management and internal control mechanism. All possible risks are periodically reviewed by the Audit Committee and the Early Detection of Risk Committee, which are composed of members of the Company's Board of Directors.

Doğanlar Furniture Group's internal audit activities are conducted by the Audit Department with contributions from all employees. Internal audits aim to:

- Protect tangible and intangible assets of Doğanlar Furniture Group;
- Ensure that activities comply with both internal and external legislation;
- Strengthen internal control processes to increase effectiveness and efficiency in business processes;
- Ensure that corrective measures are taken in a timely manner.

Internal audits are conducted under the quarterly Audit Plan/Calendar prepared by the Audit Department and updated periodically.

Findings, opinions, and suggestions from internal audits are first shared with practitioners, then evaluated and reported. After the report, a Corrective/Preventive Action Meeting (CPA) is scheduled within the set period to identify the action, the responsible person, and the target completion date for each finding. This approach ensures quick adoption and implementation of necessary corrective and preventive measures, along with rapid execution of suitable, feasible solutions that enhance processes and activities. All activities are continuously monitored and evaluated by the Company management and the internal audit unit, as well as the process owners. The Board of Directors and the Audit Committee are periodically informed about the Internal Control System and Internal Audit activities.

The Doğanlar Furniture Group Risk Management and Internal Audit System is structured to ensure that all financial and operational risks related to the activities are kept under control and at a reasonable level at all times.

Doğanlar Furniture Group's main financial risks can be summarized as follows: The Company'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 Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a) Credit Risk

The Company is exposed to credit risk through its trade receivables from forward sales and deposits held at banks.

Credit risk is managed at the company level, except for the credit risk of trade receivables. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits held at banks, as well as from credit exposures to wholesale and retail customers, including outstanding receivables and promissory transactions. The Company Management evaluates the credit quality of its customers by taking into account their financial position, past experience and other factors. The Company continuously monitors the utilization of these credit lines to ensure that there is no collection loss on the trade receivable balances of the customers.

b) Liquidity Risk

Liquidity risk encompasses risks related to the inability to finance asset growth, the inability to settle maturing liabilities, and the transactions made in illiquid markets. As part of liquidity risk management, the Company diversifies its funding sources, maintains sufficient cash and cash equivalents, and ensures that the total amount of cash and cash equivalents does not fall below a predetermined level of short-term liabilities to meet a sudden cash requirement.

c) Currency Risk

The Company faces foreign exchange risk due to the need to convert liabilities and receivables denominated in foreign currencies into Turkish lira. This foreign currency risk is monitored by analyzing the foreign currency position. The Company is primarily exposed to foreign currency risk in USD and EUR.

d) Derivative financial instruments

The Company implements a fair value risk hedging policy to protect its trade receivables, trade payables and financial borrowings from exchange rate turbulence on the markets.

Private and Public Audits in 2023

Two independent audits were carried out in 2023, and no negative circumstances were reported. There were no public audits during the period.



Statement of Responsibility

Our consolidated financial statements for the period January 1, 2023–December 31, 2023, which were approved by the decision of our Board of Directors and prepared in accordance with the Capital Markets Board Communiqué no. 3-16.1, and the Annual Report of the Board of Directors are attached hereto.

In line with the Capital Markets Board regulations, regarding the Consolidated Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in the Shareholders' Equity, and Annual Report together with their footnotes, Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) prepared in accordance with the Capital Markets Board's decision dated January 10, 2019, and numbered 2/19, we declare that:

- They have been examined by us;
- On the basis of the information we have acquired within our areas of duties and responsibilities, they do not contain any untrue statements on significant issues or any deficiencies that, as of the date of the statement, may be misleading on significant issues;
- On the basis of the information we have acquired within our areas of duties and responsibilities, we believe that the Consolidated Financial Statements prepared in accordance with the applicable financial reporting standards reflect the truth in respect of the assets, liabilities, financial position, and profit and loss of the Company in a fair manner and that the Annual Report fairly reflects the progress and performance of the business and the consolidated financial position of the Company together with the significant risks and uncertainties that it faces.

