



Quality in Every Detail,
a Better Future in Every Step



2024 Annual Report



DOĞANLAR
FURNITURE GROUP



2024 Annual Report

Stakeholder Production
Sustainability
Innovative Solutions
Employee Value Chain
Nature Future



DOĞTAŞ

Kelebek

Kelebek
KITCHEN - BATHROOM

lova
sleep

ruumstore

BiGA
HOME

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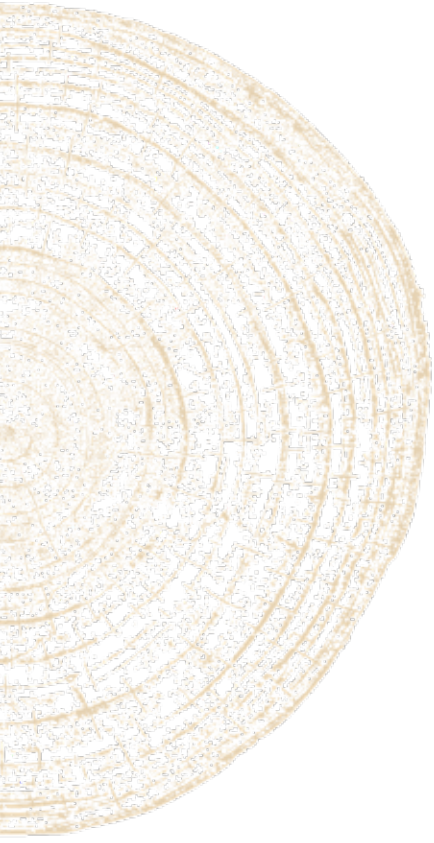
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Carrying Stronger Momentum Into 2025

Doğanlar Furniture Group continues to shape the future with its deep-rooted strength. What began in a small workshop in 1972 has now transcended the Turkish furniture industry, evolving into a global success story. Doğanlar Furniture Group's unique designs, innovative solutions, and commitment to quality are now featured in living spaces across the globe.



2025: The Year of Sustainable Growth and Innovation

Doğanlar Furniture Group's biggest New Year's resolution is to strengthen its focus on sustainability, innovation, and global expansion. As we grow our export network, now reaching 60 countries, we stay aligned with modern commerce trends through investments in digitalization and online sales strategies.

In 2025, we will implement solutions that address local needs and embrace an environmentally friendly production approach, aiming to transform both the industry and our products. Each of our new collections will showcase our commitment to offering customers products that are not only aesthetically pleasing but also functional and sustainable.





Innovative and Strong Steps

Leadership in Design: Through investments in R&D and innovation, we provide original, functional furniture designs in both Türkiye and global markets.

A Greener Future: We bring the "Furniture of the Future" vision to life through production processes that minimize environmental impact and utilize natural resources efficiently.

Digitalization and E-Commerce: With a digital infrastructure designed to maximize the consumer experience, we ensure our customers can reach us anytime, anywhere.



We Aspire to Inspire

We aim to build a better future for humanity and the planet, while beautifying living spaces with every step we take.

Drawing on its innovative spirit, Doğanlar Furniture Group will continue to lead the industry's transformation and remain a cornerstone of quality and design.





“Quality in Every Detail,
a Better Future in Every Step”

In 2025, Doğanlar Furniture Group is committed to achieving growth, making a difference, and reinforcing its leadership in the industry with its responsible furniture approach.

Together with you, we continue designing the future!

Innovation and Inspiration

At Doğanlar Furniture Group, we prioritize innovation and a balance of aesthetics in all our designs. By thoroughly analyzing our customers' needs, we provide solutions for functional and inspiring living spaces. Our collections adapt to changing lifestyles with smart technologies and modular designs, bringing the homes of the future into the present through the use of sustainable materials. Together with you, we proudly add a unique touch to every space.



Quality in Every Detail,
a Better Future in Every Step



From Management

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Message from the Chairman

Dear Stakeholders,

We are excited and proud to share Doğanlar Furniture Group's 2024 Annual Report with you. Once again this year, we maintained our strong and established position in the furniture industry. Here, we present an overview of the past year and outline our strategic goals for the future.

The year 2024 was marked by both global and local challenges for everyone. Inflationary pressures and global uncertainties posed difficulties for the business world. However, Doğanlar Furniture Group successfully navigated these challenges through strong financial performance and strategic decision-making. Maintaining our leading position in the furniture industry, one of Türkiye's top export industries, we remained adaptable and continued to develop high-value, innovative solutions.

Prioritizing customer satisfaction, we stand out in the industry with sustainable, high-quality products. Our key investments in 2024 reflect our commitment to R&D, innovation, sustainability, and quality. Further advancing our design, technology, and production processes, we strengthened our competitive position both domestically and internationally. These efforts have propelled our global brands to strong positions on the world stage. We believe our employees and stakeholders are the foundation of our success. Our corporate culture is naturally built on supporting employee development, well-being, and motivation at the highest level. Through training and social programs, we empower our employees to reach their full potential. Additionally, we aim to grow with our stakeholders by maintaining transparent, sustainable, and trust-based relationships.

Doğanlar Furniture Group leads the industry and plays a key role in contributing to the Turkish economy. We progress steadily towards our mission of making Türkiye a global powerhouse in the furniture industry. Looking ahead to 2025, we move forward with ambitious goals and a firm strategy. I extend my heartfelt gratitude to our dedicated employees, valued customers, and business partners who have supported us throughout this journey. With your support, I am confident that we will achieve a stronger, more innovative, and more successful future together.

Adnan Doğan
Doğanlar Furniture Group
Chairman

Message from the CEO

Dear Stakeholders,

In 2024, we at Doğanlar Furniture Group leveraged our determination, dedication, and strategic management to deliver a strong performance. However, this achievement is much more than just numbers. It is the result of a vision driven by sustainable growth, operational excellence, and innovation. Our efficiency-driven approach enables us to prioritize long-term profitability, customer satisfaction, and loyalty.

For us, 2024 was a year of significant progress. We expanded our sales network to 795 locations, including 685 domestic and 110 international points, achieving an 9% growth in sales points compared to the previous year.

We worked on extensive projects in digital infrastructure, sustainability, capacity expansion, brand development, and operational efficiency. While preparing for the implementation of SAP HANA in 2025, we successfully launched robotic process automation (RPA), MES production data collection, and IoT/SCADA projects.

This year, we distributed our first-ever dividend. We also introduced the first end-to-end qualified delivery project in the Turkish furniture industry, improving logistics optimization and customer satisfaction.

With a mission to combine design, aesthetics, and comfort, our six brands add value to every living space. Doğtaş, Kelebek Furniture, Kelebek Kitchen and Bathroom, Lova Sleep, Ruumstore, and BIGA Home offer high-quality products and develop innovative solutions that set an example for the entire industry. Across our 459,375 square meters of manufacturing facilities in Biga, Düzce, and Senegal, we integrate technology and innovation to optimize furniture production. Our commitment to eco-friendly and sustainable production is embedded in all our processes.

Pursuing our sustainability vision, we continue to lead the industry with pioneering projects. In previous years, we established a Sustainability Office and completed our corporate carbon footprint report. In 2024, we announced and digitally launched our first sustainability report. We also completed the solar energy investments initiated last year, installing 2,992 kWp capacity at our Doğtaş Biga Plant and 4,956.6 kWp at our Kelebek Düzce Plant. Furthermore, we completed and commissioned machinery and technology upgrades across our production facilities.

We distinguish ourselves in the industry through our meticulous attention to detail and passion for quality. Every component in our production, from fabrics to wooden panels and spring systems to accessories, is carefully selected to meet sustainability and quality standards. Operating from 137,000 square meters of logistics centers in Türkiye and 6,000 square meters of warehouse space abroad, we ensure a robust supply chain and distribution network.

At Doğanlar Furniture Group, we advance steadily and with strength, empowered by the support of our stakeholders and the dedication of our employees. We are motivated by your trust to do better every day.

Kind regards,

İsmail Doğan
Doğanlar Furniture Group
Board Member & CEO

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 is currently studying at Istanbul University's Faculty of Philosophy. After retiring from civil service in 1986, Doğan entered the industrial sector by founding Doğtaş A.Ş. with his brothers in 1987 and launching its production facilities in 1988. He also expanded into the construction and renewable energy industries by establishing Kelebek Mobilya in 2012, and Biotrend Enerji in 2017 to focus on alternative energy.

Standing out in sectoral leadership, Doğan founded the Association of Turkish Furniture Manufacturers (MOSDER) in 2003 and served as the Chairman of MOYKON and MOYSAD. He served as Chairman of the Furniture Industry Board of the Union of Chambers and Commodity Exchanges (TOBB) for 10 years and was named the "Most Productive Businessman of the Year" by the National Productivity Center in 2007. He taught entrepreneurship lectures at Çanakkale Onsekiz Mart University from 2002 to 2005 and received an Honorary Doctorate in Business Administration from the same university in 2024. Sharing his experiences in three books titled "Projection," "My Experiences in Business," and "You Can't Get Rich Without Finding Gold," Doğan currently oversees the strategic management of the furniture group as Chairman of Doğanlar Holding, while also supporting innovative initiatives as an angel investor.



Adnan Doğan
Chairman

Born in 1963 in the Biga, Çanakkale, Adnan Doğan completed his primary and secondary education in Biga and then studied at the Commercial High School. In 1987, he founded Doğtaş A.Ş. with his brothers. He is currently the Deputy Chairman and CEO of Doğanlar Holding, Chairman of the Board of Directors of Doğanlar Furniture Group and Board Member of Biotrend Energy. Mr. Doğan is a member of the Biga Industrial Businessmen's Association and is married with one child.



Şadan Doğan
Vice-Chairman

Şadan Doğan was born in Biga, Çanakkale, in 1965, where he completed his primary and secondary education. Doğan played a crucial role in launching the DOĞTAŞ 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 Chairman of the Board of Directors of Biga TSO and 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 Türkiye (TOBB).



İsmail Doğan
Board Member & CEO

Born in 1968 in Biga district of Çanakkale, İsmail Doğan graduated from Biga Trade Vocational School. He worked as Production Manager and Factory Manager at Doğtaş Doğanlar Furniture Manufacturing Energy Production Industry and Trade Inc. Between 2004 and 2012, he served as General Manager at Doğtaş Doğanlar Furniture Manufacturing Energy Production Industry and Trade Inc. He served as the Chairman of the Board of Directors of the Turkish Furniture Manufacturers Association-MOSDER between 2016 and 2017. He served as a member of the Board of Directors at Doğanlar Holding Inc. between 2012 and 2022. Between 2012 and 2022, he served as a member of the Board of Directors at Doğanlar Holding A.Ş. He served as CEO of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. between June 2020 and April 2023 and as Chairman of the Board of Directors between April 2023 and February 2023. As of February 2025, Mr. İsmail Doğan is the CEO of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. He is also a member of the Board of Directors of Doğanlar Holding A.Ş.

Board of Directors



Mutlu Erturan
Independent Board Member

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. Erturan began his professional career in 1997 as a consultant at Yapı Kredi Bank, then held various senior management roles across different departments at IBM, a leading technology brand, from 2007 to 2015. In 2015, Erturan served as Chief Business Officer at Doğan Online, and from 2018 to 2022, as Chief Commercial Officer at Hepsiburada, one of Türkiye’s major online platforms. Mutlu Erturan is the CEO of Mage Biotechnologies, a UK-based biotechnology group.



Zeynep Yalim Uzun
Independent Board Member

After graduating from Robert College, Zeynep Yalim Uzun studied Economics and Psychology at Agnes Scott College in the USA. Over the past 15 years, Uzun has held C-level positions, gaining extensive experience in global brand, marketing, and business management. During her more than 25 year career at Unilever, one of the world’s largest fast-moving consumer goods companies, Uzun worked in Poland, Türkiye, and the UK, managing global and regional operations for various Unilever brands. She served as Vice President of Omo, Unilever’s second-largest brand, which operates in 80 countries and is based in London. Zeynep Yalim Uzun, also serves as a Board Member and Advisor at Şölen and she is on the Advisory Board of Women on Boards Adria, which works on gender equality in the business world. She serves as the Vice Chair of the Futurists Association of Türkiye, is a member of the Northwestern University Family Council, and acts as a trustee of the Koruncuk Foundation.



Berna Akyüz Öğüt
Independent Board Member

Berna Akyüz Öğüt graduated from Boğaziçi University’s Department of Business Administration in 1996 and went on to complete her Master’s degree at the same institution. In her nearly 30-year professional career, she has held senior leadership roles and gained strategic experience across various industries, including telecommunications, FMCG, and retail, both in Türkiye and global markets. For the past four years, she has ranked among the top three in Economist Magazine’s annual survey of Türkiye’s 50 Most Powerful Women CEOs. She is currently the General Manager and a Board Member of LC WAIKIKI Mağazacılık. Berna Akyüz Öğüt is married and has a daughter.

Board Members are elected in line with the criteria outlined in the Company’s Articles of Association, in accordance with the Turkish Commercial Code, the Capital Markets Legislation, and the Communiqué on Corporate Governance (II-17.1). The Board of Directors was re-elected and appointed for a three-year term at the 2021 Ordinary General Assembly held on May 16, 2022.

* At the meeting of our Board of Directors held on 04.02.2025, it was decided to re-determine the duties of the Board Members and the distribution of duties among the members was determined as follows:

Name	Role	Date of Election	Term of Office
Davut DOĞAN	Honorary Chairman and Board Member	16.05.2022	16.05.2025
Adnan DOĞAN*	Chairman, Board of Directors	04.02.2025	16.05.2025
Şadan DOĞAN	Vice-Chairman, Board of Directors	16.05.2022	16.05.2025
İsmail DOĞAN*	Member, Board of Directors and CEO	16.05.2022	16.05.2025
Berna AKYÜZ ÖĞÜT	Independent Board Member	16.05.2022	16.05.2025
Mutlu ERTURAN	Independent Board Member	16.05.2022	16.05.2025
Zeynep YALIM UZUN	Independent Board Member	16.05.2022	16.05.2025

* Our Company’s Board Member Mr. Salih Tuncer Mutlucan resigned from his board membership on 04.02.2025. The Board of Directors decided to elect Mr. Adnan Doğan to complete the remaining term of office of our resigning board member and to submit it to the approval of the general assembly at the first general assembly meeting.

Senior Management



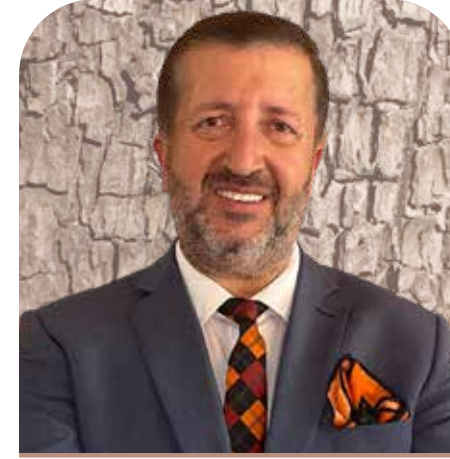
İsmail Doğan
CEO

Born in 1968 in Biga district of Canakkale, İsmail Doğan graduated from Biga Trade Vocational School. He worked as Production Manager and Factory Manager at Doğtaş Doğanlar Furniture Manufacturing Energy Production Industry and Trade Inc. Between 2004 and 2012, he served as General Manager at Doğtaş Doğanlar Furniture Manufacturing Energy Production Industry and Trade Inc. Between 2016 and 2017, he served as the Chairman of the Board of Directors of Turkish Furniture Manufacturers Association-MOSDER. Between 2012 and 2022, he served as a member of the Board of Directors at Doğanlar Holding Inc. He served as the CEO of Doğanlar Furniture Group Manufacturing Industry and Trade Inc. between June 2020 and April 2023, and as the Chairman of the Board of Directors between April 2023 and February 2023. As of February 2025, Mr. İsmail Doğan has been serving as the CEO of Doğanlar Furniture Group Manufacturing Industry and Trade Inc. and has also been serving as the Chairman of the Board of Directors of Doğanlar Holding Inc. He is a member of the Board of Directors.



Ali Demirkan
CFO

Born in 1979 in Istanbul, Ali Demirkan received his bachelor's degree in Economics from Boğaziçi University in 2001. He started his professional career as an accounting and tax specialist in 2002. With 23 years of experience in financial affairs, finance and consultancy, Demirkan's areas of expertise are USGAAP & IFRS & TRGAAP accounting, tax, treasury and cash flow management, credit and risk management, long-term strategic planning, financial control, reporting and analysis, budget processes, investor relations. He has worked 11 years in global companies based in the US and 12 years as CFO in senior management positions in leading companies in Turkey. Mr. Demirkan is married with two children and speaks fluent English. Ali Demirkan serves as CFO at Doğanlar Furniture Group.



İlhan Tunçman
DOĞTAŞ General Manager

İlhan Tunçman was born in 1970 in the Biga district of Çanakkale and completed his undergraduate education at Uludağ University, Department of Business Administration. He started his career in 1992 at Doğtaş Mobilya as a Store Manager in Çanakkale. Between 1996 and 2012, he held various roles at Doğtaş Mobilya, including Store Manager in the Aegean, Chief of Marketing and Sales, Istanbul Regional Manager, Sales Manager, Benino Brand Manager, Sales Coordinator, and Director of Marketing and Sales. From 2013 to 2016, he served as Sales Director at Yataş A.Ş. Tunçman has been serving as Doğtaş General Manager at Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. since May 21, 2018.



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 a bachelor's degree in Business Administration from Eskişehir Anadolu University in 2004. He started his career in 2001 as a Sales Team Member at Mudo Satış Mağazaları A.Ş. At Mudo, he progressed to Store Manager, Regional Director, and Türkiye Sales Coordinator, respectively. Between 2016 and 2020, he worked as the Domestic Sales Director, responsible for Retail Business Development and the Sales channel at Yataş Group – Enza Furniture. Kaya serves as the Kelebek General Manager at Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

Senior Management



Taner Kırıcı
CSO (International Markets)

Taner Kırıcı was born in Bulgaria in 1976. He completed his undergraduate education at Uludağ University, Faculty of Economics and Administrative Sciences. He started his business life in 1998 as a Customer Representative at Küçükçalık Tekstil. Kırıcı worked in the Sales Department at Renaissance Textile in New York, USA, between 2001 and 2003, contributing significantly to the company's turnover. He then served as the Regional Export Manager at Pürkim Kimya between 2003 and 2005. From 2005 to 2016, he worked as the Coordinator of Sales and Marketing at Boydak Dış Ticaret A.Ş. Kırıcı started working as Manager of International Markets (Doğtaş) at Doğanlar Furniture Group on October 1, 2016, and assumed the position of Director of International Markets (Doğtaş) in July 2020. He has been serving as CSO – International Markets at Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. since March 2024.

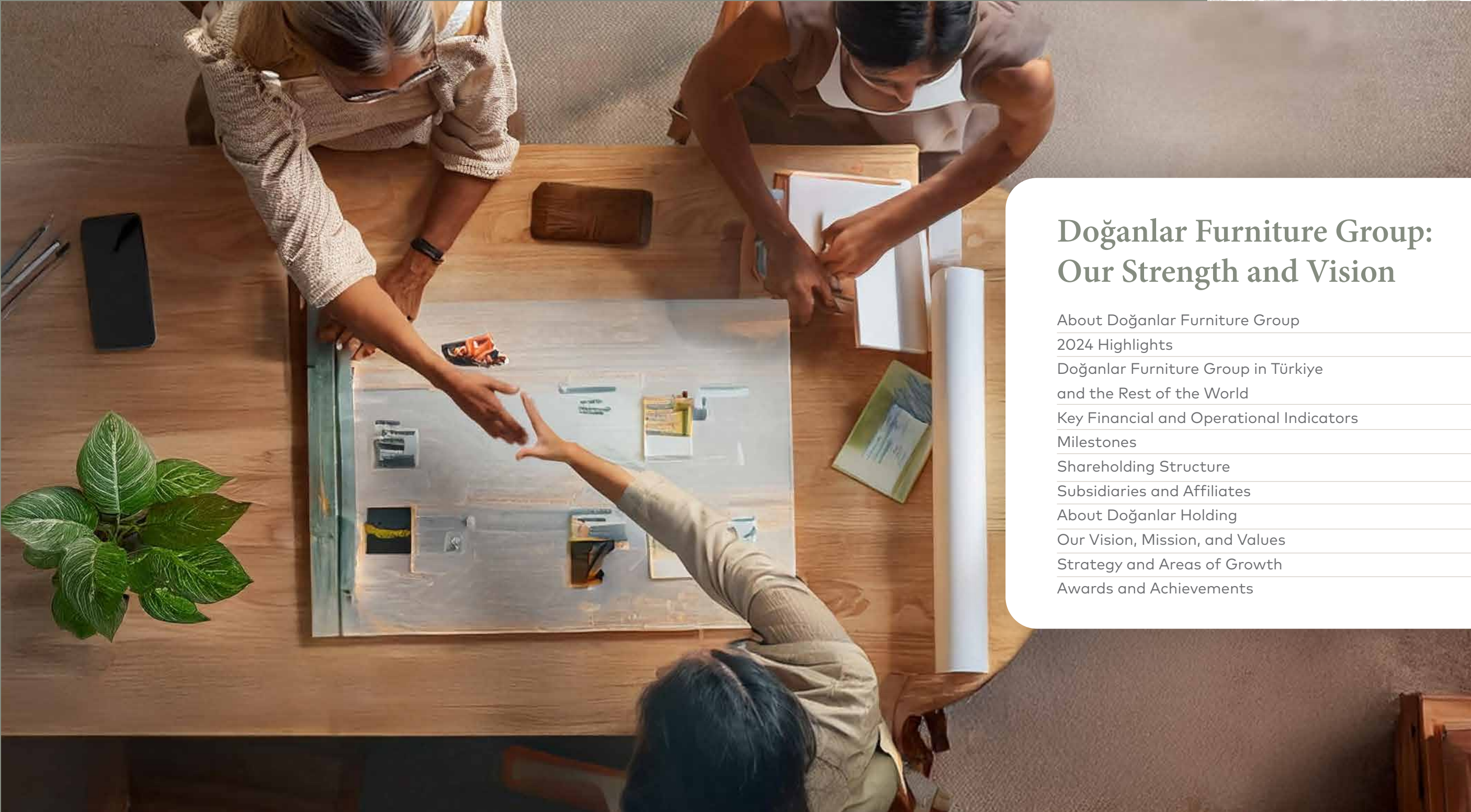


Yaşar Ramazan Çiftçi
Strategic Planning Director

Yaşar Ramazan Çiftçi obtained his bachelor's degree in Industrial Engineering and Business Administration from Kocaeli University in 2004. He then pursued a master's degree in Business Administration at 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.



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Doğanlar Furniture Group: Our Strength and Vision

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About Doğanlar Furniture Group

At Doğanlar Furniture Group, we produce furniture for the global market *under six industry-leading brands, all united by the same values and commitment to quality.*

Doğanlar Furniture Group was founded in 1972 by Hacı Ali Doğan in a modest workshop located in the Biga district of Çanakkale, and now leads the Turkish furniture industry with six brands. Having started its branding journey in 1987, Doğtaş strengthened its position in the furniture industry in 2012 by acquiring 67 percent of Kelebek Mobilya, which was founded in 1935 to manufacture plywood for aircraft wings and remains one of the most well-established industrial organizations in the history of the Republic. With the merger in 2013, Doğtaş Doğanlar Mobilya İmalat Enerji Üretim Sanayi A.Ş. and Kelebek Mobilya Sanayi ve Ticaret A.Ş. became Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş. In 2021, the company was rebranded as "Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.," or Doğanlar Furniture Group, to reflect the

individual journeys of current and future group brands. In 2021, to fortify its overseas activities and structure its global market operations, the company established Doğtaş Senegal, Doğtaş Cyprus, and Doğtaş Furniture USA Inc. In 2022, Kelebek UK was established . In 2023, the expansion continued with the acquisition and integration of D'Afric Senegal.

Operating in the furniture industry both domestically and internationally, Doğanlar Furniture Group is registered with the Capital Markets Board. Its shares have been traded on Borsa İstanbul A.Ş. under the code DGNMO since 1990. As of December 31, 2024, the company's free float rate is 50.07 percent. Through an elegantly designed store concept, Doğanlar Furniture Group enjoys an ever-expanding retail and

Doğanlar Furniture Group in Numbers

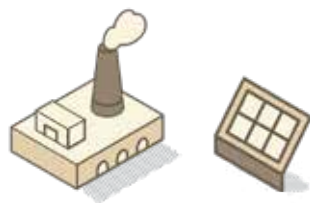
-  **6 Brands**
-  **795 Sales points in Türkiye and abroad**
-  **60 Export destinations**
-  **40 Countries with monobrand retailing operations**
-  **3 Production Facilities**
-  **2 Design Centers**
-  **2,647 Employees**

developing environmentally friendly items through its brands Doğtaş, Kelebek, Lova Sleep, Kelebek Kitchen-Bathroom, Ruum Store, and Biga Home. 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, all 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 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 2017, it has consistently been included in the Brand Finance Turkey 100, a list curated annually by Brand Finance to recognize the most valuable Turkish brands. Additionally, the Group consistently rises through the ranks in the ISO 500, Türkiye's 500 industrial enterprises, as well as in the Capital 500 and Fortune 500 surveys conducted by business magazines.

Doğanlar Furniture Group views sustainability as a key element in creating long-term value. The "Furniture of the Future" vision is rooted in its responsibility to nature and humanity. Accordingly, it champions sustainability principles when managing each business process, from supply chains to product design, production, and stakeholder relations. Drawing strength from its employees at every step, it strives to produce furniture that looks to the future while adhering to ethical principles.

2024 Highlights



We invested in solar power plants at our production facilities in Biga and Düzce.

We decided to invest in the establishment of a Solar Power Plant (SPP) on the roofs of our production facilities in Biga and Düzce to protect nature, increase efficiency, and reduce electricity costs, while supporting the clean energy production of our country. Accordingly, we began investments for a total electricity generation capacity of 9,542 kWp, 4,542 kWp for Biga and 5,000 kWp for Düzce. We have completed GES investments with a electricity generation capacity of 4,956.6 kWp at the Düzce facility and 2,992 kWp at the Biga facility.



We reached **795** sales points.

In 2024, Doğanlar Furniture Group was on a continuous growth trajectory both domestically and internationally. The company had acquired new points of sale in Türkiye and abroad, bringing the total to 795 by the end of 2024.



We participated in prestigious construction projects with our kitchen, bathroom, and free-standing furniture.

As in previous years, the Kelebek Kitchen-Bathroom Projected Works and Corporate Sales departments took part in various key projects.



Doğanlar Furniture Group:
“Türkiye’s Happiest Workplace”
once again

Doğanlar Furniture Group ranked first in the furniture industry once again in the “Türkiye’s Happiest Workplace” survey conducted by Capital Magazine and Happy Place to Work.



We have completed a significant portion of our digital transformation projects and continue our efforts at full speed.

At Doğanlar Furniture Group, we adopt an innovative approach in our digitalization processes and focus on aligning all our operations with today’s requirements. With the Rise With SAP HANA project, a first in the furniture industry, we are moving all our business processes to the cloud, enhancing efficiency and establishing an infrastructure that quickly adapts to market variables.

As part of our digital transformation projects, we aim to provide fast and accurate reporting through real-time and complete data access, while strengthening our CRM processes.



We distributed TRY 100 million in dividends to our stakeholders on November 20, 2024.

With the decision of our Company’s Board of Directors dated June 3, 2024, as stated in the Dividend Distribution Policy, 100 million Turkish lira was distributed in dividends on November 20, 2024, based on the net profit achieved in 2023. This was done in consideration of the capital requirements of our Company, its subsidiaries and affiliates, investment and financing policies, and our long-term strategy and cash position.



We published our first Sustainability Report, featuring our vision “Furniture of the Future.”

In December, we published Doğanlar Furniture Group’s first Sustainability Report, outlining our sustainability strategy featuring the “Furniture of the Future” vision, our goals in line with this strategy, and our achievements in environmental, social, and governance (ESG) practices, along with our performance for 2023. Prepared in accordance with the Global Reporting Initiative (GRI) Standards, the report was published on our website.



We launched an end-to-end qualified delivery project, a first in the Turkish industry.

With this project, a first in the Turkish furniture industry, we set out to reduce customer complaints by ensuring logistics optimization efficiency. This will allow our dealers to focus entirely on sales and customer satisfaction. The project will also help us significantly in providing faster service and reducing costs in after-sales services. We selected Izmir as the pilot region for the project.



Our brands’ accomplishments were recognized with various awards in Türkiye and abroad.

This year, our brands received several prestigious awards, continuing their successful streak of formal recognition. We received one **Silver Award, two Bronze Awards, and one Iron Award with our Doğtaş brand at the A’ Design Award & Competition** in Italy. At the ONE Integrated Marketing Awards, organized in collaboration with Marketing Türkiye and Akademetre, Doğtaş received the “Most Reputable Furniture Brand of the Year” award in the furniture category. We also won various awards in Türkiye due to the success of our brands.

Doğanlar Furniture Group in Türkiye

Wide and growing service network



Factories



Düzce Factory

159.500 m²
total area

55.000 m²
indoor space



Çanakkale Biga
Factory

247.075 m²
total area

84.000 m²
indoor space

Logistics Centers



Ankara
Logistics Center



Bursa Inegöl

Logistics Center



Istanbul Hadımköy

Logistics Center



Istanbul Tuzla

Logistics Center



İzmir

Logistics Center



Kayseri
Logistics Center

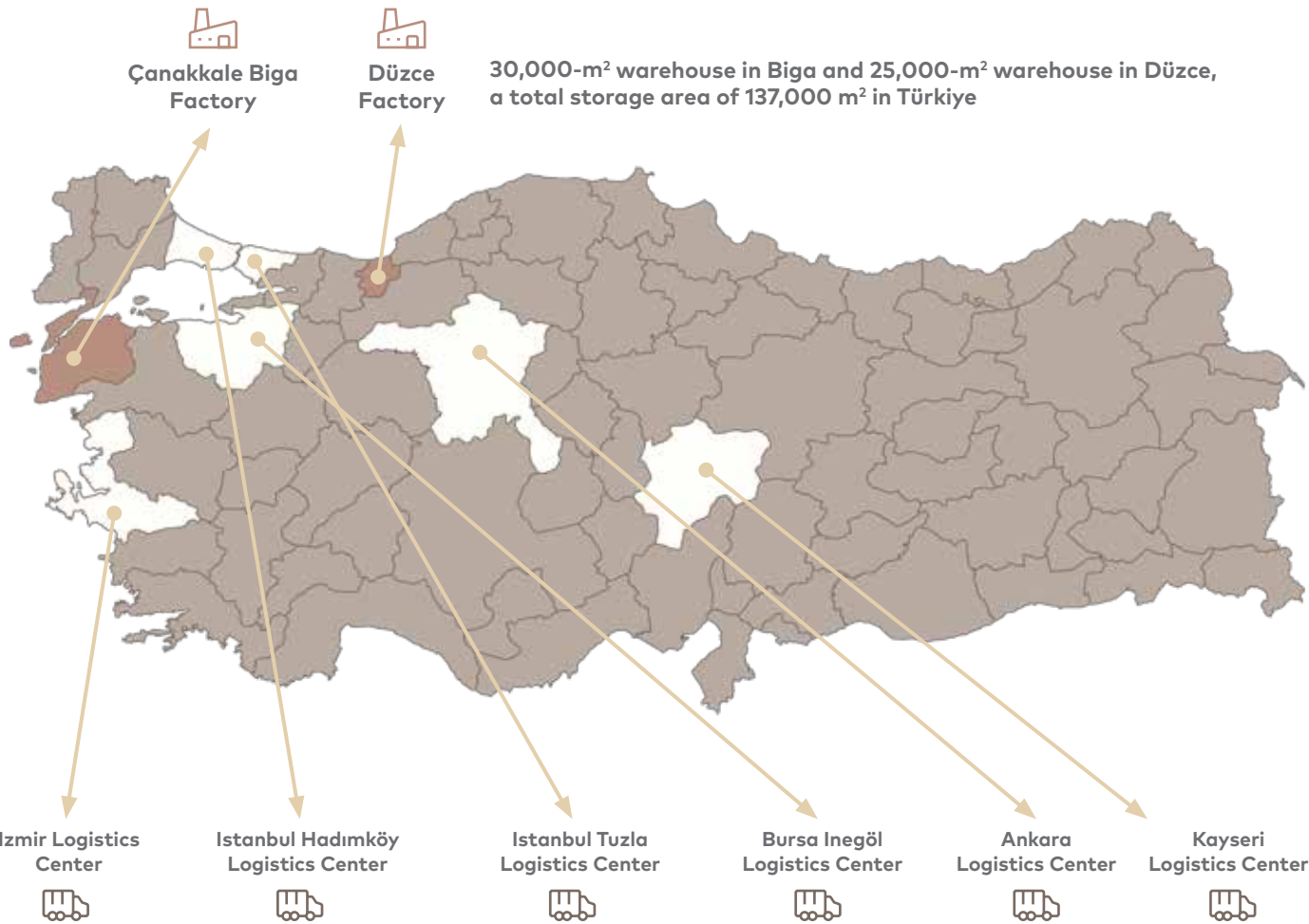
Domestic Points of Sale

DOĞTAŞ
270

 **Kelebek**
250

 **Kelebek**
KITCHEN - BATHROOM
51

 **lova**
sleep
114



Doğanlar Furniture Group in the Rest of the World

We produce for the world

Doğanlar Furniture Group exported to 60 countries in 2024.
The Group has monobrand retailing operations in 40 countries.

- » Doğtaş has 53 sales points across 32 countries, including 47 franchises, 3 retail stores, and 3 chain stores.
- » Kelebek has 20 sales points in 14 countries, including 17 franchises and 3 chain stores while Kelebek Kitchen-Bathroom has 1 sales point.
- » Lova Sleep has a total of 6 monobrand stores and 45 corner stores in 5 countries.
- » Biga Home has a total of 23 sales points, including 4 center and 19 corner stores.
- » In addition to the store channel, overseas sales are made through corner stores, chain stores, wholesale, online, and projected business channels.



Factories


Senegal Factory
52.800 m²
total area
10.000 m²
indoor space

Foreign Subsidiaries


Doğtaş Cyprus
Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti.


Doğtaş Senegal
Doğtaş Kelebek Mobilya Senegal Ltd. Şti.


D'Afric Senegal
D'Afric Senegal Furniture S.A.


Doğtaş America
Dogtas Furniture USA Inc.


Kelebek United Kingdom
Kelebek Furniture UK Limited

Doğanlar Furniture Group in the Rest of the World

DOĞTAŞ
53

 **Kelebek**
20

 **Kelebek**
KITCHEN - BATHROOM
1

 **lova**
sleep
6

 **ruumstore**
7

 **BiGA**
HOME
23



Doğanlar Furniture Group in Türkiye and the Rest of the World

Doğanlar Furniture Group serves with **795 sales points in Türkiye and abroad.**
Doğanlar Furniture Group has 685 sales points in Türkiye and 110 sales points abroad.

Channel	2021	2022	2023	2024
Domestic Retail	101	110	93	79
Doğtaş	31	31	31	29
Kelebek	46	43	38	37
Lova Sleep (Exclusive)	21	33	23	12
Lova Sleep (Corner)*	77	70	71	65
Kelebek Kitchen-Bathroom	3	3	1	1
Domestic Franchise	338	451	530	606
Doğtaş	163	195	214	241
Kelebek	127	166	192	213
Lova Sleep (Exclusive)	25	51	78	102
Lova Sleep (Corner)*	262	357	403	455
Kelebek Kitchen-Bathroom	23	39	46	50
Domestic Total	439	561	623	685
Foreign Retail (Subsidiary)	2	4	7	7
Doğtaş	2	3	3	3
Kelebek		1	1	
Lova Sleep (Corner)*	2	3	4	
BiGA Home			3	4
Foreign Franchise	68	92	100	103
Doğtaş	49	55	55	50
Kelebek	9	20	18	20
Kelebek Kitchen-Bathroom		1	-	1
Lova Sleep (Exclusive)	1	7	7	6
Lova Sleep (Corner)*	45	49	73	45
Ruumstore	9	9	7	7
BiGA Home (Corner)*			13	19
Foreign Total	70	96	107	110
Total Sum	509	657	730	795

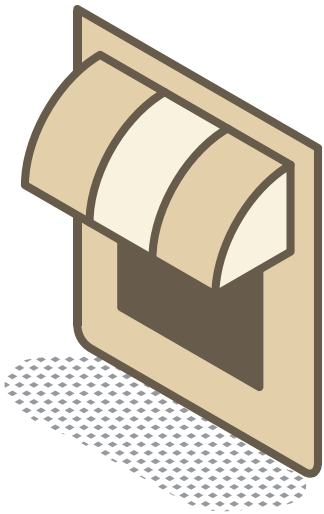
* Lova Sleep corners inside Doğtaş and Kelebek sales points are not included in the count.



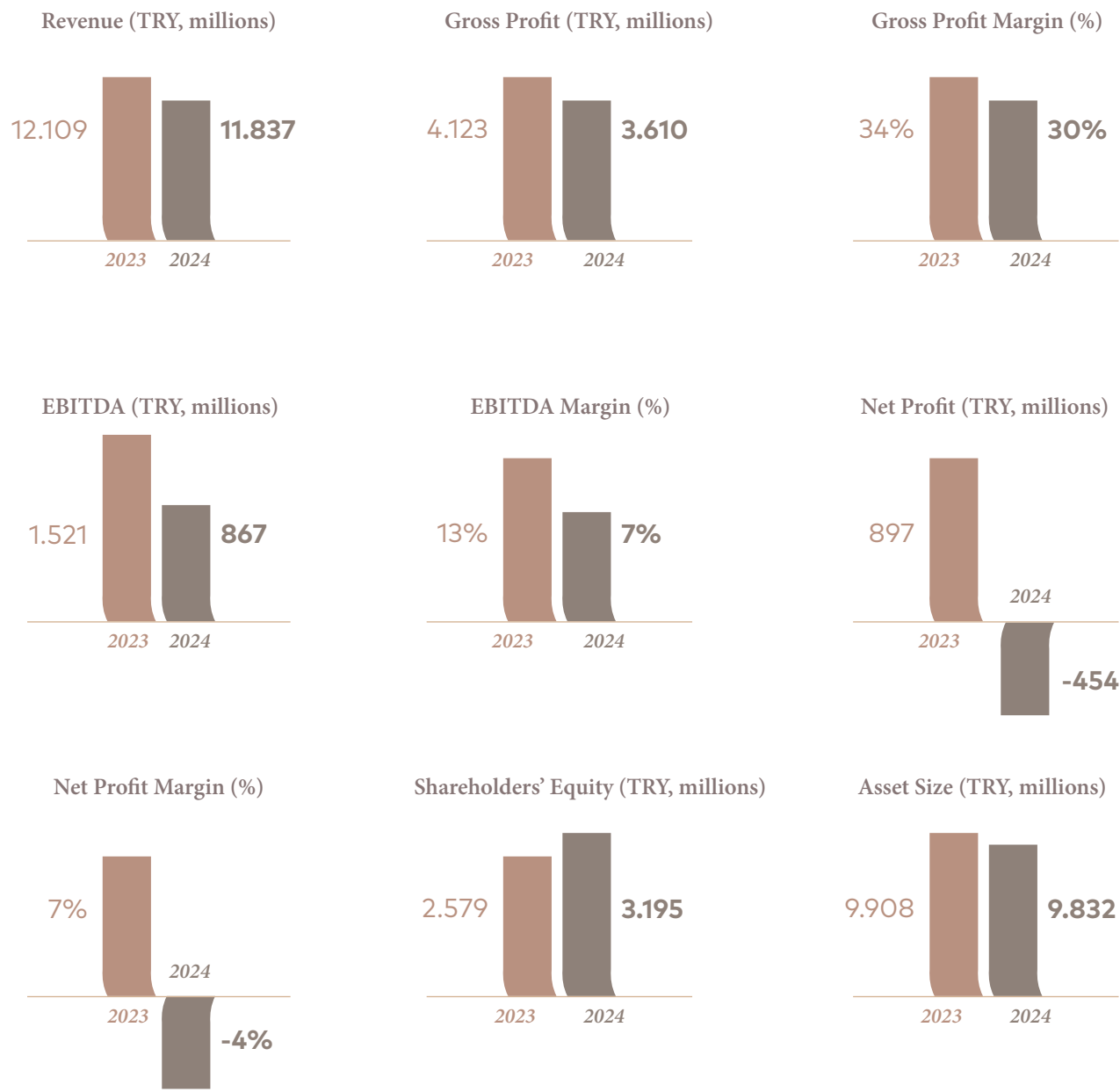
Points of Sale Abroad

Region	Country	Brands
Europe	Bosnia and Herzegovina	Doğtaş
	Germany	Lova Sleep
	France	Doğtaş
	Kosovo	Doğtaş,
	Switzerland	Doğtaş
	Croatia	Doğtaş
	United Kingdom	Kelebek
	Austria	Doğtaş
	TRNC	Kelebek
	Montenegro	Doğtaş
	Belgium	Doğtaş
	Moldova	Doğtaş
	The Netherlands	Kelebek
	Bulgaria	Kelebek
Middle East	Iraq	Doğtaş, Kelebek, Lova Sleep
	Lebanon	Doğtaş
	Palestine	Doğtaş, Kelebek
	Oman	Doğtaş
	Saudi Arabia	Doğtaş
Asia	Uzbekistan	Doğtaş
	Kazakhstan	Doğtaş
	Turkmenistan	Doğtaş, Lova Sleep
	Azerbaijan	Doğtaş, Kelebek, Lova Sleep
	Pakistan	Doğtaş
	Russia	Kelebek
	Kyrgyzstan	Doğtaş
	Mongolia	Kelebek, Lova Sleep

Region	Country	Brands
Africa	Libya	Doğtaş, Kelebek
	Morocco	Doğtaş
	Angola	Doğtaş, Kelebek
	Zambia	Doğtaş
	Liberia	Doğtaş
	Uganda	Doğtaş
	Nigeria	Doğtaş
	Senegal	Doğtaş, Kelebek, Biga Home
	Ghana	Doğtaş
	Mauritius	Doğtaş, Kelebek
	Rwanda	Doğtaş
	Burkina Faso	Kelebek
US	US	Doğtaş



Key Financial and Operational Indicators



The company's financial statements for the period from January 1, 2024, to December 31, 2024, have been disclosed on the Public Disclosure Platform and are available on the company's website at www.doganlarmobilyagrubu.com, under the "Investor Relations" section.

Balance Sheet (TRY, thousands)		
	31. 12.2023	31. 12.2024
Current Assets	4.621.009	3.065.512
Non-Current Assets	5.286.525	6.766.424
Short-Term Liabilities	6.107.044	5.555.029
Long-Term Liabilities	1.221.546	1.082.371
Shareholders' equity	2.578.945	3.194.537
Asset Size	9.907.534	9.831.936

Income Statement (Thousand TRY)		
	2023	2024
Revenues	12.109.163	11.836.689
Cost of Sales (-)	-7.985.711	-8.226.803
Gross Profit	4.123.452	3.609.886
Operating Profit from Main Operations	884.948	-188.958
Net Profit/(Loss) for the Period (Parent Company Shares)	896.647	-453.520
EBITDA	1.521.046	867.464

Profit Margins (%)		
	2023	2024
Gross Profit Margin	34%	30%
EBITDA Margin	13%	7%
Net Profit Margin	7%	-4%

Investments (TRY, thousands)		
	2023	2024
Lands	-	22.426
Underground and Aboveground Utilities and Buildings	96.096	66.637
Machinery, Facilities and Equipment	68.413	203.220
Vehicles	3.586	3.022
Upholstery and Fixtures	195.821	118.171
Special Costs	337.731	326.580
Ongoing Investments	248.338	65.406
Total	949.986	805.462

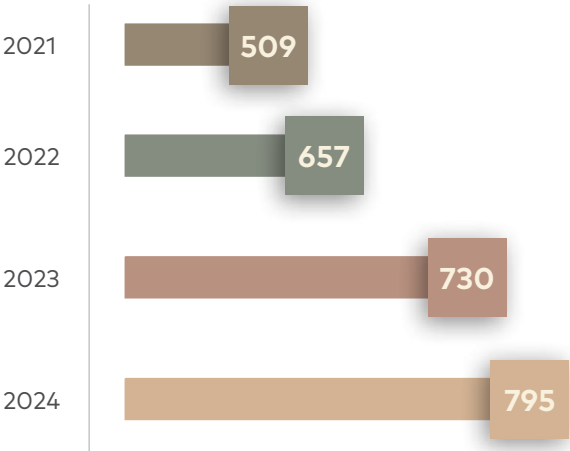
As of the end of 2024, Doğanlar Furniture Group
operates in a total sales area of 770 thousand m².

In 2024, Doğanlar Furniture Group's total sales area increased by **7.4%** year-over-year, reaching **770 thousand m²**.