Respectfully,

Committee Chair
MUTLU ERTURAN

Committee Member
BERNA AKYÜZ ÖGÜT

Auditor's Report on the Early Detection of Risk System and Committee

AUDITOR'S REPORT ON THE EARLY DETECTION OF RISK SYSTEM

AND COMMITTEE

To the Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi Board of Directors

We have audited the early detection of risk system and committee established by Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi.

Responsibility of the Board of Directors

Pursuant to the first paragraph of Article 378 of the Turkish Commercial Code No. 6102 (TCC), the Board of Directors must form a specialized committee to promptly identify threats to the Company's existence, growth, and continuity, implement necessary measures and remedies, manage risks, and operate and enhance the system.

Auditor's Responsibility

Our responsibility is to reach a conclusion on the early detection of risk system and committee based on our audit. Our audit was conducted in accordance with the Turkish Commercial Code, the "Principles Regarding the Auditor's Report on the Early Detection of Risk System and Committee" published by the Public Oversight, Accounting and Auditing Standards Board, and ethical rules. These Principles require us to determine whether the Company has established an early detection of risk system and committee, and, if so, to assess whether the system and committee function within the framework of Article 378 of the TCC. The appropriateness of the measures taken by the Early Detection of Risk Committee against risks and the actions taken by the management in response to risks are not within the scope of our audit.

Information on the Early Detection of Risk System and Committee

The Company established the committee on March 26, 2019, and it consists of three members. In 2023, the Committee convened six times regarding the early identification of threats to the existence and development of the Company, the implementation of necessary measures and remedies in this regard, and the management of risks, and submitted its reports to the Board of Directors.

Conclusion

As a result of our audit, we have concluded that the early detection of risk system and committee of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi are adequate in all material respects in accordance with Article 378 of the TCC.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

Metin ETKİN
Responsible Joint Chief Auditor
Istanbul, May 14, 2024



Annual Report Compliance Opinion

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Doğanlar Maliye Grubu İmalat Sanayi ve Ticaret A.Ş.

A Qualified Opinion

We have audited the consolidated financial statements of Doğanlar Maliye Grubu İmalat Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of other 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, except for the adjustments that may be required as a result of the matters set out in paragraphs 1 and 2 and the effect of the matter set out in paragraph 3 of the Basis for the qualified opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

The Basis for the Qualified Opinion

As explained in footnote 23 of the accompanying consolidated financial information as of December 31, 2023, in the consolidated statement of financial position, a receivables balance was generated as a result of the Group's activities. The overdue balance totals 129,600,317 Turkish lira and has been outstanding for over 180 days and longer from non-related parties. In addition, in the period between January 1-December 31, 2023, the Group management has recognized foreign exchange gain amounting to 49,881,427 Turkish lira in other operating income account due to the bankruptcy of these trade receivables denominated in foreign currencies, which were significantly overdue with a delay of 180 days or longer. Adequate audit procedures were not performed to determine whether there is any impairment in the receivable amounts. Accordingly, it is not possible to determine whether any adjustment with respect to this amount is necessary.

In the consolidated statement of the Group's financial position as of December 31, 2023, the Group has dead stocks amounting to 30,010,744 Turkish lira that have been returned from sales in 2017. Adequate audit procedures were not performed to determine whether there is any impairment in these dead stocks. Accordingly, it is not possible to determine whether any adjustment with respect to the recoverability of this amount is necessary.

As explained in Note 11 of the accompanying consolidated financial information, the Group management considers Doğanlar Holland B.V., Doğanlar Bulgaria EOOD, and Doğanlar Germany GmbH, subsidiaries of the Group, to be non-material for the consolidated financial information and classifies them as financial assets. Since the financial assets amounting to 89,283,765 Turkish lira, which are accounted for at cost value as of December 31, 2023, are operating on a limited basis and their total net asset value is eroded, in accordance with TFRS 9 "Financial Instruments" Standard, an impairment provision amounting to 89,283,765 Turkish lira should be recognized in the opening consolidated balance sheet as of January 1, 2015 for the entire carrying value of these financial assets. Accordingly, if the Group had recognized the related impairment loss in the consolidated financial statements, the Group's financial assets would have been lower by 89,283,765 Turkish lira and accumulated losses would have been higher by 89,283,765 Turkish lira.