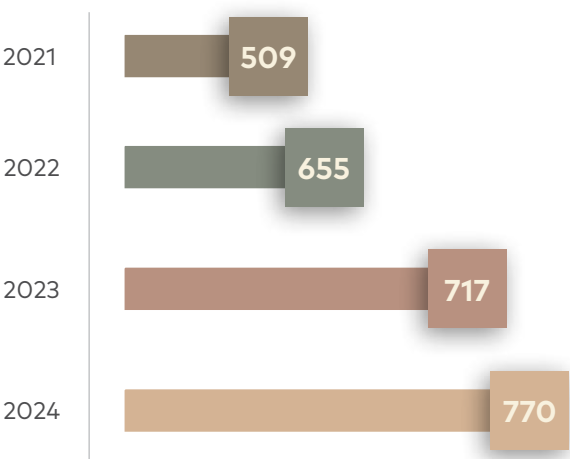
Domestic and International Points of Sale by Year (units)	2021	2022	2023	2024
DOĞTAŞ	245	284	303	323
Kelebek	182	230	249	270
lova	47	91	108	120
Kelebek MUTAK - BANYO	26	43	47	52
ruumstore		9	7	7
BiGA HOME			16	23
Total	509	657	730	795

Domestic and International Points of Sale by Year (thousand m ²)	2021	2022	2023	2024
DOĞTAŞ	279	367	396	423
Kelebek	220	271	294	317
lova	10	17	23	25
BiGA HOME	-	-	4	5
Total	509	655	717	770

Domestic and International Points of Sale by Year (units)



Domestic and International Points of Sale by Year (thousand m²)



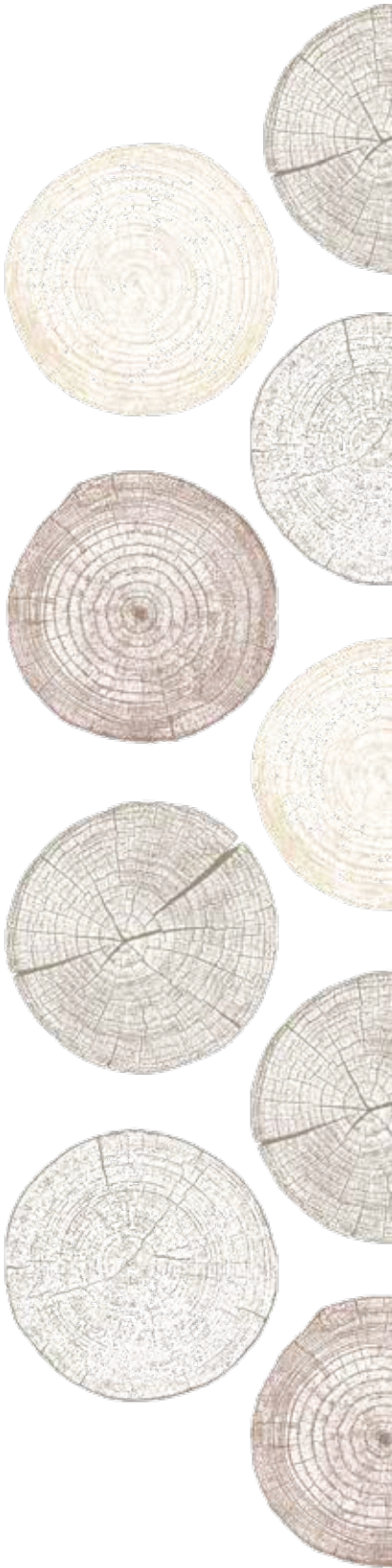
Expectations for 2025

Our company announced its expectations for 2025 on the Public Disclosure Platform in the article titled "Forward-Looking Assessments," dated March 3, 2025. Doğanlar Furniture Group's forecasts regarding the 2025 fiscal year are as follows:

Doğanlar Furniture Group's 2025 Targets

14.4 Billion TL ± 3%	Consolidated Sales Revenues
8% ± 2%	Share of Exports in Consolidated Sales Revenues
14% ± 1%	Consolidated EBITDA Margin
1.3x – 1.5x	Net Financial Debt / EBITDA (Including IFRS-16)
40 - 50 new sales point	Total Point of Sale Growth
1% - 1.5% of Consolidated Sales	CAPEX

Expectations for 2025 were identified without considering the potential impacts of implementing the TAS 29 (Financial Reporting in Hyperinflationary Economies).



Milestones

1935

Kelebek was founded as a panel manufacturer.

1972

Doğtaş commenced furniture production.

1978

Kelebek commenced furniture production.

1981

Kelebek joined the Enka Group.

1987

Doğtaş Mobilya A.Ş. was founded.

1990

Kelebek went public on Borsa İstanbul.

1991

Kelebek's first overseas store was opened in Germany.

1994

Doğtaş made its first export sale to Albania.

1996

Doğtaş commenced its retail operations.

2005

Doğtaş invested in flooring and bedding groups.

2006

Two industrialist families acquired the majority shares of Kelebek.

2008

Doğtaş joined the Turquality Support Program .

2009

Doğtaş's "Exclusive" concept stores were launched.

2012

Kelebek was acquired by Doğtaş and International Furniture B.V. partnership.

2013

Doğtaş and Kelebek merged in October 2013 through a reverse merger. The new title of the company became "Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş."

2014

Kelebek joined the Turquality Support Program.

2017

The Maltepe Design Center was established.

International Furniture B.V. sold its shares on the stock exchange and exited.

Management responsibilities were transferred to Doğanlar Holding and members of the Doğan family.

Lova Sleep commenced its operations.

2019

Ruumstore, Doğtaş's online sales brand, became operational.

2021

Our Group's title became "Doğanlar Furniture Group."

Companies were established in Northern Cyprus, Senegal, and the USA.

Doğtaş began a collaboration with Amazon.

2022

Kelebek Furniture was established in the UK.

Doğanlar Furniture Group was ranked among the top 100 women friendly companies.

It joined the BIST Participation All and BIST Participation 100 indices.

2023

D'Afric Senegal Furniture S.A, Doğanlar Holding's company in Senegal, was acquired.

Our first production facility abroad was inaugurated in Senegal.

BiGA Home brand commenced its operations.

Carbon Footprint Reporting studies began.

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

2024

Nearly 800 sales points were reached.

A total of 7.948,6 kWp in Solar Power Plant Investments was completed in Düzce and Biga production facilities.

Our first Sustainability Report was published.

Shareholding Structure

The subscribed, registered and issued capital of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi (“Doğanlar Furniture Group”) as of December 31, 2023, and December 31, 2024, is shown on this page.

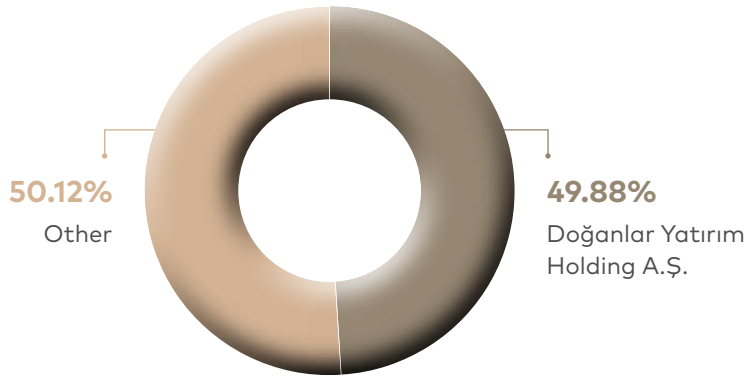
Shareholding Structure	31.12.2023	31.12.2024
Registered Capital Ceiling	500.000.000	1.500.000.000
Issued Capital	350.000.000	350.000.000

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 a rights issue. The request to increase the issued capital of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. from 269,069,767 Turkish lira to 350 million Turkish lira was accepted in line with the prospectus approved under Capital Markets Board Resolution no. 79/1619, dated December 31, 2020.

Our Board of Directors passed a resolution on March 29, 2024, to extend the validity period of the Registered Capital Ceiling. The company applied for the amendment of Article 6, titled “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 at 1.5 billion Turkish lira from 2024 to 2028 (five years), was accepted at the 2023 Ordinary General Assembly held on June 28, 2024.

As of December 31, 2024, Doğanlar Furniture Group’s shareholders and their shareholding percentages are as follows.

Partner’s Trade Name Name	Share in Capital	
	Amount (TRY)	Ratio (%)
Doğanlar Yatırım Holding A.Ş.	174.569.552.79	49.88
Other	175.430.447.21	50.12
Total	350.000.000.00	100.00



Subsidiaries

Business Name	Company’s Field of Activity	Place of Establishment and Operation	Currency	Paid-in	Company’s Share in Capital (%)
2K Oturma Grupları İnşaat ve Taahhüt San. ve Tic. A.Ş.	Sofa Manufacturing, Construction and Contracting	Türkiye	TRY	1.164.250	100
3K 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	19.250.000	100
Doğtaş Bulgaria Eood	Retail Furniture Trade	Bulgaria	BGN	40.000	100
Doğtaş Holland B.V.	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	490.000	99
Doğtaş Kelebek Mobilya Senegal Sarl	Furniture manufacturing, exporting, importing	Senegal	XOF	1.000.000	100
Dogtas 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
FTR Dış Ticaret Mobilya Anonim Şirketi	Export-Oriented Intermediation, Consulting and Foreign Trade	Türkiye	TRY	47.810.000	14
D’Afric Senegal Furniture S.A	Furniture Manufacturing and Trade	Senegal	XOF	10.000.000	100

A chain of sales stores was established under 3K Mobilya Dekorasyon San. ve Tic. A.Ş. ("3K") in 2006 to sell furniture and commercial products. The production activities of the Company's other subsidiary, 2K Oturma Grupları İnşaat Taahhüt 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 1996 to sell furniture, sofa groups, and commercial products through its branches across Türkiye. As of December 31, 2023, the related companies are inactive.

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, 2024, it has one branch.

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, 2024, it has one branch.

One of the company's subsidiaries, Doğtaş Furniture USA INC., 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, 2024, Doğtaş America has one branch office.

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.



D'Afric Senegal Furniture S.A. was acquired on December 30, 2023. The company manufactures local furniture in an area of 52,800 m² at its production facility in Dakar, Senegal, and engages in wholesale and retail furniture sales through its branches in four different regions. It produces a variety of items at its production facilities, including panels, upholstery, bedding, bed bases, and home textiles. The production facility is located in the industrial zone and provides significant employment for the local community. As of December 31, 2024, it employs 74 people. Among all employees, 60 are locals. It continues its sales activities through four outlet stores and 19 corner stores in the most active and crowded cities of Senegal. This year, the facility made its first export to Gambia.

Doğtaş Germany, Doğtaş Holland, and Doğtaş Bulgaria are not included in the consolidation and are recognized as available-for-sale financial assets because they are not significant to the consolidated financial statements.

About Doğanlar Holding

Doğanlar Holding operates primarily in the furniture, retail, energy and construction industries. *and prioritizes environmentally friendly projects and renewable energy investments in all operations.*

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 began its journey in the furniture industry with the establishment of Doğan Furniture by Hacı Ali Doğan in Biga, Çanakkale. Over the years, it has experienced steady growth and evolved into a diversified group of companies operating across various industries. This expansion has not only allowed the group to serve diverse sectors but also to contribute significantly to both social and economic development. Collaborating with various institutions and organizations from different continents, Doğanlar Holding is setting an example of an innovative and global corporation for Türkiye, offering product ranges that meet the world's most advanced standards and backed by numerous quality assurance certifications. Beyond its contributions to the national economy, Doğanlar Holding also prioritizes education, health, culture, arts, and environmental initiatives through its corporate social responsibility projects. Additionally, it continues to strengthen international relations across the 60 countries to which it exports. It values sustainability,

digitalization, capacity enhancement, R&D, and innovation investments that help improve its sustainable growth and competitiveness.

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, a holding investment that also operates in the construction industry, was opened in Çanakkale in 1999. In the following year, Doğtaş Exclusive concept stores were launched.

In 2012, Doğanlar Furniture Group acquired Kelebek Furniture, strengthening its position in the industry. In 2013, Doğtaş and Kelebek companies were merged into Doğtaş Kelebek Mobilya Sanayi ve Ticaret A.Ş. In 2017, the Group entered the energy industry with the establishment of Biotrend Energy, Doğanlar Holding's energy company. In 2021, Biotrend Energy was offered to the public. In the same year, the BİGA HOME brand was established, with production set to take place in Senegal, Africa. In 2023, BİGA Home began its operations in Senegal.

Doğanlar Holding stands among the 100 largest groups in Türkiye and continuously makes 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, Ruum Store and BİGA Home in the furniture industry. With a family of 4,000 people, Doğanlar Holding proudly contributes to the national economy through its successful operations.

Driven by its commitment to social responsibility and recognizing the importance of educating girls for societal development, Doğanlar Holding established ADVAK (Ayşe Doğan and Ali Doğan Culture and Education Foundation) in 2023 to support children and youth in education and other areas. Equal educational opportunities have been provided to 1,000 children to date, with 200 children benefiting in the 2024–2025 period.

Doğanlar Holding in Numbers



Our Vision, Mission, and Values



Our Vision

Becoming a global leading brand that shapes the future of furniture with sustainable and innovative solutions.



Our Mission

Providing furniture solutions that add value to stakeholders through human-centered and environmentally friendly operations.



Our Values

Our Brand

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

Transparency

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

Warmth

We prioritize family closeness and friendliness in our internal and external relations, ensuring that the family concept is felt throughout our organization. We consider our employees, solution partners, and dealers as members of our family.

Socially and Environmentally Responsible Company Culture

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

Reliability

It is essential for us to offer the most reliable product in terms of price and performance quality, as well as the most dependable service before and after sales. Reliability is built through 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.



Strategy and Areas of Growth

Increasing Brand Power and Penetrating New Markets

Adding value to our brands by closely following global trends and enhancing our competitive strength in domestic and international markets with new product groups. Becoming a strong player in the international arena by diversifying our export operations.

Customer Experience Orientation

Building long-term loyalty and trust by delivering solutions that exceed customer expectations. Improving satisfaction at all contact points by optimizing "customer journey" processes.

Digital Transformation and Data Management

Ensuring efficiency by integrating digital technologies into all our business processes, from production to after-sales services. Improving decision-making processes through the use of data analytics and artificial

intelligence, and optimizing digital sales channels by expanding online platform options.

Human Resource Development

Supporting the personal and professional development of our employees by prioritizing talent management. Increasing innovation by fostering a work culture that promotes diversity and inclusion. Making a difference with innovative HR strategies that enhance performance and motivation.

Sustainability-Oriented Production and Operations

Reducing our carbon footprint by increasing the use of environmentally friendly materials. Minimizing our environmental impact through energy-efficient facilities and renewable energy sources. Improving waste management in production processes by adopting circular economy models.

Social Contributions and Responsibility

Contributing to society by supporting social responsibility projects in education, sports, and the environment. Promoting sustainable development across every link of the value chain by supporting local manufacturers and the economy.

Leadership Through R&D and Innovation

Encouraging innovation to lead in new product design and material technologies. Offering industry-leading solutions through projects developed in collaboration with our business partners.

Financial Resilience and Productivity

Ensuring cost control by using resources effectively and achieving financial results aligned with sustainable growth targets. Improving financial stability by diversifying risks through strategic partnerships.

Awards and Achievements

As in previous years, Doğanlar Furniture Group's success was recognized with several awards. With the strength derived from its employees, business partners, and production, the Group climbed 58 places from the previous year in the list of Türkiye's Top 500 Industrial Enterprises (ISO 500), rising to 277th place. It ranked 250th in net sales and 81st in employment. Continuing its success journey, the Group was also included in the Capital 500 and Fortune 500 lists once again. As part of the Turkishtime R&D 250 survey, the Group ranked first on the list of the top 50 companies by design registrations received at the R&D center. It also ranked 166th on the list of the top 250 companies with the highest R&D expenditure.

In the survey conducted by Capital Magazine and Happy Place to Work, Doğanlar Furniture Group was once again named "Türkiye's Happiest Workplace" in the furniture industry in 2024.

Our company, which continues to add value to the present and future with a strong focus on sustainable development, was included in the Sustainable 500 list announced by InBusiness Magazine for the third time.

As in every year, our brands were recognized with important awards in various fields in 2024. Having received various national and international awards for its strong and trending designs, Doğtaş was honored with one Silver Award, two Bronze Awards, and one Iron Award at the A' Design Award & Competition held in Como, Italy, one of the most prestigious awards in the design world. At the ONE Integrated Marketing Awards, organized in collaboration with Marketing Türkiye and Akademetre, Doğtaş received the "Most Reputable Furniture Brand of the Year" award in the furniture category. At the Brandverse Awards, organized in collaboration with Marketing Türkiye and BoomSonar and supported by the Advertising and Marketing Communication Association (REPID), Doğtaş won the gold award in the furniture industry for best social media use and data analytics categories.

Drawing attention with its original designs and innovative approach, Kelebek received the "Furniture Brand of the Year" award at the Gelin Damat Magazine 2024 Awards.

Lova Sleep, Türkiye's comfortable sleep brand, added another award to its collection by receiving the Diamond Award in the bedding category at the A.C.E. Awards Ceremony.



Quality in Every Detail,
a Better Future in Every Step



Our Brands

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Our Brands



DOĞTAŞ

 **Kelebek**

lova
sleep

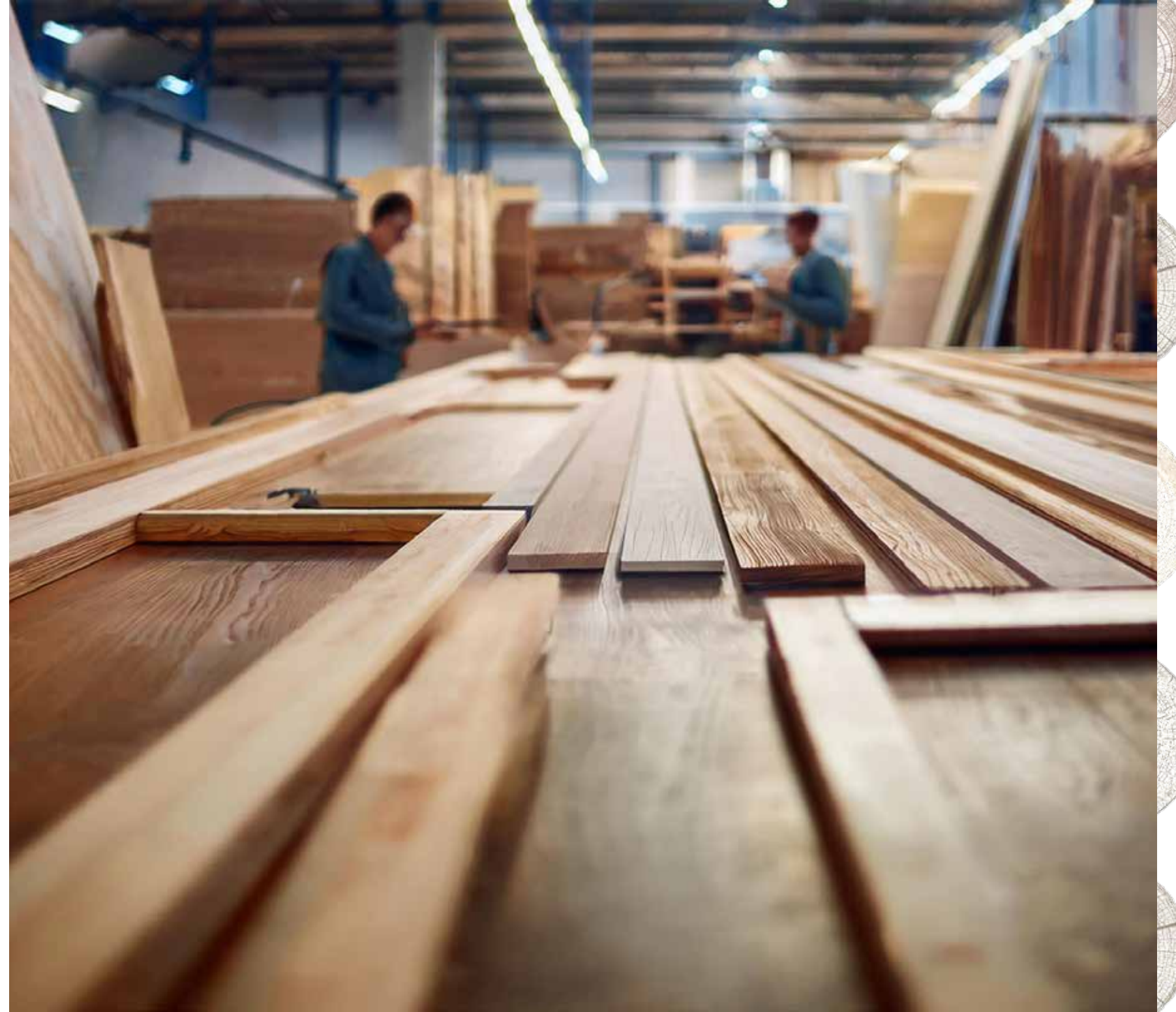
 **Kelebek**
KITCHEN - BATHROOM

ruumstore

BiGA
HOME

Doğanlar Furniture Group offers reliable and high-quality service to customers through Doğtaş, Kelebek, Kelebek Kitchen-Bathroom, Lova Sleep, Ruum Store, and most recently, 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 incorporate cutting-edge technologies.



www.dogtas.com

DOĞTAŞ

Rising from Çanakkale, a cornerstone of Anatolian civilization and a city of epics, Doğtaş offers designs that lend style and value to living spaces. From cozy chats to large gatherings, Doğtaş enhances memorable moments with its elegant, comfortable, and unique design line, while connecting with customers through its motto "We are home with you."

As a global brand from Türkiye, Doğtaş operates stores in trend-setting cities across Europe, Africa, the Turkic Republics, Asia, and beyond. With over 300 concept stores both domestically and internationally, Doğtaş is one of the most important players in the furniture industry.

Doğtaş shapes the living spaces of the future by integrating technology and innovation into furniture design. The brand combines years of experience with the comfort-oriented Hybrid Technology as part of the New Design and Innovation Center project launched in

As a trendsetter in the furniture world, Doğtaş blends aesthetics and functionality into living spaces. *The brand adds a personal touch to customers' homes with collections enriched by natural textures, craftsmanship, and timeless designs.*

2022. Doğtaş demonstrates its commitment to consumer comfort and convenience in its updated product collections. In addition to incorporating hybrid technology, it has elevated comfort with products featuring the highly comfortable Comfort Plus and Relax mechanisms.

Blending its industry experience with quality, aesthetics, and functional design, Doğtaş operates in categories such as "Doğtaş Home," "Doğtaş Garden," and "Doğtaş Genç," all while employing environmentally friendly production processes. The brand offers consumers a wide range of products for home decoration.

The Doğtaş Home collection features over 500 designs across 14 categories, catering to those looking to personalize their homes and add a touch of their own soul. It offers a comprehensive collection that covers all living space essentials, including carpets, trinkets, decorative objects, lighting options, vases, frames, mirrors, candles, and air fresheners.

Doğtaş understands that living spaces play a significant role in the success and daily lives of young people. Therefore, it aims to enhance their lives through the Doğtaş Genç collections.

As living spaces extend to gardens, balconies, and terraces, Doğtaş Garden lends outdoor areas a touch of artistry, refinement, and comfort. Featuring metal and rattan furniture, it stands out from its contemporaries in both design and quality. The brand maintains its industry leadership by offering products that are washable, stainless, and built to withstand any climatic conditions. Doğtaş is proud to craft functional, high-quality, and accessible collections that meet diverse needs, helping customers create living spaces in all styles and types. From materials to fabrics, and colors to designs, Doğtaş products allow people the freedom to express themselves with any combinations they prefer in their living spaces. These designs, reflecting years of experience and expertise, are available to customers with 300 fabric



options and 35 wood color choices. Doğtaş received the A' Design Silver Award for its Moderna console, a product that has always stood out for its unique design at international events, and the A' Design Iron Award for its Livorno sofa set, which features intriguingly modern silhouettes. Meanwhile, the Bronze Award went to

the Joseph sofa set as well as the Monument, an art object designed as the first product of the second century of the Republic. The Monument reflects Doğtaş's journey from the past to the future and its connection with Turkish culture. In 2024, Doğtaş enhanced the quality of its existing points of sale, introduced new categories in

its stores, and improved the architectural services provided to customers. It expanded its sales and marketing operations across Türkiye through franchises, company-owned stores, and digital channels. Internationally, it leveraged franchises, subsidiaries, corner shops, and chain outlets. As in previous years, the brand participated in major industry fairs, both in Türkiye and abroad. Boasting one of the most interesting stands at the IIFF 2024 Istanbul Furniture Fair held at the Istanbul Expo Center in Türkiye, Doğtaş showcased its special designs and 2024 collections at the event. The brand also participated in one of Europe's leading furniture fairs, the Salone del Mobile, held in Milan, Italy, along with fairs in Dubai and China.

In 2025, Doğtaş will remain committed to expanding with new domestic and international points of sale and enhancing alternative sales channels. In digital marketing, it will focus on artificial intelligence technology. The latest technologies will surely help the brand to design each sales point as an experience center. Doğtaş will also participate in leading international fairs such as Isaloni/Italy, High Point/USA, MOW/Germany, CIFF/China, and INDEX/Dubai.

www.kelebek.com



Kelebek lends inspiration
to living spaces since day one
with unique collections
seamlessly blending diverse styles

Founded in 1935 with a document signed by Mustafa Kemal Atatürk, the founder of our Republic, Kelebek operates in a large production facility spanning 186,000 square meters, including 55,000 square meters of indoor space in Düzce. It leverages its 89 years of experience to deliver top-quality service to customers with its production facilities and 270 sales points in Türkiye and abroad. The brand also holds a strong position in the global market with exports to 14 countries.

With the global design vision brought to life in collaboration with Karim Rashid, Kelebek has ushered in a new era of transformation. The "Kelebek Effect," Kelebek's global design vision, introduces a style that is simple, dynamic, natural, free, and timeless. The collections created with this vision blend

Scandinavian naturalism with Japanese minimalism, along with design influences from America, Africa, Europe, the Eastern Bloc, and the Middle East. The brand has developed a new Turkish stylization by combining the Gestalt approach and the Bauhaus design philosophy with designs that feature diverse coating techniques inspired by German and Italian technologies. Design and technological investments are key features that distinguish Kelebek Mobilya from its competitors.

Kelebek offers free consultancy support to architects and customers through the "Design Your Home" application. Online support is also available with the assistance of architects at Kelebek Mobilya stores. With a timeless, modest vision that seeks originality, embodies success and prestige, and stays

sensitive to environmental and global issues, Kelebek Mobilya continues to differentiate itself in Türkiye and around the world.

The "Kelebek Fijital" project, launched to accommodate changing consumption habits and make it easier for consumers to shop from home, responds to customers' diverse furniture and decoration needs. Featuring a robust technological infrastructure, the project enriches living spaces with virtual reality technology to help people make the most informed decisions remotely and overcome buyer indecision.

Kelebek continues to capitalize on category growth in its journey of more than 89 years. In addition to the furniture group, Kelebek operates and grows in the Kelebek Kids, Kelebek Garden, and Kelebek Dekor categories, which acts as a catalyst for

its overall industry growth as well. In 2024, the brand acted on many opportunities for growth and investment. Kelebek has designated 2024 as the year of exports and made significant investments in areas such as digital infrastructure,

sustainability, sales points, and brand development. With the Global Design Vision launched last year, Kelebek, Karim Rashid, and the special collections created by its designers were showcased at the Istanbul Furniture Fair. In 2024, the

brand reached a total of 270 sales points in Türkiye and abroad, opening 23 new locations within the same year. Kelebek plans to take various strategic steps in line with its 2025 targets and aims to accelerate its growth strategy in both domestic and international markets.



www.kelebekmutfak.com

Kelebek Kitchen-Bathroom seeks to transform
*kitchen and bathroom spaces into areas of leisure
rather than necessity, with user-oriented designs and
high-quality standards.*

With 89 years of experience, Kelebek Kitchen-Bathroom continues to lead the industry by offering modern and functional living spaces that meet the expectations, tastes, and living standards of every customer. The brand seeks to transform kitchen and bathroom spaces into areas of leisure rather than necessity, with user-oriented designs and high-quality standards.

Maximizing customer satisfaction, Kelebek Kitchen-Bathroom stands out in the industry by offering Türkiye's first and only five-year warranty on all kitchen models. The brand's free measurement, shipping, and installation services provide convenience and confidence to customers at every stage of the purchasing process. With personalized design services provided by expert consultants, customers can easily create the living spaces of their dreams. The brand's kitchen experts offer a free project design service with 20 cabinet door models and over

1,500 product options at sales points nationwide.

Customers purchasing kitchen or bathroom designs from Kelebek Kitchen-Bathroom often express their satisfaction with the durability, functionality, and aesthetics of the products. The brand continuously improves its product and service quality based on highly valued customer feedback. With its innovative approach, customer-oriented service, and high-quality standards, Kelebek Kitchen-Bathroom continues to transform living spaces into unique experiences while achieving growth as the leading brand in the industry.

Kelebek Kitchen-Bathroom opened 5 new sales points in 2024. It expanded its product portfolio to include modular bathrooms. This year, to increase interactions with customers in domestic stores, the brand continued its traditional events with famous chefs. A dealer order portal was

established on <https://www.kelebekmutfak.com> to monitor all order stages, starting from conception. The brand serves as a strong anchor with its involvement in prestigious construction projects across Türkiye. Due to high demand in recent years, Kelebek Kitchen-Bathroom has become a popular choice worldwide with its customer experience orientation and quality approach at global standards.

Kelebek Kitchen-Bathroom participates in projected works involving kitchens, bathrooms, cloakrooms, and more, without being limited by the project scope. Since 2023, the company has been involved in many important projects, including the Yeşilovacık Housing Project in Mersin, the Urban Transformation Housing and Commercial Constructions Project in Istanbul Beyoğlu Okmeydanı, the Invest Vadi Project in Istanbul Sarıyer, and the Yıldızlar İnşaat Project in Istanbul Kartal.



Lova Sleep meets diverse sleep needs with mattresses made from cutting-edge materials. *It offers a unique comfort experience with a sleep solution tailored to an individual's body structure and sleeping habits.*

www.lovayatak.com



Türkiye's leading furniture manufacturer, Doğanlar Furniture Group, has applied 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. Today, it continues to provide services at 565 corner stores and 120 mono-brand sales points.

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

The products are manufactured

on state-of-the-art production lines at the facilities in Biga, Çanakkale, and the Lova Sleep teams conduct extensive research on body anatomies and sleeping positions to provide a more satisfying and healthier sleep experience. The research conducted at the brand's R&D center and the findings obtained through cutting-edge devices play a significant role in shaping the product portfolio. Thus, each product is continuously iterated, improved, and innovated to ensure customers receive the most comfortable sleep experience. Lova Sleep meticulously integrates new-generation in-bed materials into its products, crafting high-quality bed solutions to meet the unique demands of its customers. Lova Sleep offers a wide range of products to cater to the needs of users in various living spaces. The brand's diversified portfolio combines aesthetic

and functional values, appealing to users' varied expectations. The product portfolio includes categories such as sleep, home textiles, and home cosmetics. The sleep category features products with various comfort and design characteristics. These products incorporate ergonomic solutions developed with modern technologies to provide users with a comfortable sleep experience.

In the home textile category, the brand offers an extensive range of products, including pillows, duvets, mattress protectors, duvet cover sets, pillowcases, blankets, bedspreads, and cushions. Additionally, in the bathroom textile group, products such as hand towels, bathrobes, and loincloths add a touch of elegance to users' living spaces. The home cosmetics category, set to be included in the portfolio as of 2024, will feature scented candles, air fresheners, room fragrances, and more. This



category aims to enhance users' daily life quality by expanding Lova Sleep's solutions for homes. In 2024, the brand also took the first step to transform the general concept of its stores.

With this project, the design and layout of the stores will be reimagined to maximize the customer experience. To improve the in-store customer experience, the customer journey

was mapped, and the promotional materials used at the sales points were reorganized based on the data collected. These arrangements ensure that customers receive an experience tailored to their needs.

www.ruumstore.com



Ruum Store has been serving customers online since 2019. With over 40,000 products in more than 95 subcategories, it has created a broad portfolio that caters to every room. The brand's user-friendly online platforms allow for easy navigation of its products. Orders are shipped within one business day, and home installation is made easy with clear instructions.

The Ruumverse technology allows Ruum Store to shape future trends by offering the ability to display tens of thousands of products in small spaces within homes. Ruum Store is present in every aspect of modern life, embracing an identity that revolves around customer responsiveness. The brand aims to remain current at all times with a structure that easily adapts to changing trends. Leveraging both online and

offline sales channels, Ruum Store focuses on offering quality, modular, and functional furniture that suits every budget with its affordable pricing policy. The brand lays great emphasis on being budget-friendly. It combines quality with reasonable prices to ensure that everyone can own the furniture of their dreams. Ruum Store prioritizes accessibility in both design and pricing, which makes modern, simple, and durable furniture accessible to a wider audience.

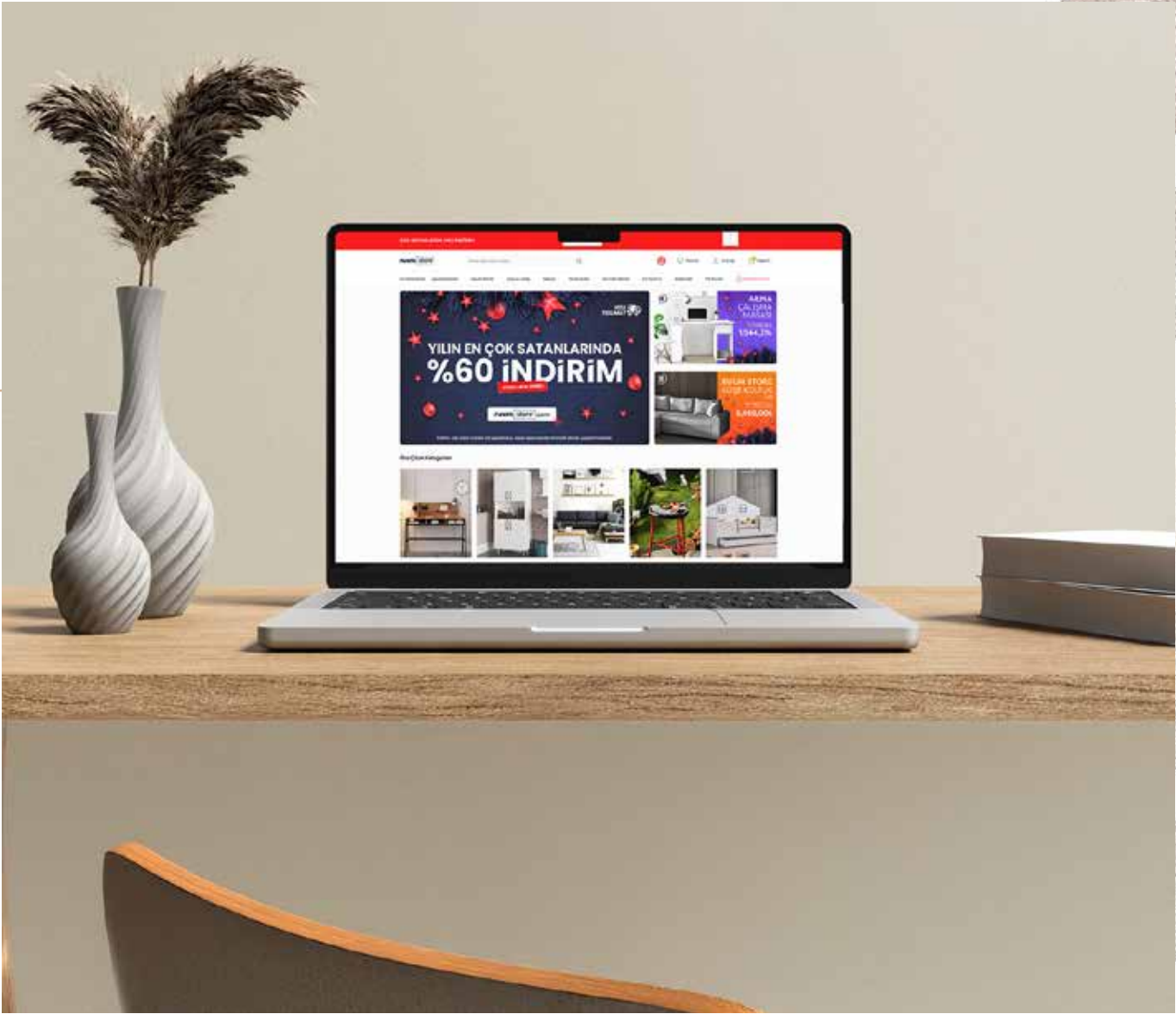
Ruum Store offers a modern shopping experience, allowing customers to realistically examine products using QR codes and AI-supported 3D imaging technology. This enables customers to easily see how well the products fit with their living spaces.

With its focus on "the most stylish solutions for narrow

spaces," Ruum Store offers products designed for every living space, from living rooms to children's rooms, kitchens, and bathrooms.

Ruum Store brings harmony and functionality to homes by offering collections that complement each other. Offering affordable prices, quality products, and innovative technologies, it remains a leading brand for those looking to create modern living spaces.

Ruum Store achieved significant year-over-year growth in its Supermarket Chains projection and attained Premium Business Partner status this year across partnered channels. By selling off-the-shelf goods in major supermarket chains across all 81 provinces, 922 districts, and 32,268 neighborhoods of Türkiye, the brand has laid the groundwork for important investments, including boosting activity on mobile applications



and websites, utilizing posters, and dedicating space for furniture in supermarkets. It has expanded across various districts, neighborhoods, and streets by increasing household penetration in its sales projection. The brand's primary goal is to build a mass-market brand that addresses the needs

arising from increasing inflation and shrinking wallet share through both online and offline channels.

In addition to its existing marketplaces in the UK, the brand has increased its global sales volume by joining two major sales channels:

Debenhams and B&Q. Ruum Store has also taken major steps in terms of availability and customer awareness. It has boosted the number of contact points by creating specially designed Ruum Store corners in supermarket chains or shopping malls that enjoy a widespread domestic and/or international sales network.

Biga Home, a key driver for Doğanlar Furniture Group’s goal to become a global brand,
*has quickly risen to success
in Senegal.*

www.bigahome.com



Biga Home was established by Doğanlar Furniture Group in Dakar, Senegal, in September 2023. The brand offers high-quality, innovative products to meet the diverse tastes and style preferences of Senegalese customers. It has successfully expanded to 23 sales points, including 4 retail stores. In addition to its mono-brand stores, the brand operates corners in some of Senegal's leading homeware stores.

BiGA Home is the first Turkish company to establish manufacturing operations in Africa. Established with a 10,000-square-meter production area in Dakar, Senegal, and an investment of €12 million to date, the brand continues its mass production and sales activities across categories such as home, bedding, bed bases, headboards, upholstered products, kitchen, and office furniture. All BiGA



Home-branded designs will be produced at the factory established in Senegal.

BiGA Home reached 19 corner stores in 2024 and opened its Dakar Saly and Yoff outlet stores in Senegal. Throughout the year, the brand participated in the Gambia Cultural Center Project in cooperation with the Yunus Emre Institute, the Bi Hotel Project, and the furniture project for the Embassy of Senegal in Türkiye. Biga Home also participated in the international Senegal

Decor Expo fair, which brings together furniture companies in Senegal, with its stand attracting a significant number of visitors.

This year, BiGA Home made its first export to Gambia. The brand aims to expand its exports to nearly 20 countries, with a focus on Senegal and other African nations due to their strategic locations, as well as the Economic Community of West African States (ECOWAS), Mauritania, and the USA. Trade with ECOWAS countries is exempt from customs duties, which is particularly advantageous for the brand.



Sales and Marketing

Online Channel Strategy



Our brands are available for purchase through the online shopping services at www.dogtas.com/tr, www.kelebek.com/tr, www.lovayatak.com, and www.ruumstore.com. The Doğtaş, Kelebek, Lova Sleep, and Ruum Store brands are sold through international dealers, subsidiaries, and online marketplaces.

In 2024, we made significant strides in our online channel activities, enhancing the efficiency of our processes. By integrating dealers into online processes, we automated external delivery contracts based on customer addresses. Thanks to this integration, dealers can receive information quickly and accurately. Moreover, our online channel strategy is shaped by a strategic approach tailored to each product category. By focusing on simplicity and profitability in our campaigns, we advanced with clear and straightforward offers that make it easier for customers to make purchasing decisions. To boost brand awareness, we aimed to showcase product and category diversity to customers by increasing the number of product displays on strategic platforms. We made our website, <https://product.doganlarmobilyagrubu.com/>, accessible to customers worldwide, providing technical information and assembly animations for our products. We also developed a platform to manage our entire online channel infrastructure and integration layers.

Doğtaş prioritizes making people's lives easier by embracing digitalization, ensuring that customers can reach the brand anytime, not just when necessary. The brand sells online via www.dogtas.com and through various other online marketplaces. Through the international [dogtas.us](http://www.dogtas.us) website, Doğtaş continues online sales of its products, primarily in New York and New Jersey. It has activated online sales channels by reaching agreements with regional dealers to manage online sales operations in their respective countries.

Lova Sleep has expanded its product range on digital platforms by increasing the number of SKUs and making all products available on marketplaces. Personalized practices were introduced on lovayatak.com, including customer segmentation and regular communication content such as web push notifications. In 2024, roll-pack mattresses developed specifically for the online channel were made available for the first time. These products created a special category for customers on online channels, providing a unique purchasing experience. Customer satisfaction improved significantly with reduced shipping lead times through activities focused on product categories. By adopting an effective customer complaint management system, complaints on online channels were resolved quickly without escalation. These low escalation rates contributed significantly to sustaining customer satisfaction.

Ruum Store utilized decoration blogs for its home and living categories and collaborated with influencers on platforms like Instagram and TikTok to reach its target audience. Additionally, cast shootings conducted as part of social media strategies showcased the products' easy installation and compatibility. With the AI-supported Heybooster platform, Ruum Store optimized its turnover conversion rate and advertising expenses. The brand has effectively managed its income by identifying issues and taking instant action within the optimal product and advertising setup. Ruum Store has expanded into global marketplaces through its warehouses in the US and the UK.

Growth accelerated in channels such as The Range in the UK and Wayfair in the US. The brand became a supplier for Amazon EU in Türkiye and established sales areas across 12 global channels.

Biga Home's bedding products are now available on <https://www.electromenager-dakar.com>. Casanova and Astra Meuble, two companies operating in Senegal, feature Biga Home's products on their websites.

International Markets



Doğanlar Furniture Group broke into international markets with its brands Doğtaş, Kelebek, Lova Sleep, and Ruum Store. Alongside its store network maintained through franchises and affiliates, the Group operates corner stores, chain stores, wholesale stores, online channels, and projected works. Doğtaş has 53 sales points in 32 countries, Kelebek has 20 sales points in 14 countries, and Lova Sleep operates six monobrand stores in five countries.

As part of the 2024 international market structuring process, our strategic priorities include enhancing our traditional retail channel while focusing on growth in chain stores, corner stores, projected works, and wholesale channels. Accordingly, a significant increase in export turnover is targeted through the acquisition of new customers.

The chain store channel is one of the most strategic sales channels, ensuring the sustainable growth of our brands in international markets. This channel is essential for reaching a broader customer base, increasing brand awareness, and strengthening market share. In 2024, the consolidated growth in the chain store channel showed a four-fold year-over-year increase, highlighting the effectiveness of this strategy. Thanks to collaborations with major retail chains in Africa, our sales points in the region are growing rapidly. A strong presence has been established in the Caribbean through local retailers, both with physical stores and digital platforms. Partnerships with chain stores in the Balkans enable our brands to reach a broader audience. Additionally, agreements with chains operating in Middle Eastern countries have significantly expanded our reach in the region.

This growth in the chain store channel enhances the competitiveness of our brands in international markets and contributes to building a sustainable and strong global sales network. To this end, we continue to strengthen our investments and strategic partnerships in this channel.

Projected works stand out as a strategically significant sales channel that enables our brands to participate in large-scale housing, hotel, and commercial projects. In 2024, we sold our products to mass housing and hotel projects in Qatar, Kuwait, the UAE, and Azerbaijan, taking on major projects in these regions. Through trips organized throughout the year, we strengthened our relationships with existing customers and established connections with new leads.

Throughout the year, we implemented sales-boosting activities across all sales channels, tailored to the regions and countries in which we operate, including extensive campaigns, advertising, market-specific social media engagement, and new store openings. Our brands participated in the IFF 2024 – Istanbul fair in January, the CIFE – China Guangzhou fair in March, the Salone del Mobile – Milan fair in April, and the Index Dubai fair in June. At these fairs, our product designs caught the eye of many visitors. In addition to traditional retail channel interviews, we established contacts for the development and expansion of chain stores, projected works, and wholesale channels. We also took numerous trips for business development purposes. Feasibility studies were conducted in target markets, accompanied by market and competition analyses.

In line with our 2025 targets, we aim to increase customer visits and participation in fairs across various countries. Accordingly, our priority strategies include entering new markets, expanding our market share in existing projects, and collaborating with more customers. We will continue to increase our investments and collaborations in the projected works channel to strengthen our brands' position in international projects.

Production Facilities and Logistics Centers

Doğanlar Furniture Group has production facilities equipped with the latest technology and robotic processes in Düzce and Biga, Türkiye, and in Dakar, Senegal. It manufactures in a total area of 406,575 square meters in Türkiye, with production facilities located near Türkiye's main furniture centers and high-demand regions.