We performed our independent audit per the standards on auditing issued by the Capital Markets Board of Türkiye ("CMB") and the Turkish Standards on Auditing ("TSAK"), which are part of the Turkish Auditing Standards, issued by the Public Oversight, Accounting and Auditing Standards Board ("YOK"). Our responsibilities under these standards are explained in detail in the section of our report titled "Independent Auditor's Responsibilities Related to the Independent Audit of the Annual Report." We declare that we are independent of the Group following the Code of Ethics for Independent Auditors ("Code of Ethics") published by the Public Oversight, Accounting and Auditing Standards Board and the ethical provisions contained in the related regulation concerning independent auditing. We have fulfilled the Ethical

Rules and other ethical responsibilities under the regulation. We believe that the independent auditing evidence we acquired during the independent audit provides a sufficient and appropriate basis for the formation of our qualified opinion.

Our Audit Opinion on the Full Set of Consolidated Financial Statements

We have expressed a qualified opinion in our auditor's report dated May 16, 2024, regarding the Group's full set of consolidated financial statements for the fiscal period January 1, 2023, to December 31, 2023.

Responsibility of the Board of Directors with Respect to the Annual Report

In accordance with Articles 5K and 5L6 of the Turkish Commercial Code no. 6102 ("TCC") and Capital Markets Board Communiqué no. 8.1-KC on the Principles of Financial Reporting in Capital Markets ("the Communiqué"), the Group management is responsible for the following in relation to the annual report:

- Prepares the annual report within three months following the balance sheet date and presents it to the General Assembly;
- Prepares the annual report in a way that reflects the Group's flow of operations and its consolidated financial situation in every aspect, accurately, completely, directly, truthfully and fairly. In this report, the financial position is evaluated according to the consolidated financial statements. In the report, the progress of the Group is discussed and potential risks that the Group is likely to encounter are also clearly flagged. The evaluation of the board of directors on these matters is also included in the report.
- The annual report also includes the following matters:
 - > Events within the Group that carry special significance and take place after the end of the year of activity;
 - > The Group's research and development work;
 - > Financial benefits such as salaries, premiums and bonuses paid to board members and top-level managers, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurance and similar warranties.

When preparing the annual report, the board of directors also takes into account the secondary legislative arrangements made by the Ministry of Trade and related institutions.

Responsibility of the Independent Auditor for the Independent Audit of the Annual Report

Our objective is to determine if the consolidated financial information in the Board of Directors' annual report and the Board's assessments, based on the audited financial statements, are truthful and align with the audited consolidated financial statements and the information gathered during the independent audit in all material aspects. We aim to provide an opinion on the issue and prepare a corresponding report. We conducted our audit in accordance with the CMB standards on auditing as well as the Turkish Standards on Auditing. Those standards require that the independent audit is planned and performed in compliance with ethical rules to obtain reasonable assurance as to whether the consolidated financial information in the annual report and the Board's assessments based on the audited financial statements are consistent with the consolidated financial statements and the information obtained during the audit and whether they reflect the truth.

GÖRELLİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL



Contact

Trade Name: Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi

Headquarters: Idealtepe Mahallesi Rifki Tongsir Caddesi No.: 107 Maltepe, İstanbul

Factories:

Düzce Factory

Address: Ankara Yolu Üzeri 9. km, Doğanlı Köyü, 81100 Düzce

Biga Factory

Address: İdriskoru Köyü, Hacivenez Mevkii, No.: 29 Biga, Çanakkale

Senegal Factory

Address: En Face Du Marche D'intérêt National, D Afric Senegal Furniture, Diamniadio/Dakar

FOREIGN SUBSIDIARIES

Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti.

Address: Atatürk Cad., Yağmur Sok., No.: 141A, Yenikent, Gönyeli, Lefkoşa/KKTC

Doğtaş Kelebek Mobilya Senegal Ltd. Şti.

Address: En Face Du Marche D'interet National, Diamniadio, Dakar Senegal

Dogtas Furniture USA INC.