Production Facilities



Düzce Factory

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

Total area 159,500 m²
R&D area 1,325 m²
Indoor area 62,000 m²
Storage area 25,000 m²

Production capacity
1,920,200 m²/year panels, 53,500 units/year flooring

Production Facilities



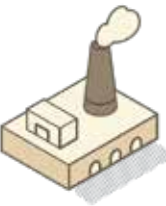
Biga Factory

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

Total area 247,075 m²
R&D area 1,175 m²
Indoor area 84,000 m²
Storage area 30,000 m²

Production capacity
2,400,000 m²/year panels, 96,000 units/year flooring,
75,600 units annual bed production capacity

Production Facilities



Senegal Factory

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

Total area 52.800 m² **Indoor area** 10.000 m²
Storage area 6.800 m²

Production capacity
220,000 m²/year panels, 15,000 units/year flooring, 25,000 units annual bed production capacity

Logistics Centers



Logistics centers were established in six major hubs in Türkiye to reduce logistics and operational 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 **137,000 m² of storage area** has been established in Türkiye.

Domestic Logistics Centers

Ankara Logistics Center, Bursa Inegöl Logistics Center, Istanbul Hadımköy Logistics Center, Istanbul Tuzla Logistics Center, Izmir Logistics Center, Kayseri Logistics Center

Overseas Logistics Centers

In addition, the company's overseas subsidiaries have **6,000 m² of storage space in 4 different locations.** (USA, Senegal, UK, Cyprus)

R&D, Innovation and Design

Doğanlar Furniture Group will accelerate R&D, innovation, and design activities to keep *developing innovative products that meet customers' changing needs.*

At Doğanlar Furniture Group, we design the furniture of the future by focusing on sustainability, innovation, and quality. Our R&D activities are shaped by an innovative perspective throughout all our processes, starting from design. We utilize the latest technologies to offer comfortable, functional, and durable products to our customers through all our brands, including Doğtaş, Kelebek, Kelebek Kitchen-Bathroom, Lova Sleep, and Ruum Store. To that end, we meticulously manage every stage of design, from the initial concept and selection of unique, appropriate materials to product planning, creating production prototypes, completing product manufacturing and certification, and developing commercial identities for our products.

In the survey conducted by Turkishtime magazine based on 2023 data, we ranked first in the list of "Top 50 Companies by the Number of Design Registrations Obtained in the R&D Center" and 166th in the list of "Top 250 Companies with the Highest R&D Expenses."

This year, to offer personalized and varied comfort options in line with our brand development activities, we are combining different material compositions, increasing the variety of components in hybrid technologies, and sourcing special materials to support this goal. To enhance the functional features of our products, we offer consumers extra comfort and functionality with special mechanisms, designs that can transform into beds or chairs with motorized systems, hidden coffee tables for reading or having breakfast, and bed base-headboard designs with integrated lighting.

In 2024, we focused on sustainability-driven R&D and innovation activities. We continue our efforts to increase the variety and quantity of recycled fabric, create a circular design guide, design new products based on these criteria, and promote the use of bio-based chipboard.

Doğanlar Furniture Group applied to the Ministry of Industry and Technology to operate as a Design Center and obtained the Design Center Certificate following inspections at the Design Centers in Istanbul/ Maltepe, Düzce, and Çanakkale on August 3, 2017, January 10, 2020, and February 14, 2023, respectively. Incentives for Design Centers include income withholding tax stimulus, insurance premium support, Design Center institution additional discount, stamp tax exemption, and customs duty incentives. In 2024, an investment of 106.631.995 Turkish lira was made in the field of R&D and innovation. There are 60 R&D and Innovation employees in our Design Centers, including 47 designers.

Doğtaş

Doğtaş has a new 1,175 m² design and innovation space. The brand utilizes hybrid technology to create more comfortable



products, prioritizing comfort and convenience in all designs. It enjoys state-of-the-art production machinery and has integrated technological module studies into its products.

Kelebek

Kelebek has a new 1,335-m² design and innovation space. With its global design vision, it collaborates with local and foreign designers and offers products with unique concepts to customers. The brand introduced its collection prepared in collaboration with Karim Rashid, one of the world's leading industrial designers, at the Istanbul Furniture Fair. Putting innovation at the heart of product design and all processes, Kelebek takes special care to integrate digital solutions into its design processes. Additionally, it develops projects that enhance the efficiency of digital product design and visualization with the support of artificial intelligence.

Lova Sleep

Throughout 2024, Lova Sleep's R&D activities revolved around sustainability and efficiency. While minimizing production costs, the brand took care to develop solutions for customers' demands. Lova Sleep placed great emphasis on ergonomic design to meet customers'

expectations. It designed user-friendly products that combine aesthetics and functionality. To optimize production quality, it improved efficiency by reconsidering every stage, from the selection of materials to production techniques. The brand continues its efforts to develop environmentally friendly products. Its research and solutions in this area aim to make production processes more efficient, while maximizing customer satisfaction.

Ruum Store

Ruum Store enhances living spaces with products that blend design and functionality, and distinguishes itself in the industry through its innovative R&D activities. The brand has a strong R&D infrastructure that integrates technology into design to offer solutions suitable for the needs of modern life.

Ruum Store's R&D activities aim to exceed user expectations in terms of both aesthetics and functionality. Focusing on elements such as ergonomics, durability, environmentally friendly production, and smart usage features in the furniture industry, the brand also actively evaluates customers' feedback during product development.

Investments and Incentives

Doğanlar Furniture Group’s total investment spending in 2024 reached *TRY 805 million*.

Investments Made

Biga Rooftop SPP Investment Project

In 2023, we kicked-off a significant project to increase our renewable energy production. As part of the project, a solar power plant with a capacity of 4,542 kWp was established to meet the energy needs of our Biga facility. Additionally, a transformer with a capacity of 1,600 kVA was added to strengthen the facility’s energy infrastructure, and 29,000 m² of roof panels were renewed. These innovations have enhanced fire safety and provided a more efficient energy system. The project will enable an energy production of 5,553,300 kWh, resulting in a significant reduction in energy costs and carbon emissions.

Düzce Rooftop SPP Investment Project

Düzce Rooftop SPP Project, another major renewable energy investment by Doğanlar Furniture Group, marked the installation of a solar power plant with a 5,000-kWp capacity. Launched to meet the energy needs of our Düzce facility, the project will enable the production of 5,750,000 kWh of energy annually. As part of the project, the energy infrastructure of the facility was fortified with the addition of a 3,150-kVA transformer and the installation of 5,000 solar panels. The project was completed and commissioned upon the official acceptance following the inspection by the Turkish Electricity Distribution Corporation. The SPP projects launched as part of our company’s sustainability goals will contribute to reducing our energy dependency and carbon footprint.

Facility and Machinery Investments

At Doğanlar Furniture Group, we continued our facility and machinery investments at full speed.

To expand our storage areas, we completed a 10,000-m² warehouse investment at our Düzce production facility. The warehouse is fully equipped with a fire extinguishing system. We also invested in a new 2,000-m² administrative building to provide our employees with better working conditions. The new arrangements and additional building investment in the Kelebek Kitchen-Bathroom production facility have created an extra 2,380 m² of space.

To increase capacity at our Düzce and Biga production facilities, we invested \$2,750,000 in state-of-the-art machinery from leading companies in their industries, and all the machines were commissioned in our facilities.

We reinforced our environmentalist identity in line with our sustainability goals by renewing our sewer and drainage lines, as well as our garbage disposal areas. This enabled us to sort our waste (paper, metal, chemicals, plastic, etc.) and send it outside the facility.

In 2024, Doğanlar Furniture Group’s total investment spending reached 805.462.178 Turkish liras, covering building and machinery investments of production facilities, retail and marketing investments, IT and fixture investments. In 2025, the Group aims to allocate 1-1.5% of consolidated sales revenues to investment expenditures.



Investment Incentive Certificates

The Ministry of Industry and Technology of the Republic of Türkiye granted investment incentive certificates for Doğanlar Furniture Group’s Çanakkale/Biga and Düzce production facilities. The support provided by these certificates is 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%, Investment Contribution Rate [ICR] 20%), Insurance Premium Employer Share Support (3 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 the Fourth Region support class, which includes VAT Exemption,

Corporate Tax Reduction (70%, Investment Contribution Rate [ICR] 30%), Insurance Premium Employer Share Support (6 Years), Customs Duty Exemption, and Interest Support. The expiry date of this document is July 24, 2026.

Moreover, the investment incentive certificates for the Rooftop SPPs were received from the Ministry of Industry and Technology for the Çanakkale/Biga and Düzce production facilities. The support provided by these certificates is detailed below.

The Rooftop SPP investment incentive certificate for the Çanakkale/Biga production facility was received on October 15, 2024. The incentives include VAT Exemption, Corporate Tax Reduction (70%, Investment Contribution Rate [ICR] 30%), Insurance Premium Employer Share Support (6 Years), and more. The SPP Investment Incentive Certificate belongs to the Second Region support class, while Fourth Region



supports were granted per Presidential Decree No. 5209, dated February 23, 2022. The expiry date of this document is October 10, 2027. The Rooftop SPP investment incentive certificate for the Düzce production facility was received on October 15, 2024. The incentives include VAT Exemption, Corporate Tax Reduction (70%, Investment Contribution Rate [ICR] 30%), Insurance Premium Employer Share Support (6 Years), and more. The SPP Investment Incentive Certificate belongs to the Third Region support class, while Fourth Region supports were granted per Presidential Decree No. 5209, dated February 23, 2022. The expiry date of this document is October 10, 2027.

TURQUALITY®

TURQUALITY® is the world's first-ever and the only state-sponsored brand development program. Today's increasingly tough competition and changing consumer habits push companies to create strong brands that deliver greater value and higher market share to become international players.

The focus of the TURQUALITY® Program differs from typical export incentives; it aims to support companies in brand development efforts rather than solely helping them increase exports. The 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 on December 12, 2023, extending the TURQUALITY® support period for the Doğtaş brand until December 2028. Since 2008, the program has been providing support for 71 stores in 37 countries, covering rent, store decoration, promotion, and advertising. We also received this support for participation in exhibitions.

Our "Kelebek" brand was part of the Brand Support Program from 2014 to 2018 and entered the TURQUALITY® support program in 2019 for a five-year period. To date, the Company has benefited from TURQUALITY® support for 10 stores in seven countries. These programs also provide support for corporate infrastructure expenses.

With the letter of the Ministry of Trade dated 17.01.2025, the Turquality support period for the Kelebek brand has been extended until 2030. 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
- » Market Survey Costs (Overseas)
- » Growth Roadmap.

Our brands under TURQUALITY® benefited from all the support items mentioned above. In 2024, our company received TURQUALITY® support worth 42,428,000 Turkish lira.

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 context, implements various practices for its employees. The Group’s human resources approach is designed to foster a meaning- and purpose-oriented work culture. Its HR policy and strategy

reflect the latest HR trends. The Company’s core principle is to ensure employees continuously improve themselves by aligning their individual goals with company objectives in a balanced manner, helping them contribute effectively to the organization.

Doğanlar Furniture Group Human Resources Principles

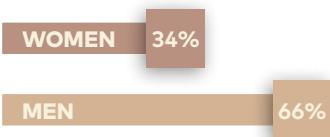
- » We believe in open communication and actively support it at all levels.
- » We foster a peaceful work environment where our employees can feel happy and proud to contribute.
- » We ensure equal opportunities in our career and talent management operations, without discrimination or favoritism, offering opportunities to those who demonstrate role model qualities through their knowledge, skills, and behavior.
- » We offer training and development programs to enhance our employees’ expertise, as well as their personal and leadership skills.
- » We implement suggestion and reward systems that encourage innovative ideas to help grow our business.

Employee Profile

At Doğanlar Furniture Group, we maintain sustainable success in the industry through our people-oriented approach. We consider our employees to be our most valuable assets and are proud to be a Group that grows every day thanks to their talents, determination, and loyalty. As of December 31, 2024, Doğanlar Furniture Group employs 2,647 people. Of these, 1,233 employees are members of the Öz Ağaç-İş union. The Collective Labor Agreement between

Doğanlar Mobilya Group and the Öz-Ağaç Labor Union expired on 31.12.2024 and negotiations for new agreements are continued. We offer our employees the opportunity to benefit from private health insurance as part of the social benefits we provide. This insurance also extends the benefit to the spouses, dependents, and children of employees. Nursery assistance is provided to working women with children who are union members. Social benefits, including transportation and meals, are also provided.

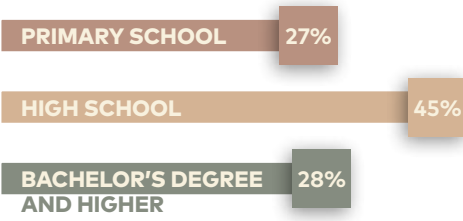
Gender



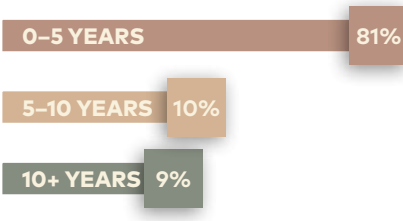
Collar Type



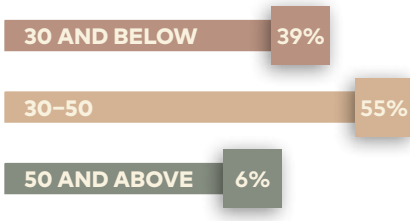
Education



Seniority



Age



Career Management

At the start of each year, the human resources needs of our organization are carefully planned in alignment with the strategic goals of our company. First, we evaluate our high-potential employees from within the organization and offer opportunities for horizontal or vertical promotion, rotation, and reassignment. We measure employees' competencies and contributions to business goals through annual performance evaluations and create development plans aligned with their career planning. This approach allows employees to make the most of in-house career opportunities.

Recruitment

During the recruitment process, we aim to hire candidates who align with our company's values and culture and possess the necessary competencies for the position. Candidates' educational background, technical knowledge, skills, experience, and qualifications are assessed according to criteria specifically defined for each position. Moreover, we review all applications based on the principles of fairness and equal opportunities, ensuring confidentiality throughout the recruitment process. We engage independent firms to ensure impartial and accurate evaluations of our candidates.

Performance Management

In alignment with our company strategies, we regularly assess the targets and performance indicators established by each department. The performance management process is a key tool for enhancing departmental operations and increasing the value they contribute to the company.

Employee Satisfaction and Loyalty Management

Employee satisfaction directly influences their personal development and happiness, and plays a crucial role in shaping the overall performance of



our company. As a result, we have implemented several mechanisms to continuously monitor and enhance employee satisfaction and loyalty. The annual employee loyalty and satisfaction surveys, conducted through independent research companies, help us understand the needs and expectations of our employees. Survey results are assessed in key areas such as commitment, leadership, performance culture, and employee experience.

We design various programs to boost employee motivation and enhance our processes. We listen to their ideas through the suggestion system and implement feasible ones for process improvements. The system, called "Great Idea," evaluates and rewards suggestions submitted by our employees, either individually or as part of a team. This approach enhances our employees' contributions to the company and encourages their active participation in business processes.

In response to employee feedback, we aim to boost satisfaction and loyalty each year by investing further into well-being programs that support mental and physical health. We also value the family lives and special moments of our employees, offering support during these times.

As of 2024, 40 female employees and 88 male employees have used maternity/parental leave. After taking this leave, 20 female employees and 88 male employees returned to their roles.

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

Equality, Diversity and Inclusion

At Doğanlar Furniture Group, we adopt a zero-tolerance policy towards discrimination and inequality of opportunity. To that end, we are committed to ensuring a fair and equal working environment for all our employees. We treat all our employees equally, regardless of gender, age, race, ethnicity, religion, sexual orientation, disability, or any other characteristic.

Employees who face any form of discrimination or inequality can submit their complaints confidentially. These complaints are carefully evaluated, and appropriate actions are taken. No cases of discrimination were reported within the company in 2024.

We also ensure pay equity among employees in the same positions, regardless of gender. Our compensation policy is based solely on the qualifications and performance criteria necessary for the job. In our recruitment process, we make objective evaluations based on candidates' qualifications, experience, and abilities. The most suitable candidates are selected in a gender-neutral manner.

We work determinedly to create an environment where every individual has equal opportunities. By signing the United Nations Global Compact, we have pledged to comply with 10 principles on human rights, the environment, labor standards, and the fight against corruption. Additionally, by signing the United Nations Women's Empowerment Principles (WEPs), we have

committed to supporting women's participation in economic life at all levels.

At Doğanlar Furniture Group, we believe that equality, diversity, and inclusiveness make us stronger. In the coming period, we will continue to offer our employees a working environment built on these approaches.

Training and Development

Under Akademi-D, our Training and Development department aims to add value to the Doğanlar Furniture Group ecosystem by providing training and development solutions that focus 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. These form the basis of our Academy D. We support our employees' growth through training in Corporate Development, Personal Development, Professional Development, and Leadership. These programs are tailored to each role based on a thorough needs analysis, with findings validated



through discussions with senior management and department heads. We also consider requests for additional development opportunities, such as seminars, conferences, and external technical or behavioral training. The Human Resources team and relevant managers evaluate these requests based on budget, benefits, and suitability. In 2024, a total of 15,355 person/hours of training was provided to approximately 977 people, including employees at Headquarters, Enterprises, and domestic and international dealers.

Approximately 6,416 hours of training have been completed online through the Akademi-D Development Platform. For face-to-face training, we prioritized sales training in the retail segment in 2024. As part of the Retail School Development journey, we provide training on fundamental materials, products, service approaches, and sales. Additionally, training on written communication and presentation techniques was provided at our headquarters and factories. The training was designed by our internal resource team to include gamification and application activities, aligned with the adult learning model. Feedback for the programs was very positive. The homework and reinforcement activities provided at the end of each training session made the learning process easier. On the online channel, we shared a catalog covering the key issues identified in the training needs analysis. The content covered a range of topics, from Artificial Intelligence to Data Analysis, Feedback, and Positive Attitude. We also designed training programs that include product information and sales tips for our sales channel and added them to our catalog.

We prepared and launched tailored programs for our brands, including the Retail School Sales Consultant, Interior Architect Development Journey, Store Manager Development Journey, and Dealer Development Journey. This hybrid program, which combines on-site learning,

practical job applications, and online solutions, consists of five distinct modules. For topics highlighted in the needs analysis, we promote self-learning by directing employees to our Akademi-D Development Platform, which features monthly training content under the "Training of the Month" section.

In 2025, our focus will be on providing training and development opportunities for all our employees, as well as designing, offering, and enriching alternative learning methods. To achieve this, we set our goals with a focus on increasing the diversity of learning tools and utilizing alternative learning channels. The KPIs we monitor include ensuring the training satisfaction rate remains above 95%, increasing training hours per person and experience durations on the development platform, and improving training participation rates.

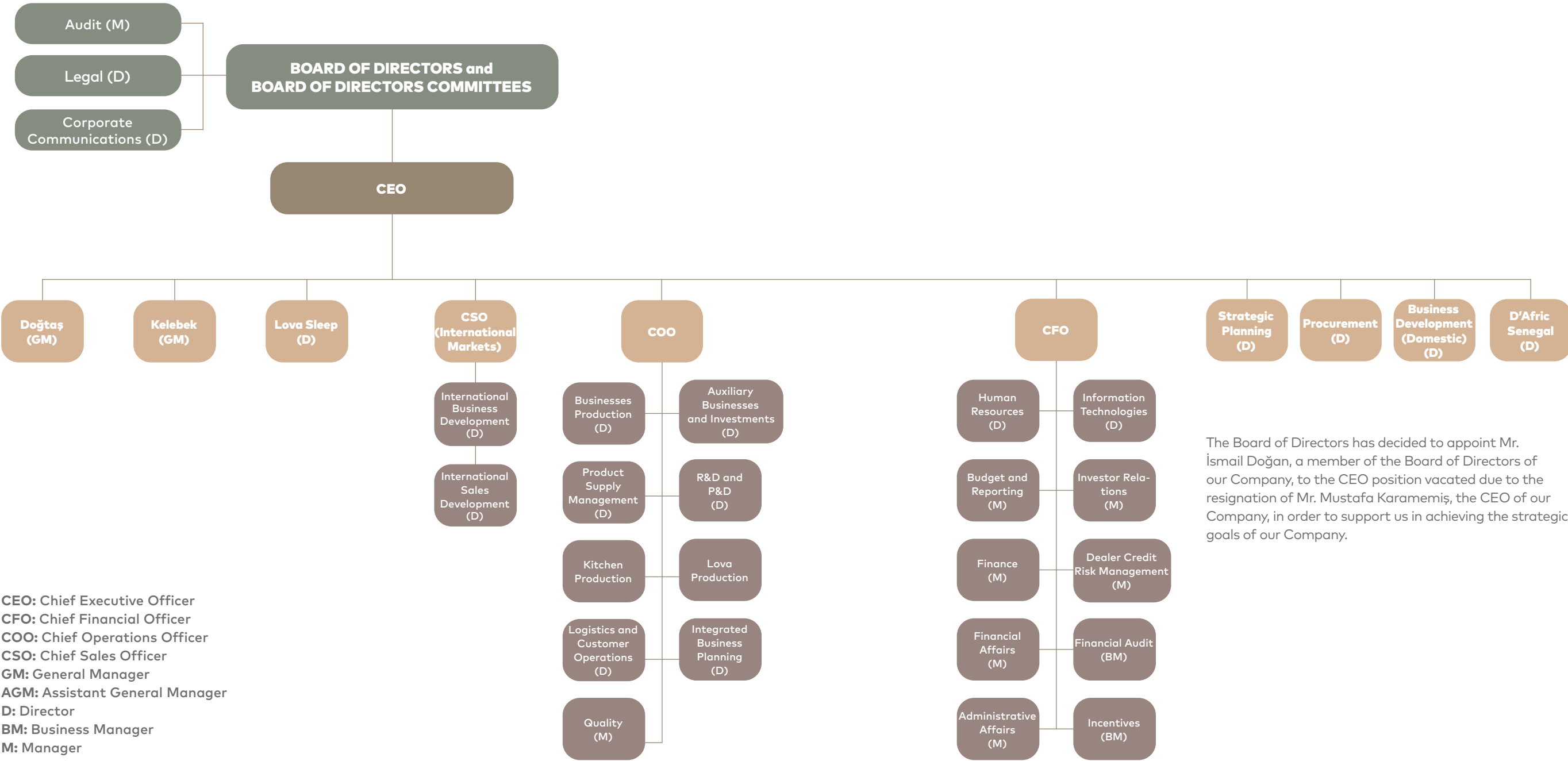
**Happiness in Our Work
Digital Orientation Project**

In 2024, we launched the Happiness in Our Work Digital Orientation project with the theme "From Sketch to Reality." The training is designed to support the adaptation process of new colleagues joining Doğanlar Furniture Group, increase awareness between departments by describing our corporate structure and all our channels to existing colleagues with a common language, and enhance the employee experience. It consists of five modules: Who We Are, Our Brands, Our Brand Departments, Our Shared Service Departments, and Our Production Facility Departments.

The training was designed according to the adult learning methodology, incorporating videos, reading materials, voice-over texts, and gamification. Additionally, the FAQ section provides quick access to answers. We supplement this training by organizing monthly breakfast events with the CEO and our HQ teams as part of the orientation process, ensuring that company strategies are explained firsthand. We also organize introductory meetings to help our managers and higher-ups adapt more quickly.



Organizational Chart



Information Technologies

Doğanlar Furniture Group continuously enhances its digital infrastructure and introduces various innovations *as part of its Digital Transformation strategy.*



Doğanlar Furniture Group prioritizes ensuring the highest level of information security in digital business processes and protecting the confidentiality, integrity, and accessibility of all data management activities. All information technology processes at the group comply with the ISO 27001:2022 Information Security Management System. Information security processes are closely monitored by

senior management, with support provided for the continuous improvement of processes, enhancement of compliance and audit mechanisms, and implementation of business continuity and disaster recovery scenarios. In 2024, the company launched significant information technology projects and applications. These include the commissioning of a SPEEDY robot to automate routine operations using

RPA (Robotic Process Automation) applications. Our production processes are also being enhanced with MES/IOT and Machine Learning applications. We began using RFID tags for traceability and control systems. We also started developing a Virtual Assistant application and various artificial intelligence applications.

Digital Transformation Activities

We aim for continuous development and efficiency in our business processes through our digitalization activities. In 2024:

- » New certification activities were completed in accordance with the ISO 27001:2022 standard.
- » With the retail infrastructure SD WAN project, all stores were brought under one roof.
- » Business intelligence and data analytics activities were completed.
- » The full-time delivery project, which provides customers with the most suitable routes and times during order entry, was completed.
- » A training portal was launched to allow all employees to access and benefit from training activities instantly.
- » With our mobile PDKS application, we launched a shift planning and tracking system for our retail sales points and field personnel.
- » IOT – MES Data collection and monitoring projects were launched.
- » Efforts were initiated to increase and monitor efficiency in production using artificial intelligence and machine learning applications.
- » The factory energy monitoring and tracking (SCADA system) project was launched as part of sustainable energy efficiency activities.
- » Activities for smart systems that will control all semi-finished products, packages, and components with RFID have reached the testing phase.
- » Our MDM (Master Data Management) application was launched, allowing all product information to be managed from a single point.
- » Our website <https://product.doganlarmobilyagrubu.com/> was made

accessible to customers worldwide, featuring technical information and assembly animations of products.

- » A dedicated platform was created to manage our entire online channel infrastructure and integration layers.
- » Customer segmentation and individualization activities are underway.
- » The customer bidding process is currently in progress and will be monitored on a single platform until the installation phase.
- » Our RPA (Robotic Process Automation) application was launched, and our processes were automated under SPEEDY. Similarly, various existing processes are being transitioned to SPEEDY.
- » Efforts were initiated for a Virtual Assistant application and artificial intelligence applications, which will be launched as soon as possible.
- » Similarly, our efforts to digitalize all our processes will continue at full speed in 2025.

Rise with SAP HANA

At Doğanlar Furniture Group, we adopt an innovative approach in our digitalization processes and focus on aligning all our operations with today's requirements. Launched to serve this purpose, the Rise with SAP HANA project is a key step in our company's digital transformation journey. With this project, a first in the furniture industry, we are transitioning all our business processes to the cloud, making our processes more efficient and establishing an infrastructure that quickly adapts to market variables.

As part of these activities, we aim to provide fast and accurate reporting through real-time, complete data access, and improve our turnover efficiency by strengthening our CRM processes.

Investor Relations and Stock Performance

Doğanlar Furniture Group Investor Relations
hosts webcast presentations with corporate investors
every quarter, following the announcement
of financial and operational results.

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

Doğanlar Furniture Group's Investor Relations hosts webcast presentations with corporate investors every quarter, following the announcement of financial and operational results. Meetings are held with the active involvement of the company's CEO and CFO, ensuring prompt responses to investors' inquiries. Podcast recordings of the meetings are shared with individual investors upon request. We regularly conduct one-on-one meetings with investors, emphasizing the importance of their consistency. These meetings aim to foster transparency, facilitate accurate information sharing, and promote good corporate governance practices. Following the announcement of the financial and operational results for 2023, a physical meeting was held with corporate investors on May 27, 2024. In 2024, Doğanlar Furniture Group organized and attended over 50 video conferences and face-to-face meetings, including webcasts. At the same time, the website www.doganlarmobilyagrubu.com is

being 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 via phone, email, or during General Assembly Meetings through the Electronic General Meeting (e-GEM) system, adhering to the publicly disclosed information framework.

The Investor Relations Department presented a comprehensive report outlining all activities conducted throughout the year to the Board. The Investor Relations Department provides updates on 19.12.2024 on the company's stock performance and related developments at board meetings. Additionally, developments in the stock price, price changes relative to BIST100, comparisons of similar company stock performances, market cap, and industry news are shared with the Board of Directors and senior management on a weekly and regular basis in the Investor Relations Bulletin.

The Investor Relations Department operates under the CFO. Investor Relations Manager Aysun Vardan serves as a member of the Corporate Governance Committee.

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, 2024, the closing share price was 9.75 Turkish lira. The Company's share performance information is provided below.

Aysun Vardan – Investor Relations Manager

License Documents: Capital Market Operations Level 3
Corporate Governance Rating License

Investor Relations Contact Details

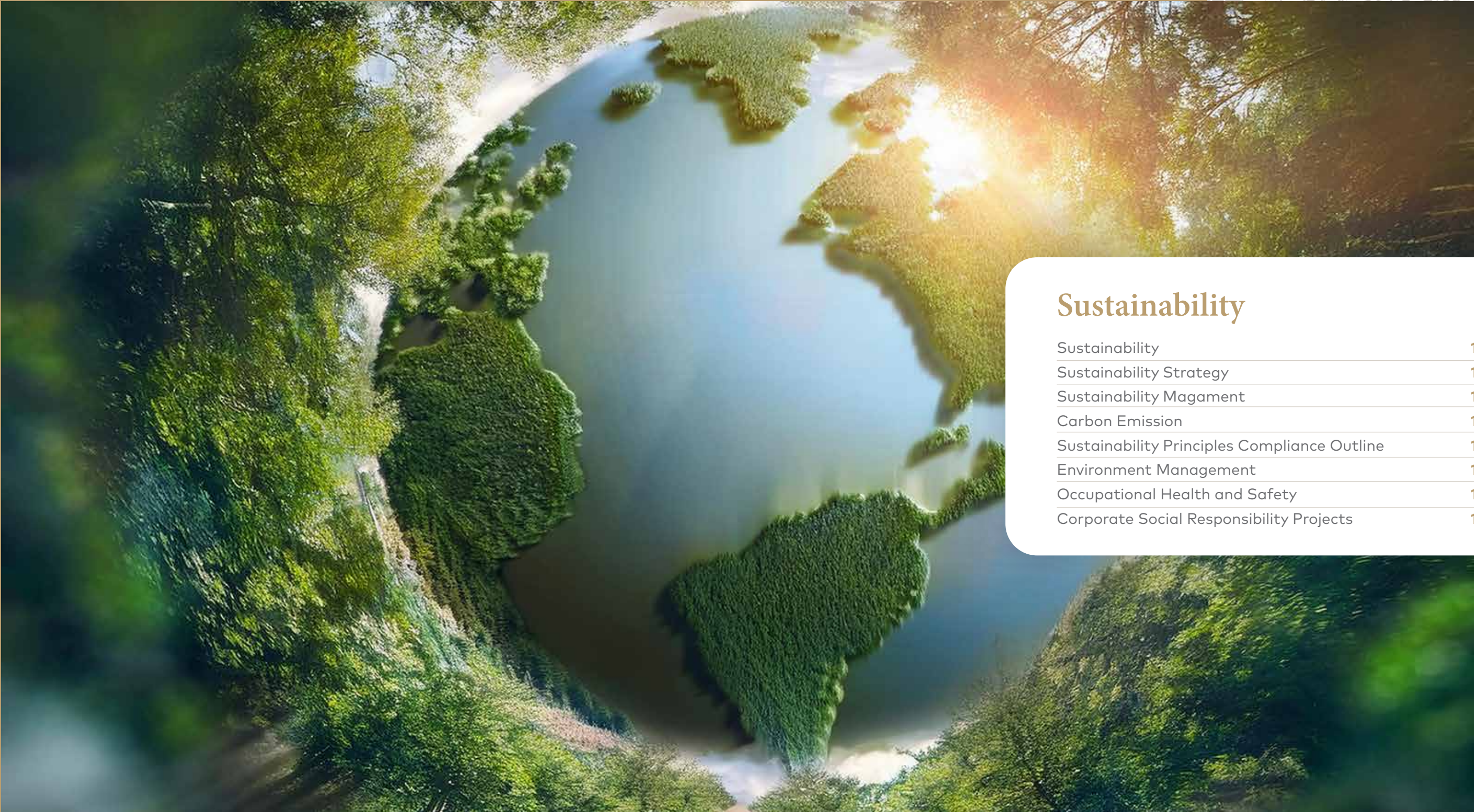
Tel: +90 216 425 1224
Email: ir@doganlarmobilyagrubu.com

Share Information

Share Information		
BIST code	DGNMO	
Initial Public Offering	1990	
Indices Included	BIST PARTICIPATION ALL SHARES / BIST 500 / BIST ALL SHARES / BIST MAIN / BIST WOOD, PAPER, PRINTING / BIST ALL SHARES-100 / BIST INDUSTRIALS	
Number of Publicly Traded Shares	175,430,447.21	
Free Float Rate	50.12	
	TRY	USD
Stock Value as of 12.31.2024	9.75	0.28
Lowest (10.02.2024)	7.98	0.233
Highest (05.14.2024)	15.43	0.478
Total Market Value of Shares	3,413,000,000	97,000,000

As of the end of 2024, Doğanlar Furniture Group's market cap is *TRY 3.41 billion*.

Quality in Every Detail,
a Better Future in Every Step



Sustainability

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Sustainability

Through investments in renewable energy sources,
we contribute to energy independence and support our sustainability strategy by reducing our carbon footprint.

At Doğanlar Furniture Group, we view sustainability as a key element in creating long-term value. By integrating environmental, social, and governance (ESG) criteria into our business processes, we prioritize financial success while also fulfilling our responsibilities to society and the planet.

Our **"Furniture of the Future"** vision is rooted in our responsibility to nature and humanity. Accordingly, we manage all business processes, including the supply chain, production, product design, and stakeholder relations, in alignment with sustainability principles. Drawing strength from our employees at every step, we aim to produce furniture that looks to the future while adhering to ethical principles.



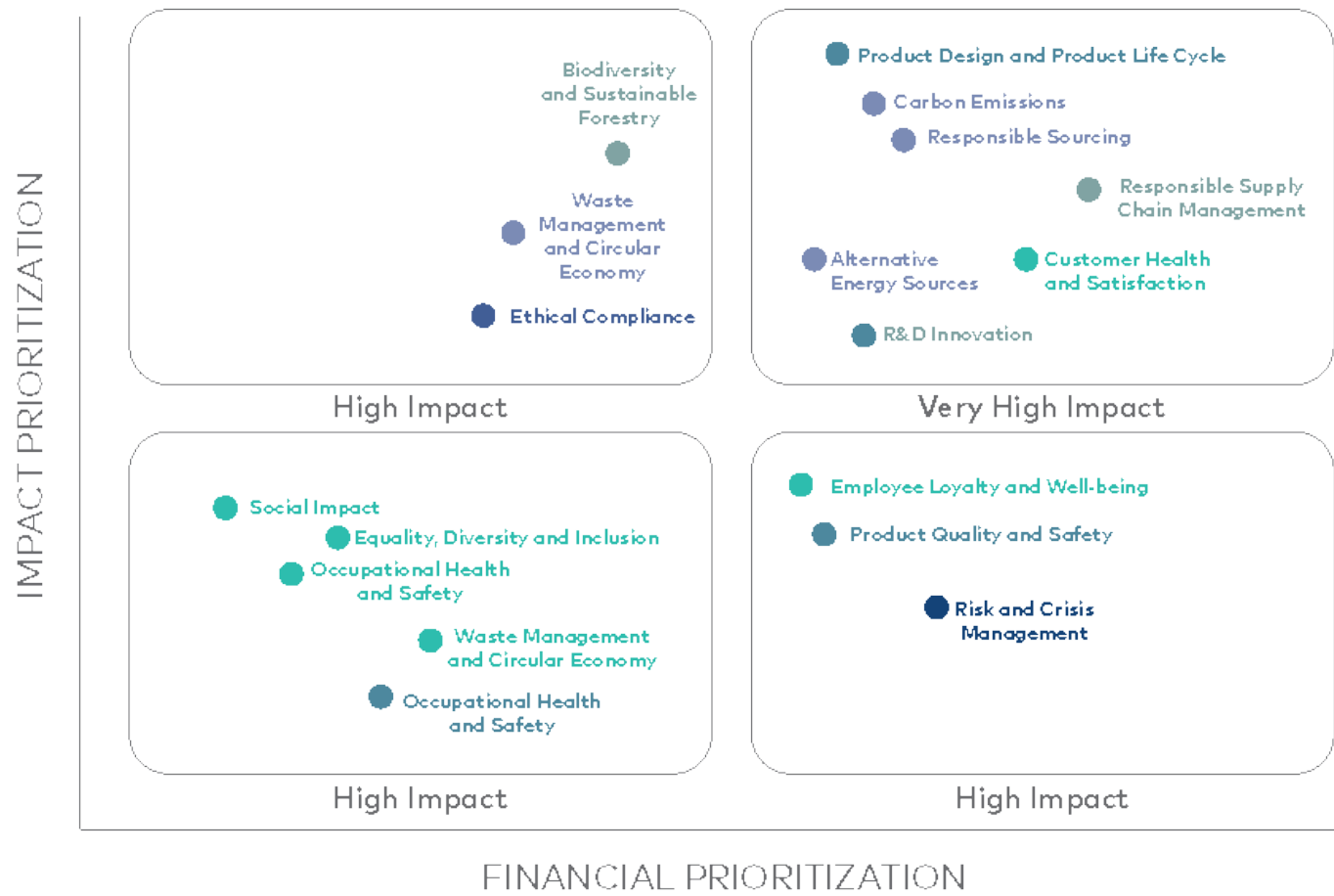
We conducted a materiality analysis, which forms the basis of our sustainability strategy, to reveal the most critical issues affecting our ESG performance. In this process, we adopted a double materiality approach by evaluating the impacts of our activities on the environment and society, as well as the reflections of these factors on the financial performance of Doğanlar Furniture Group.

Double Materiality Assessment Methodology



First, we identified a broad range of subjects by considering global and sectoral trends, peer company analysis, and international sustainability standards. Interviews with managers from various functions helped us identify material issues in line with our company's strategic goals. We also analyzed how sustainability issues impact our company's activities and how stakeholders perceive these issues through workshops and internal surveys. During this process, we developed a perspective that integrates the views of both internal and external stakeholders, aligning their expectations with our company's sustainability goals.

Doğanlar Furniture Group Materiality Matrix



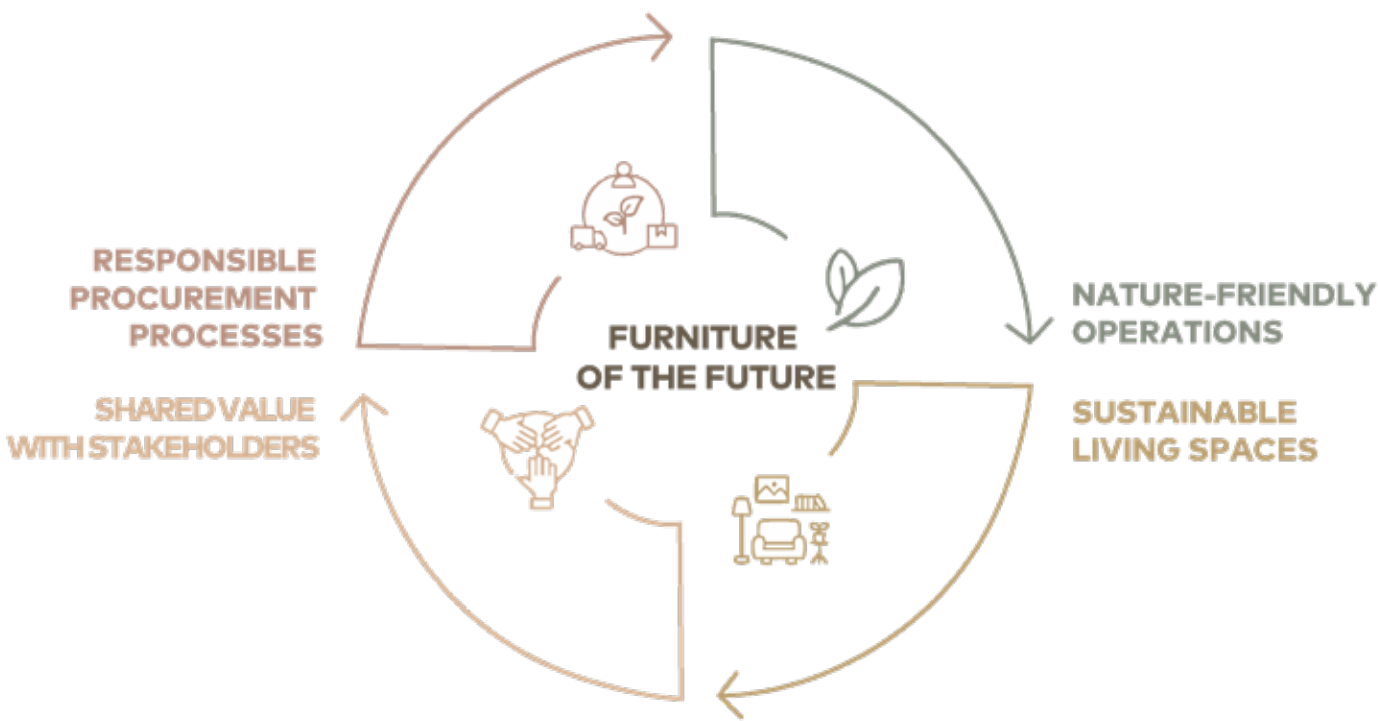
The analyses were synthesized using a materiality matrix that compares the financial impacts on Doğanlar Furniture Group's business processes with their effects on the environment and society. This matrix helped us determine our strategic priorities by evaluating the impact of our activities on sustainability issues, as well as the risks and opportunities these issues present.

Sustainability Strategy

At Doğanlar Furniture Group, we have developed our sustainability strategy *to encompass all our processes, from the supply chain and production to sales, marketing and customer satisfaction.*

We have designed our sustainability strategy as a comprehensive approach, integrated into every stage of our business processes. At the core of our strategy is a double materiality approach that considers both the financial impact of sustainability issues and their environmental and societal consequences within our sphere of influence. We integrate sustainability across our value chain in four sequential stages.

Doğanlar Furniture Group Sustainability Strategies



We Adopt Responsible Procurement Processes
The furniture of the future embraces responsibility from the very first step.

We are committed to sourcing raw materials sustainably, preventing deforestation, and upholding the principle of biodiversity conservation. We prioritize transparency, traceability and ethical values at every stage of our supply chain.



We Conduct Nature-Friendly Operations
The furniture of the future prioritizes environmental responsibility in production.

We craft each piece of furniture with care, ensuring harmony with nature. We are dedicated to sourcing energy for our production processes from alternative sources. We create innovative solutions to reduce emissions and manage resources responsibly.



We Design Sustainable Living Spaces
The furniture of the future is designed with both the present and future in mind.

We create durable, high-quality furniture with timeless designs, providing sustainable living spaces for our customers. From the design phase, we contribute to transforming consumption habits through circular economy practices.



We Create Shared Value with Our Stakeholders
The furniture of the future grows with its stakeholders.

We adopt practices that promote the wellbeing and growth of our employees. We make a positive impact on society through our social responsibility initiatives. We strive to achieve the highest standards in customer experience and place a strong emphasis on feedback. We amplify our lasting and positive impact by growing together.

Sustainability Management

Sustainability is a process that requires integrated management, which is why we have developed a governance structure based on our sustainability strategy. With the involvement of the Executive Board and all employees, we have overseen the processes of determining, implementing, and monitoring strategies.

These processes are managed by the Sustainability Board, Committee, and Task Forces, operating through a highly coordinated and results-driven approach with clearly defined areas of responsibility. Through these processes, we have reinforced the infrastructure needed to achieve our sustainability goals, activated decision-making procedures, and broadened governance across the company.

Doğanlar Furniture Group Sustainability Governance Structure



Sustainability Management

We aim to enhance our ESG performance each year with the sustainability targets we have set for the future. As part of our commitment to continuous improvement, we extend environmental and social goals throughout the organization, concentrating on different stages of the value chain. Our first sustainability report outlines the short-term, medium-term, and long-term goals we have set for the four value areas and material issues of our sustainability strategy.

Value Area	Material Issue	Sustainability Goal	Term	Related SDG
Responsible Procurement Processes	Responsible Supply Chain	Having 50% of the entire supplier portfolio and 30% of critical suppliers undergo ESG audits by 2027.	Medium-Term	 
		Providing training to suppliers for developing their sustainability competencies by 2026.	Short-Term	 
		Establishing a Supplier Academy by 2028.	Medium-Term	 
	Biodiversity and Sustainable Forestry	Launching at least one biodiversity project every year.	Short-Term	 
Nature-Friendly Operations	Carbon Emissions	Achieving net-zero emissions by 2050.	Long-Term	 
		Using 100% renewable energy in operations by 2030.	Long-Term	 
	Alternative Energy Sources	Replacing at least 50% of logistics vehicles with zero-emission vehicles by 2030.	Long-Term	 
		Investing \$4 million into our renewable energy projects by 2030.	Long-Term	 
	Responsible Sourcing	Reducing waste going to landfill by 50% by 2027.	Medium-Term	 
		Recycling or recovering 60% of the waste generated from our operations by 2027.	Medium-Term	 

In line with our sustainability goals, we aim to achieve net-zero emissions by 2050. We will take decisive steps to minimize our carbon footprint and achieve our sustainability goals.