Address: 385 Route, 17 South, Paramus, New Jersey, USA

Kelebek Furniture UK Limited

Address: 293 Green Lanes, London, England, N13 4xs

Trade Registry No.: 21271-0

Mersis No.: 0542005583700010

Paid-in Capital: 350,000,000

Registered Capital Ceiling: 500,000,000

Tax Administration: Large Taxpayers

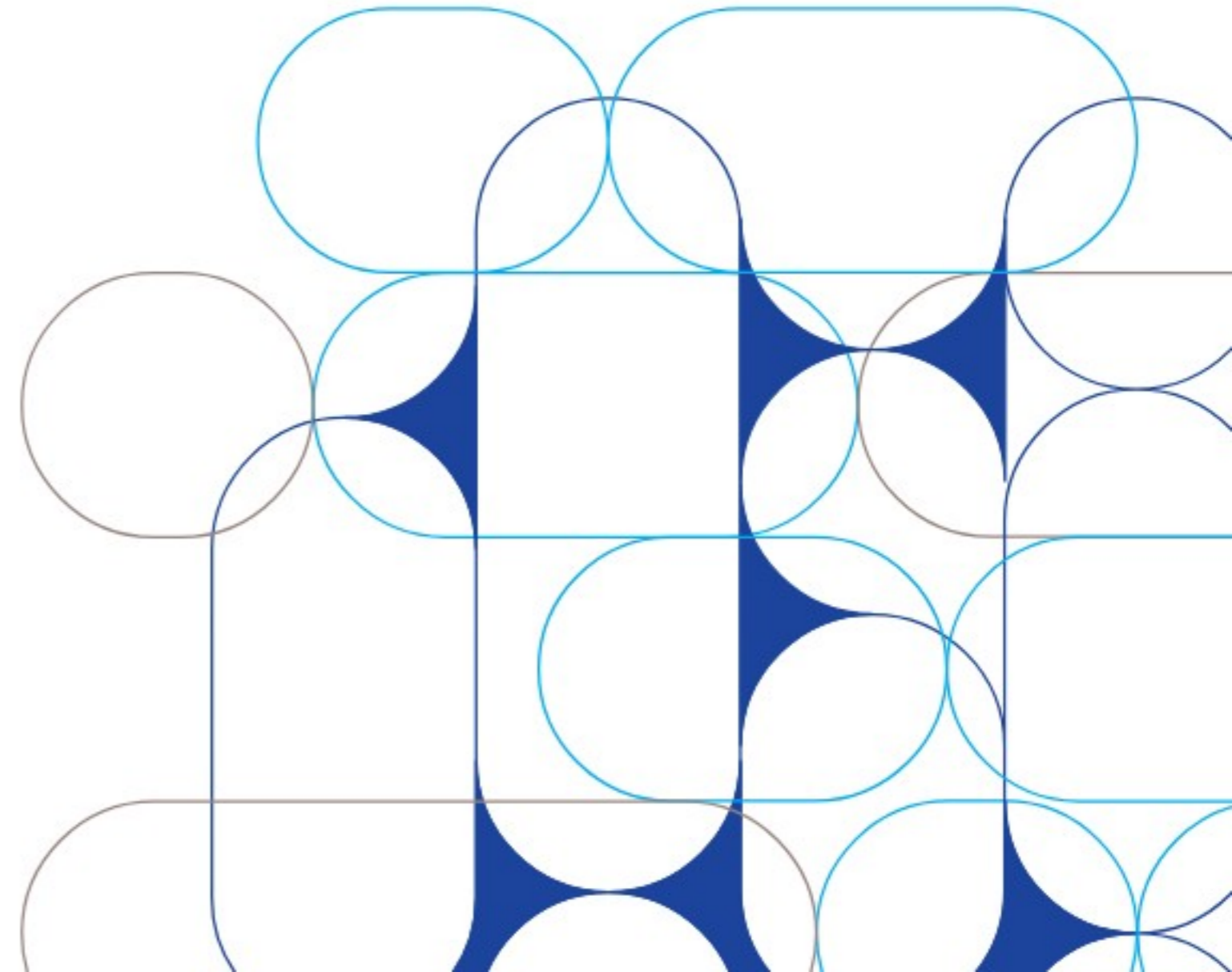
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 Kelebek

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