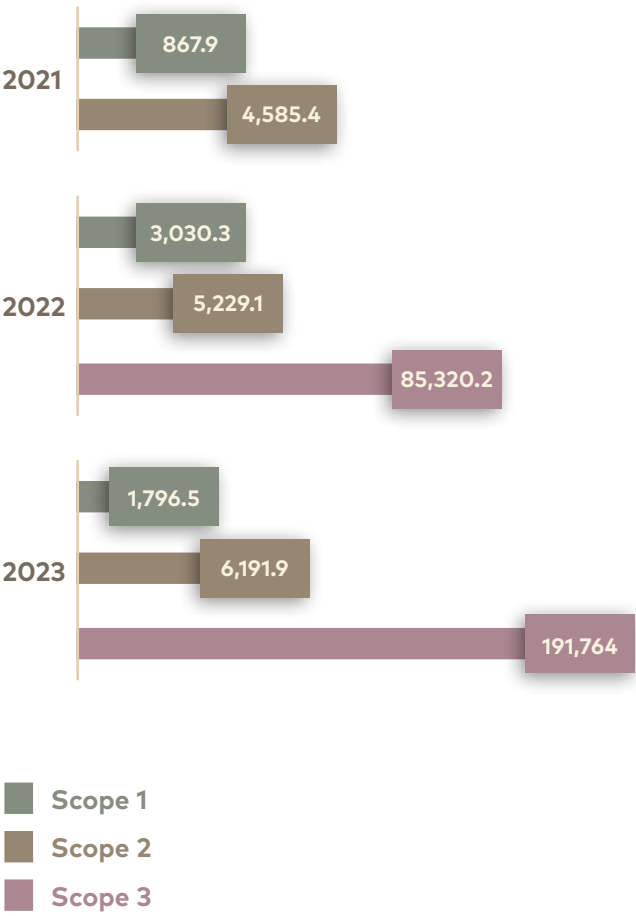
Value Area	Material Issue	Sustainability Goal	Term	Related SDG
Sustainable Living Spaces	R&D, Innovation and Design	Achieving a 30% utilization rate for sustainable raw materials across the entire bedding range by 2027.	Medium-Term	 
		Issuing a Circular Design Guide in 2025 for reference in design processes.	Short-Term	 
		Releasing a new collection annually in accordance with the Circular Design Guide, starting in 2026.	Short-Term	 
		Ensuring 5% of the new products designed each year are made with recycled and upcycled materials by 2026.	Short-Term	 
		Obtaining at least 2 patents every year.	Short-Term	 
Shared Value with Stakeholders	Employee Loyalty and Wellbeing	Keeping the employee turnover rate below 30%.	Medium-Term	 
		Keeping the employee satisfaction rate above 75%.	Medium-Term	 
		Keeping the average number of hours of in-class training per employee above 7 hours.	Medium-Term	 
	Equality, Diversity and Inclusion	Increasing the percentage of female managers from 19% to 25% by 2027.	Medium-Term	 
	Customer Experience and Satisfaction	Increasing the customer satisfaction rate to 75% by 2028.	Medium-Term	 
		Focusing 25% of marketing campaigns on sustainability.	Short-Term	 

Carbon Emissions

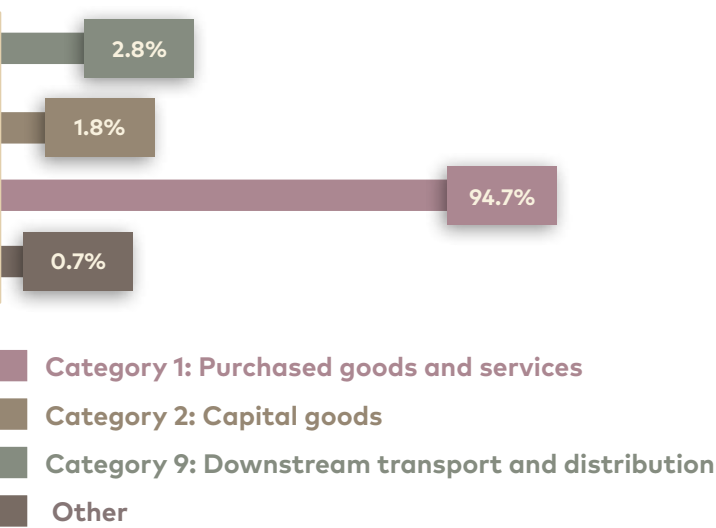
As a player in the furniture industry, we recognize our responsibility to manage and reduce our emissions more effectively, given that our raw materials are sourced directly from natural resources. To this end, we develop sustainability strategies that encompass our entire value chain, considering the environmental impacts of materials such as wood, plastic, metal, and textiles used in our production processes, while taking steps to monitor and manage our carbon emissions.

With this in mind, we began calculating Scope 1 and 2 emissions in 2021, and Scope 1, 2, and 3 emissions in 2022 and 2023. Thanks to our enhanced data collection processes and expanded inventory of purchased goods, we have gained more comprehensive and accurate data.

Greenhouse Gas Emissions by Year and Scope (metric tons of CO₂e)



Scope 3 Emissions Category Distribution



In 2022, carbon emissions per product were 0.05 metric tons of CO₂e across 1,759,422 products sold, resulting in a total of 93,579.6 metric tons of CO₂e in greenhouse gas emissions. In 2023, carbon emissions per product increased to 0.09 metric tons of CO₂e across 2,027,917 products sold, leading to a total of 199,752.4 metric tons of CO₂e in greenhouse gas emissions, primarily due to increased production capacity and sales.

Practices

First Sustainability Report Published

Doğanlar Furniture Group's first Sustainability Report, issued in accordance with the Global Reporting Initiative (GRI) Standards, outlines our sustainability strategy aligned with the vision of "Furniture of the Future." The report covers our goals; best practices in environmental, social, and governance areas; and our 2023 performance. It was published on our company website at www.doganlarmobilyagrubu.com/surdurulebilirlik on December 10, 2024, and investors were notified on the Public Disclosure Platform.



Extensive Stakeholder Workshop

We have considered the expectations of our stakeholders in our strategic decisions since the moment we set out on our sustainability journey. Accordingly, we organized an extensive stakeholder workshop to define our company's vision and material sustainability issues. The workshop was attended by 49 participants from various stakeholder groups, including suppliers, dealers, media representatives, union members, analysts, and employees. During the workshop, we discussed the key issues that influence the development of our sustainability strategy. In these group discussions, we focused on our company's sustainability vision, key material issues, and the actions required to address the identified issues.



Energy Management Practices

At Doğanlar Furniture Group, we align our energy management strategy with sustainability principles and implement various projects to enhance energy efficiency in our operations.

As part of our renewable energy investment initiatives, we have commissioned two major renewable energy projects: the Biga Rooftop SPP Project and the Düzce Rooftop SPP Project. Thanks to the Energy Monitoring System (SCADA Project) we have implemented to enhance our energy efficiency, we can extensively monitor the distribution of energy used in our factories. The SCADA system allows us to monitor the real-time power, pressure, temperature, and operating times of our machines. We create a more efficient and safer production environment by detecting unnecessary downtimes, excessive energy consumption, and potential accidents early. As part of our energy management strategy, we have expanded our electric vehicle infrastructure. We have also made progress in reducing our carbon emissions by replacing the diesel forklifts in the production area with electric forklifts.

Sustainability Principles Compliance Framework

If the compliance status with the principles is determined as "Yes" or "Partially," the report details or a link to the publicly disclosed information must be provided.

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,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
A. General Principles						
A1. Strategy, Policy and Goals						
A1.1	Material environmental, social and corporate governance (ESG) issues, risks, and opportunities have been identified by the company’s board of directors.	X			At Doğanlar Furniture Group, we carefully evaluate the impacts of climate-related risks and opportunities on our business processes and closely monitor emerging opportunities, while managing the identified climate risks. Our initial activities in this context were published in the 2023 Sustainability Report, while our more comprehensive activities will be included in the TSRS report set to be published in 2025. (Pages 30–33)	
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Labor Policy, etc.) have been established and publicly disclosed by the Board of Directors.	X			As part of ESG Policies, we have policies in place on Environmental Protection, Quality, Employee Rights, Occupational Health and Safety, Remuneration, Integrated Management Systems, and Anti-Bribery and Corruption.	
A1.2	Short- and long-term targets set within the scope of ESG policies are disclosed to the public.	X			In 2024, the short-term, medium-term, and long-term goals of Doğanlar Furniture Group were identified and published. (Page 56)	
A2. Implementation/Monitoring						
A2.1	Committees and/or units tasked with implementing ESG policies, along with the company’s highest-ranking officials responsible for ESG matters and their roles, have been identified and disclosed.	X			We have a Sustainability Governance structure that emphasizes the active involvement of all employees, particularly the Executive Board, in identifying and implementing sustainability strategies, monitoring performance, and pursuing sustainability goals. This structure includes the Sustainability Board, Sustainability Committee and Sustainability Task Forces. (Page 106)	
	The responsible committee and/or unit has reported its activities within the scope of policies to the Board of Directors at least once a year.	X			The activities within the Sustainability Governance Structure are reported quarterly to the Sustainability Board, which consists of Executive Board members. (Page 44)	

If the compliance status with the principles is determined as "Yes" or "Partially," the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
A2.2	Implementation and action plans have been established and disclosed to the public in line with ESG objectives.	X			The completed and planned activities for sustainability goals were shared in the 2023 Sustainability Report.	
A2.3	ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been disclosed to the public.		X		The first sustainability report of Doğanlar Furniture Group was published in 2024. Developments regarding the goals will be included in the reports to be published in the coming years.	
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	X			Sustainability activities for products are detailed in the 2023 Sustainability Report (Pages 71–77). Activities for 2024 will be included in the 2024 Sustainability Report.	
A3. Reporting						
A3.1	Information on the company's sustainability performance, targets, and actions is provided in the annual reports in a clear, accurate, and comprehensive manner.	X			Included in the sustainability section of the annual report (Pages 102-111)	
A3.2	The company has publicly disclosed information regarding its alignment with specific United Nations (UN) 2030 Sustainable Development Goals.	X			Sustainability goals and related SDG links were included in the annual report (Page 108–109)	
A3.3	Lawsuits 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.			X	In 2024, no lawsuits were filed against and/or finalized on environmental, social and corporate governance issues.	
A4. Verification						
A4.1	The company's ESG key performance measures were verified by an independent third party and disclosed to the public.		X		No independent third-party verification is performed.	
B. Environmental Principles						
B1	Policies, practices, action plans, environmental management systems (as per the ISO 14001 standard), and programs in the field of environmental management have been disclosed to the public.	X			In our Group's factories, we manufacture various product groups in accordance with the standards of the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 50001 Energy Management System (Page 121). Additionally, we have an environmental policy in place.	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
B2 The limitations on the scope of the report, reporting period, reporting date, and reporting conditions regarding the environmental reports prepared to provide information on environmental management are disclosed to the public.	X				In the 2023 Sustainability Report, information was provided regarding the scope of the ESG data included in the report. (Page 3)	
B3 Provided in A2.1.						
B4 Environmental targets included in the performance incentive systems for stakeholders such as board members, managers, and employees, have been disclosed to the public.			X		ESG Goals were identified in 2024, and efforts to include employees and managers in the performance report will be completed next year.	
B5 The ways in which material environmental issues are integrated into business objectives and strategies have been disclosed to the public.	X				In 2024, a Materiality Analysis was carried out, which helped identify the company's Sustainability Goals. (Pages 102-103, 106-107)	
B6 Provided in A2.4.						
B7 How the company manages environmental issues, including its management of suppliers and customers throughout the value chain, even during the operational process, and how it integrates such issues into its business objectives and strategies, have been disclosed to the public.			X		Supply Chain Management processes were detailed in the Sustainability Report. (Pages 49–51) The Supply Chain Compliance Policy is currently in the works and will be published in the first half of 2025.	
B8 The company's involvement in the policy-making processes of environmental institutions and NGOs, and the cooperations it established with these institutions and organizations have been publicly disclosed.			X		We use 100% recycled yarns in mattress production as a member of the SEAQUAL organization, which collects and recycles plastic waste from the oceans and seas. (Page 65)	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
B9 In light of environmental indicators (Greenhouse gas emissions – Scope-1 [Direct], Scope-2 [Energy indirect], Scope-3 [Other indirect], air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts have been disclosed to the public in a periodically comparable manner.			X		Calculations of emissions and environmental data were not completed in 2024. The 2023 Sustainability Report included comparative data on Scope 1, Scope 2, Scope 3, energy management, water management, and waste management, spanning the years 2023–2022, and 2021 (Pages 102–103).	
B10 Details of the standard, protocol, methodology and base year used to collect and calculate the data have been publicly disclosed.			X		Emission calculations for 2024 were not completed, and details regarding the methodology will be shared in the 2024 Sustainability Report.	
B11 The increase or decrease in environmental indicators for the reporting year in comparison with previous years is disclosed to the public.	X				Comparative data for years 2023–2022 and 2021 were shared. (Page 110)	
B12 Short- and long-term targets have been set to reduce environmental impacts, and progress against the targets set in previous years has been disclosed to the public.			X		Short, long and medium term targets to reduce environmental impacts were set in 2024. In the 2024 Sustainability Report, progress towards these targets will be shared.	
B13 A strategy to tackle the climate crisis has been established, and planned actions have been made public.	X				Doğanlar Furniture Group identified and assessed the impacts of climate-related risks and opportunities on business processes in its Sustainability Report, detailing actions for mitigation (Page 30–33).	
B14 Programs and 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				All activities related to product quality and safety were detailed in the Sustainability Report. (Pages 75–77)	
			X		Doğanlar Furniture Group's 2024 goals include conducting an ESG assessment of suppliers. Efforts towards this goal will be carried out in 2025. (Page 48)	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
B15 Environmental benefits/ gains and cost savings from initiatives and projects to reduce environmental impacts have been disclosed to the public.			X		As part of our 2023 efforts; we have sold sofas produced with fabrics made from recycled PET bottles under the Doğtaş brand. We have been doing this since 2021. On average, each sofa uses 25 meters of fabric, helping recycle 1,000 PET bottles. In 2023, we recycled 70,000 PET bottles, which were used to produce 2,000 meters of fabric for bed base and headboard production. We have used 1,500 meters of recycled fabric in the production of sofas, couches, and wing chairs (Pages 73–74). Activities in 2024 with high environmental impact will be shared in the 2024 Sustainability Report.	
B16 Energy consumption data (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) have been disclosed to the public as Scope 1 and Scope 2.			X		Emission calculations for 2024 have not been completed, and details regarding the requested data will be shared in the 2024 Sustainability Report. Emission data for 2021–2022, and 2023 were shared in the Annual Report. (Page 110).	
B17 Public disclosures have been made on electricity, heat, steam and cooling generated in the reporting year.			X		Emission calculations for 2024 were not completed, and details regarding the requested data will be shared in the 2024 Sustainability Report.	
B18 Efforts were made to increase the use of renewable energy and transition to zero- or low-carbon electricity. These efforts have been publicly disclosed.			X		Energy management activities were included in the Annual Report (Page 111).	
B19 Renewable energy production and utilization data have been publicly disclosed.	X				Data is currently available on the Biga and Düzce Rooftop SPP projects' current and planned renewable energy production power. (Page 62)	
B20 Energy efficiency projects were carried out, and the amount of energy consumption and emission reductions achieved through energy efficiency projects have been disclosed to the public.			X		We mentioned the SCADA project launched for energy efficiency, and the reduction achieved with this project will be shared in the 2024 Sustainability Report. (Page 111)	
B21 Water consumption, including the amount of water withdrawn from underground or above ground sources, the amount of water recycled and discharged, and the relevant sources and procedures, have been disclosed to the public.			X		We use domestic water, but not in production processes. The amount of water withdrawn and discharged in the context of water management was shared in the 2023 Sustainability Report. Data for 2024 will be included in the 2024 Sustainability Report.	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
B22 The company's inclusion in any carbon pricing system, such as the Emissions Trading System, Cap & Trade, or Carbon Tax, has been publicly disclosed.				X	We do not participate in any carbon pricing systems.	
B23 Information concerning the carbon credits accumulated or purchased during the reporting period has been disclosed to the public.				X	We do not have any carbon credits.	
B24 If carbon pricing is applied within the company, the details have been disclosed to the public.				X	Carbon pricing is not yet in place.	
B25 The platforms where the company discloses its environmental information have been publicly disclosed.	X				The company's environmental data are shared in reports such as the Sustainability Report and Annual Reports, as well as on the company website.	
C. Social Principles						
C1. Human Rights and Employee Rights						
C1.1 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 implementing the policy have been identified, and both the policy and the responsible parties have been disclosed to the public.	X				This is addressed in our employee rights policy. This policy is being expanded in 2025.	
C1.2 Considering supply and value chain impacts, the employee rights policy includes issues such as fair labor practices, the improvement of labor standards, and the promotion of women's employment and inclusion. It also addresses 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.	X				We have an employee rights policy. This policy is being expanded in 2025. The Supply Chain Compliance Policy will also be published in 2025.	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
C1.3 Measures taken along the value chain to ensure equal opportunities and protect minority rights as well as the rights of segments sensitive to economic, environmental, and social factors, such as low-income groups and women, have been disclosed to the public.	X				Equal opportunities is addressed in the Employee Rights Policy.	
C1.4 Progress in preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor has been made public.	X				This is addressed in our employee rights policy. This policy is being expanded in 2025.	
C1.5 Investments in employees, including training and development policies, compensation, fringe benefits, the right to unionize, work-life balance solutions, and talent management, are included in the policy on employee rights. Mechanisms for resolving employee complaints and disputes have been established, and the dispute resolution processes have been determined. Activities performed during the reporting period to ensure employee satisfaction have been disclosed to the public. Occupational health and safety policies have been established and disclosed to the public.	X				We have an employee rights policy. The activities carried out for employee training and development were included in the 2023 Sustainability Report. (Pages 86–89)	 
C1.6 Measures to prevent occupational accidents and protect employee health, along with accident statistics, have been publicly disclosed.	X				We have an employee rights policy. These processes were also included in the 2023 Sustainability Report (Page 90).	 
C1.7 Personal data protection and data security policies have been established and disclosed to the public.	X				Activities related to employee satisfaction were included in the 2024 Annual Report. (Page 90)	
C1.8 Ethics policy has been established and disclosed to the public.					We have an OHS policy.	
C1.9 Activities for social investments, social responsibility, financial inclusion, and access to finance have been explained.					Doğanlar Furniture Group's strategies and activities regarding occupational health and safety were included in the 2024 Annual Report (Page 122) and the 2023 Sustainability Report (Pages 92–94).	
					We have Personal Data Protection and Information Security policies in place. They have been made public.	
					The Code of Ethics policy is currently being established and is set to be published in the first quarter of 2025.	
					Social responsibility and social investment activities were shared in the Annual Report. (Page 124–125)	

If the compliance status with the principles is determined as “Yes” or “Partially,” the report details or a link to the publicly disclosed information must be provided.	COMPLIANCE STATUS				EXPLANATION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	NO	PARTIALLY	N/A		
C1.10 Informative meetings and training programs were organized for employees on ESG policies and practices.	X				As part of 2024 sustainability activities, informative meetings and training programs will be organized for employees on ESG policies and practices.	
C2. Stakeholders, International Standards and Initiatives						
C2.1 A customer satisfaction policy addressing the management and resolution of customer complaints has been prepared and publicly disclosed.			X		Our Company holds a ISO 10002 Customer Satisfaction Management System Certificate. (Annual Report Page 121) Processes for managing and resolving customer complaints were detailed in the Sustainability Report (SR Pages 95–96). The Customer Health and Safety policy is currently in the works and will be published in the first quarter of 2025.	
C2.2 Information on communication with stakeholders (which stakeholder, topic and frequency) has been disclosed to the public.	X				Stakeholder Interaction methods were included in the Sustainability Report (Page 38)	
C2.3 International reporting standards adopted in reporting are explained.	X				The 2023 Sustainability Report was issued in accordance with GRI standards.	
C2.4 The principles adopted regarding sustainability, as well as the international organizations, committees, and principles to which the company is a signatory or member, have been disclosed to the public.	X				Doğanlar Furniture Group is a member of UNGC and WEPs. (Page 101)	
C2.5 Developments and studies were performed to be included in the sustainability indices of Borsa Istanbul and/or international index providers.			X		Efforts to be included in the Borsa Istanbul Sustainability Index continue in 2025. Data entries are complete, awaiting scores.	
D. Corporate Governance Principles						
D1 Stakeholders' opinions were consulted to determine the most effective measures and strategies for sustainability implementation.	X				A Stakeholder Workshop was organized in 2024 to gather stakeholders' opinions on Doğanlar Furniture Group's sustainability vision and material sustainability issues.	
D2 Social responsibility projects, awareness-raising events, and training sessions were conducted to highlight the importance of sustainability.			X		Employees received Sustainability 101 Training in 2024.	

Environmental Management

We follow sustainable production principles and *strive to be an environmentally responsible company.*

At Doğanlar Furniture Group, we believe long-term success comes from creating value for our stakeholders and society. That's why we embrace an approach that prioritizes the sustainability of natural resources, the environment, and the needs of future generations. We prioritize environmental sustainability principles in the manufacturing of modular furniture and beds, our primary fields of operation. In our Group's factories, we manufacture a variety of product groups in compliance with the standards of the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 50001 Energy Management System.

In line with our sustainable development approach, we periodically assess the environmental impacts of our activities through the implementation of our environmental policy, and we remain committed to continuous improvement. In compliance with national and international regulations, we aim to spread environmental awareness and support the continuity of the life cycle with all our stakeholders.

We focus on continuously improving our environmental performance through efficient energy and water use, waste reduction, and recycling initiatives within our environmental management practices. As part of our environmental management approach, we invest in and allocate resources for wastewater management, noise control, environmental permits, environmental and waste consultancy, and emission calculations. We aim to raise awareness across our value chain by providing environmental training for employees and subcontractors at our Biga and Düzce factories. In 2024, environmental education programs provided to factory employees amounted to 385 person*hours.

By measuring our corporate carbon footprint, we have obtained a comprehensive report on the environmental impacts of our operations and identified key areas in our production processes. As of 2023, our total greenhouse gas emissions stand at 199,752.4 metric tons of CO₂e, with Scope-1 and Scope-2 emissions accounting for 7,988.4 metric tons of CO₂e. Moreover, Scope-3 emissions, calculated across seven subcategories, accounted for 96 percent of our total emissions. The majority of our emissions stemmed from the supply of raw materials used in production. Wood and foam were the primary raw materials contributing to emissions due to their weight and environmental impact.

Recognizing that every step toward reducing carbon emissions reflects our environmental responsibility, we have set a goal to achieve net-zero emissions by 2050.

To achieve this goal, our priority strategies include increasing energy efficiency, investing in renewable energy sources, and restructuring our production processes. We collaborate closely with all stakeholders in our supply chain to develop sustainable solutions at every stage, from raw material procurement to logistics. To achieve this goal, our priority strategies include increasing energy efficiency, investing in renewable energy sources and restructuring our production processes.

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 |
| » ISO 50001 Energy Management System Certificate | » ISO 27001 Information Security System |
| » FSC® Certificate | » Biga Factory After Sales Services Competence Certificate |
| » Düzce Factory After Sales Services Competence Certificate | » Biga Factory Service Competence Certificate |
| » Düzce Factory Service Competence Certificate | » OEKO-TEX® STANDARD 100 Certificate |

Integrated Management System

At Doğanlar Furniture Group, we make every effort to ensure that all the products we produce are high-quality, long-lasting and accessible, and we consider it our most fundamental responsibility to maximize product quality and safety for our customers. We carry out all our activities in compliance with national legislation as well as the applicable regulations and international standards, primarily the ISO 9001 Quality Management System Standard, and we act in accordance with Doğanlar Furniture Group's company policies and objectives. We have adopted Integrated Management Systems as our policy and we commit to conducting all activities in accordance with this policy.

Doğanlar Furniture Group manages all business processes under the Integrated Management System, emphasizing performance enhancement, continuous improvement, compliance with legal and other requirements, and the achievement of system objectives.

Accordingly, the Group holds the ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System, ISO 50001 Energy Management System, ISO 10002 Customer Satisfaction Management System, ISO 14001 Environmental Management System, and ISO 27001 Information Security Management System certificates. To embed the Integrated Management System into the company culture and enhance employee awareness, we provide regular training on QDMS, document management, and system implementation.

The Group implements a comprehensive quality management process that encompasses system and product certification, new product development, quality control of purchased raw materials, statistical process control (SPC) in production, and final product evaluation. The highest quality and safety standards are upheld throughout both the prototyping and mass production stages of our products. Our beds (TS EN 1725), home seating products (TS EN 12520), tables (TS EN 12521), home and kitchen cabinets (TS EN 14749) and other products are fully compliant with the safety, durability and quality standards set by the Turkish Standards Institute (TSE) and certified with the Certificate of Conformity to Turkish Standards. The inspections and tests necessary for our products are conducted by the TSE in a testing laboratory, and test reports documenting their conformity are issued accordingly.

Doğanlar Furniture Group has initiated continuous improvement activities to implement lean production and foster this culture across the company. As part of Lean Office practices, efforts focus on eliminating non-conformities through on-site quality activities, enhancing production efficiency with line balancing, and ensuring sustainable customer satisfaction through supplier development initiatives.

Occupational Health and Safety

At Doğanlar Furniture Group, we prioritize the health and safety of our employees and continue our activities in line with our goal of zero workplace accidents. In accordance with our Occupational Health and Safety Policy, we aim to create a safe and healthy working environment in all our operations and ensure the wellbeing of our employees.

Under our Occupational Safety Policy, we:

- » Create healthy and safe working conditions with zero occupational accidents and zero occupational diseases;
- » Take proactive measures by identifying the risks and hazards in the work environment and eliminate risks;
- » Maintain communication activities by understanding and addressing the OHS needs and expectations of our employees and all relevant parties;
- » Proactively plan and implement necessary measures for potential emergencies;
- » Provide opportunities for OHS training and closely monitor the effectiveness of the training;
- » Monitor the OHS performance of contractors and implement improvement processes;
- » Identify OHS-related opportunities and integrate them into our processes;
- » Set quantitative goals, develop action plans, and monitor their progress to ensure successful OHS performance;
- » Provide the necessary resources to foster a safe work culture;
- » Act in accordance with national and international regulations, collective labor agreements and other obligations;
- » Adopt the principle of continuous improvement in our OHS activities and encourage participation at all levels of the organization.

Doğanlar Furniture Group has implemented the ISO 45001 Occupational Health and Safety System. The Group adheres to legal requirements and takes appropriate measures. Risk assessments are continuously updated, and regulatory activities are planned to mitigate identified hazards and near misses. The Group also implements systems such as work permit protocols and near-miss/hazard reporting. We have established fire, rescue, protection, and first aid teams as part of our emergency plans. In addition to basic OHS training, we provide on-the-job training to enhance the professional skills of our employees, environmental awareness training, and toolbox training for contractors.

In 2024, employees received 28.5 hours of training for increased Occupational Health and Safety awareness.

At Doğanlar Furniture Group, we will continue our efforts to further enhance our occupational health and safety performance in 2025. We have planned various actions to update risk analyses, provide training to enhance occupational safety awareness, and develop sustainable solutions to reduce workplace accidents.



Corporate Social Responsibility Projects

In addition to our investments in renewable energy sources, we place great importance on *employee development and social responsibility projects*.



At Doğanlar Furniture Group, we implement various projects aimed at contributing to the social development of Türkiye and continue to create benefits for society. We develop corporate social responsibility projects in collaboration with our shareholders, managers, and employees across the company. We are driven by our environmental and social sensitivity and support gender equality and quality education in every project we undertake.

Guest Paw Project

With our Doğtaş brand, we are supporting the adoption of stray animals. As part of a project encouraging each Doğtaş store adopt a stray animal, we placed kennels called "Guest Paws" in our stores. This project helps us provide safe environments for stray animals.

Paw Insurance

To encourage the adoption of our little friends through our Doğtaş brand, we offer a one-year free replacement guarantee to customers purchasing upholstered products if the fabric of their seats is damaged by their pawed companions. As of 2024, 8 people have benefited from the "Paw Insurance" service offered by Doğtaş.

Women's Volleyball Club Sponsorship

Kelebek is committed to building an inclusive and sustainable future by contributing to women's education, entrepreneurship, sports, and social presence. In line with the goal of ensuring equal opportunities for women in social, economic, and cultural areas, and supporting an ecosystem that empowers them, Kelebek is sponsoring the Bahçelievler Municipality Sports Club Women's Volleyball Team for the 2024–2025 season. The team has recently been promoted to the Sultans League, the highest women's volleyball league in Türkiye.



Kelebek Scholarship for Our Girls

Following the earthquake disaster in 2023, we launched the "Kelebek Scholarship for Our Girls" social responsibility project in collaboration with the Turkish Education Foundation to support the education of girls affected by the earthquake. As part of the project, we established the Kelebek Scholarship Fund to ensure uninterrupted education for girls who lost their parents in the earthquake. In the 2023–2024 academic year, the fund enabled over 200 girls to receive scholarships from nearly 250 donors.

Breast Cancer Awareness Project in Collaboration with Ece Vahapoğlu and the Cancer Free Life Association

In October, Breast Cancer Awareness Month, we carried out a major project in collaboration with the Cancer Free Life Association and Kelebek. Along with Ece Vahapoğlu, a wellness and yoga instructor, we aimed to emphasize the importance of early diagnosis and proper treatment in breast cancer. With the videos shared by Kelebek on social media, we informed the public about this critical issue and emphasized the importance of early intervention by offering suggestions for at-home check-ups and post-operative health care.

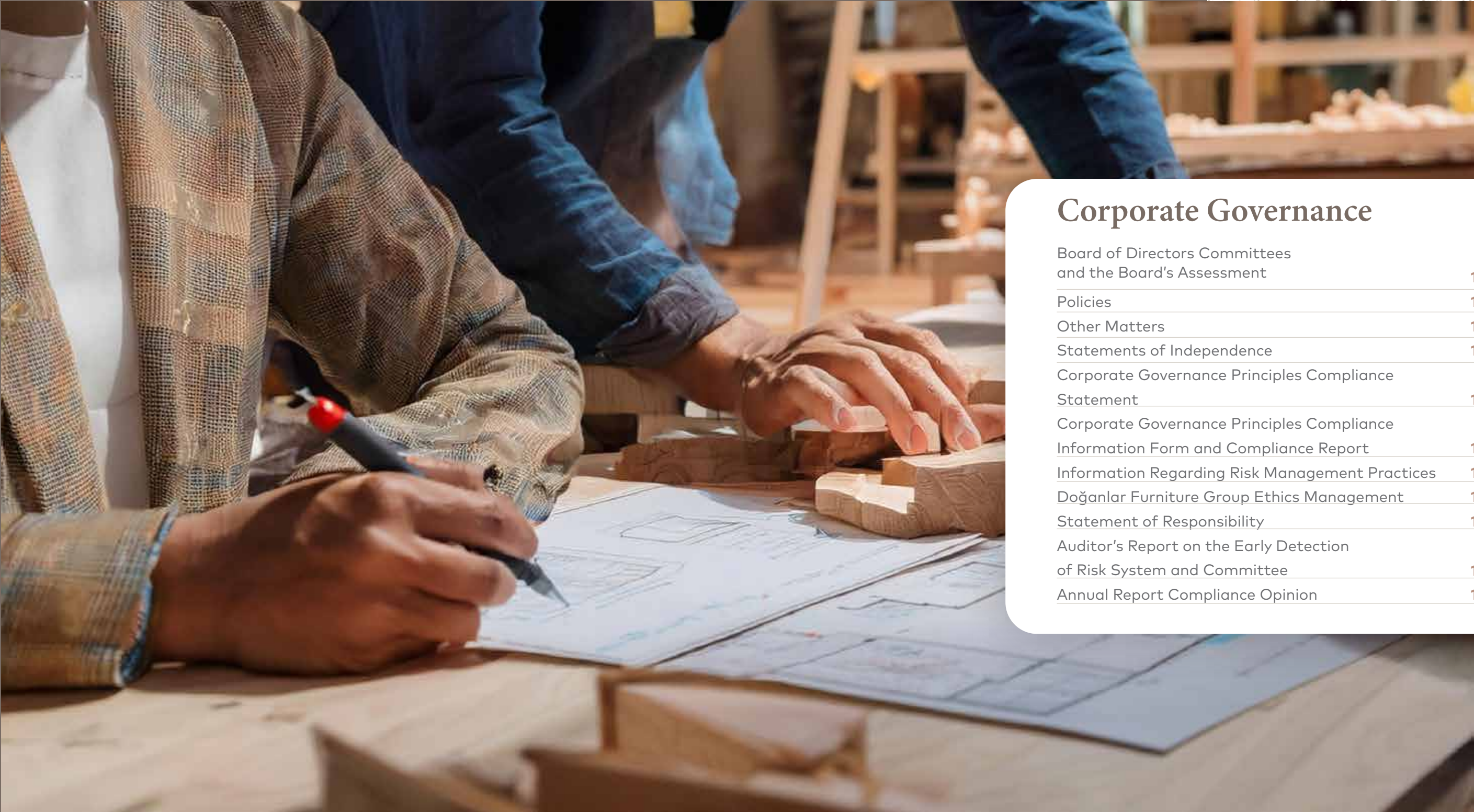
Sponsorship for National Swimmer Defne Bahar

We are sponsoring Defne Bahar, a national swimmer from Çanakkale Belediyespor. The Kelebek family covers all swimming-related needs of the athlete, supporting her throughout her courses and celebrating her success. Representing our country in the Balkan Open Water Swimming Championship, 11-year-old Defne won the bronze medal, placing sixth in individual races and third in team races.

Dragon Festival

Doğanlar Furniture Group, along with all its brands, participated in the inter-enterprise Dragon Festival once again. This year's festival hosted 48 companies and is considered one of the top three festivals in the 76 countries where it takes place. At the end of the two-day competition, we successfully made it to the finals in the "Fun Sport" category and finished in sixth place.

Quality in Every Detail,
a Better Future in Every Step



Corporate Governance

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Board of Directors Committees and the Board’s Assessment

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 comprised 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 on the Board of Directors cannot be less than one third of the total number of members.” Furthermore, independent members comprise 43 percent of the Board of Directors.

In determining the members of the Company's Board of Directors, our goal is to establish a structure that fosters efficient, constructive work, enables rapid, rational decision-making, facilitates committee formation, and ensures the effective organization of committee work. The Board of Directors consists of qualified and experienced members possessing the requisite knowledge and skills.

The majority of Board Members are non-executive members. In the current Board structure, Adnan Doğan, Şadan Doğan ve İsmail Doğan are Executive Board Members, while Davut Doğan, Berna Akyüz Öğüt, Mutlu Erturan, and Zeynep Yalım Uzun are Non-Executive Board Members. Pursuant to Article 7 of the Company's Articles of Association, Board Members are elected for a maximum term of three years. It is possible to re-elect the members of the Board of Directors 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 Regulations. As of the report date, there were no circumstances compromising the independence of the independent Board Members.

In accordance with Article 4.2.8 of the Corporate Governance Principles included in the Capital Markets Board Communiqué on Corporate Governance, an “Executive Liability Insurance” policy has been issued for a period of one year for damages that may be caused to the company by Board Members during their service, with a total liability limit exceeding 25 percent of the company capital.

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 Principle 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 location within or outside Türkiye. Members may attend Board meetings in person, or in accordance with Article 1527 of the Turkish Commercial Code, electronically. A Board resolution can also be passed by obtaining 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 documented as a resolution, unless a member requests a meeting. However, this will require making said proposal to all Board members. At Board meetings, a quorum is achieved by the attendance of most members. Resolutions at Board meetings are passed with the affirmative vote of the majority of members present, unless capital markets legislation requires the affirmative vote of the majority of Independent Members. The relevant provisions of the Turkish Commercial Code and capital markets legislation apply to matters such as the meeting format,

agenda, meeting invitations, voting, and the meeting and decision quorums of the Board of Directors. Members have no casting votes.

In 2024, the Board of Directors convened 10 times, and the participation rate was 94%. It made 152 decisions on the agenda items.

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

Financial Benefits Offered to Board Members and Senior Executives

The company has established a remuneration policy that outlines the principles of remuneration for board members and executives with administrative responsibilities, considering the company's long-term goals, in accordance with applicable laws and regulations and the provisions of the company's AoA. The remuneration policy is available on our corporate website at www.doganlarmobilyagrubu.com/en. It is also available in the “Policies” section of this report. Compensation for senior management is aligned with prevailing market conditions, and any additional benefits based on competitive benchmarks are transparently disclosed to the public.

31 December 2023	31 December 2024
86.993.953	83.874.723

In not disclosing the remuneration and benefits provided to the members of the Board of Directors and senior executives, it is aimed to establish a balance between the rights and interests that need to be protected in terms of the Personal Data Protection Law and Remuneration Policy and the rights of shareholders and stakeholders to obtain information in terms of the transparency requirementin accordance with the Corporate Governance Communiqué, taking into account the principle of proportionality. In this context,remuneration of board members and senior executives are not disclosed on individual basis, but included in the annual report asa total amount. Market practices are closely monitored on this issue, which is considered important in terms of confidentiality ofpersonal information, and care is taken to act in parallel with the common practice.

Full Name	Davut Doğan
Role	Honorary Chairman – Board Member
Duties Outside the Company	Doğanlar Holding A.Ş. Chairman of the Furniture and Mattress Industrialists and Retailers Confederation Board of Directors, (MOYKON); Chairman of the Furniture and Mattress Industrialists Association (MOYSAD); Vice President of the Turkish Woodwork Industry Syndicate
Full Name	Adnan Doğan
Role	Chairman of Board of Directors
Duties Outside the Company	Vice Chairman of the Board & CEO of Doğanlar Holding, Chairman of the Board of Doğanlar Furniture Group, Board Member of Biotrend Çevre ve Enerji Yatırımları A.Ş.
Full Name	Şadan Doğan
Role	Vice-Chairman of Board of Directors
Duties Outside the Company	Doğanlar Holding A.Ş. Board Member; 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	İsmail Doğan
Role	Member of Board Directors and CEO
Duties Outside the Company	Doğanlar Yatırım Holding A.Ş. Board Member
Full Name	Mutlu Erturan
Role	Independent Board Member
Duties Outside the Company	CEO of Mage Biotechnologies
Full Name	Berna Akyüz Öğüt
Role	Independent Board Member
Duties Outside the Company	General Manager of LCW Merchandising, Board Member of LCW
Full Name	Zeynep Yalım Uzun
Role	Independent Board Member
Duties Outside the Company	Board Member and Advisor at Şölen, Member on the Advisory Board of Women on Boards Adria, Vice Chair of the Futurists Association of Türkiye, Member of the Northwestern University Family Council, and Trustee of the Koruncuk Foundation.

Board of Directors Committees

Audit Committee

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

Corporate Governance Committee

Full Name	Role
Zeynep YALIM UZUN	Chair (Independent Board Member)
Mutlu ERTURAN	Member (Independent Board Member)
Aysun VARDAN	Member
Çağla YÜCEL	Member

Early Detection of Risk Committee

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

Committee Working Principles

Corporate Governance Principle no. 4.5.1 requires the Board of Directors to establish the Audit Committee, the Corporate Governance Committee, the Nomination Committee, the Early Detection of Risk Committee, and the Remuneration Committee to fulfill its duties and responsibilities effectively. However, if the structure of the Board of Directors prevents the formation of separate Nomination and Remuneration Committees, the Corporate Governance Committee may take on the responsibilities of these committees. In this context, the Audit Committee, the Corporate Governance Committee, and the Early Detection of Risk Committee have been established in our company. The duties of the committees that have not yet been established 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 must 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' decisions dated April 24, 2023, and June 26, 2024, have been conducted in accordance with Corporate Governance principles. Again, in accordance with these principles, the CEO and General Managers of the company do not sit on the committees.

Audit Committee: Non-Executive Independent Board Member Mutlu Erturan is the committee chair, while Non-Executive Independent Board Member Berna Akyüz Öğüt is the sole member. Members of the Audit Committee have five years of experience in auditing/accounting and finance. The members of the Committee are qualified in the company's primary field of operation. The purpose of the Audit Committee is to oversee the company's accounting system, the public disclosure and independent auditing of financial information, as well as the operation and effectiveness of the company's internal control and auditing system and related

party transactions. The main duties of the Committee include overseeing the company's accounting system and practices, public disclosure of the company's financial information, the operation and effectiveness of the company's internal control and internal audit systems, as well as the independent audit process and the work of the independent audit firm. The Committee also undertakes other duties stipulated in the Communiqué and internal regulations. In 2024, the Audit Committee held 7 meetings with the members in office.

Corporate Governance Committee: Independent Non-Executive Board Member Zeynep Yalım Uzun is the chair, and Independent Non-Executive Board Member Mutlu Erturan, Human Resources Director Çağla Yücel, and Investor Relations Manager Aysun Vardan are members.

The Corporate Governance Committee's primary purpose is to assess the implementation of the Corporate Governance Principles, identify any reasons for non-compliance and any resulting conflicts of interest, make recommendations to the Board of Directors to improve corporate governance practices, and oversee the work of the Investor Relations Department. In implementing management practices to enhance business performance, the Committee evaluates the systems and processes in place or planned by the company and provides 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 assumes the responsibilities of the Nomination and Remuneration Committees outlined in the Corporate Governance Principles. The Committee evaluates and submits proposals to the Board of Directors on identifying, evaluating, training, and rewarding suitable candidates for the Board, as well as determining the principles of remuneration for Board Members and senior executives. In 2024, the Corporate Governance Committee held 4 meetings with the members in office in 2024. Early Detection of Risk Committee: Non-Executive Independent Board Member Zeynep Yalım Uzun is the chair while Non-Executive Independent Board Member Mutlu Erturan. The majority of the Committee members are non-executive Board members.

The Committee's purpose is to proactively identify risks that threaten the company's existence, growth, and sustainability, including environmental, social, and governance (ESG) risks, as well as climate-related risks and opportunities. It aims to implement necessary safeguards against these risks and manage them effectively. The Committee guides the Board in identifying, defining, monitoring, and reviewing strategic, financial, operational, ESG, and 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 incorporates these evaluations into the decision-making processes. A Committee member has specific responsibility for ESG and climate-related risks and opportunities, including formulating policies, integrating these risks and opportunities into the company's strategy, and reporting and providing relevant information.

In 2024, the Early Detection of Risk Committee held 6 meetings with the current members.

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

According to 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 the Board of Directors efficiently fulfills 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 duties and working principles of the Committees.

The Working Principles of the Committees were published on the Public Disclosure Platform and in the "Investor Relations" section of www.doganlarmobilyagrubu.com.

The Board of Directors Performance Evaluation is conducted annually, covering the individual performance of Board Members, the effectiveness of Board Meetings, and assessments of both the Chairman and the CEO through performance surveys.

In 2024, all Board Committees fulfilled their duties and responsibilities in line with the Corporate Governance Principles and their own Working Principles.

Adnan DOĞAN
Chairman

Şadan DOĞAN
Vice-Chairman

Policies

All policies and regulations in effect at Doğanlar Furniture Group are available through the link below.

Disclosure Policy



Dividend Distribution Policy



Remuneration Policy



Donations and Aid Policy



Quality Policy



Code of Business Ethics Policy



Employee Rights Policy



Integrated Management Systems Policy



Anti-Bribery and Anti-Corruption Procedure



Environmental Policy



Diversity and Equal Opportunity Policy



Occupational Health and Safety Policy



Quality Policy



Information Security Management System Policy



Personal Data Protection and Processing Policy



Human Rights Policy



Other Matters

Changes between the End of the Period and the Preparation of the Report

For the continuing SPP project at our company's Çanakkale Biga facility, the unlicensed SPP Power Plant with a power of 2,992 kWp/2,000 kWe has been commissioned after partial official acceptance as a result of the inspection made by the Turkish Electricity Distribution Corporation. Our application has been approved by Uludağ Elektrik Dağıtım A.Ş. (UEDAŞ) for the remaining 1,550 kWp for the 4,542 kWp production power we target for the Çanakkale (Biga) production facility, and our investment will be completed and the targeted production power will be reached when the unlicensed production capacity allocated on the basis of transformer center for Solar Power Plant (SPP) in Biga / Çanakkale region is available.

Legislative Amendments in 2024

During the period, the following legislative changes were implemented, which have an impact on the company's balance sheets:

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

Inflation accounting application continued for the 2024 accounting period.

Information on Share Buybacks

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 under 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. Additionally, the Company purchased shares with a nominal value of 669,495 Turkish lira under the current share buy-back transactions initiated with the Board of Directors decision dated October 31, 2023.

The Company did not repurchase any shares between January 1, 2024, and December 31, 2024. The total nominal value of the shares owned by our company, including those repurchased under the decisions of the Board of Directors dated August 23, 2018, February 17, 2023, and October 31, 2023, reached 14,636,238 Turkish lira, with the shares representing 4.18 percent of the capital.

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

In 2024, the Company was not subjected to any lawsuits that may affect its financial position and activities.

Compliance Ratings

Title of the rating agency	Rating date	Long-term national rating score	Investment grade status
JCR Eurasia	04.17.2024	BBB+ (tr)	Investable

Explanations on Administrative or Judicial Sanctions Imposed on the Company and the Members of the Governing Body Due to Practices Contrary to the Provisions of the Legislation

The company and the members of the Board of Directors have not engaged in any activities that do not comply with the provisions of the legislation, nor have any administrative or judicial sanctions been imposed on the company or the Board of Directors.

Any Conflicts of Interest, and Due Precautions, with Companies Providing Services such as Investment Consultancy and Rating

No potential conflicts of interest were identified throughout the period. In procuring such services, we adhere to CMB regulations and other relevant legislative requirements, ensuring careful attention to prevent any potential conflict of interest.

Special and Public Audits in 2024

None

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 Special Independent Audit Reports and Consolidated Financial Statements Dated December 31, 2024.

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

Our application to the Capital Markets Board (CMB) on April 3, 2024, for the amendment of Article 6 of our Company's Articles of Association regarding the change to the current registered capital ceiling was deemed appropriate by the CMB's letter dated April 24, 2024, and numbered 52936. The motion was submitted for shareholder approval at the Ordinary General Assembly meeting held on June 28, 2024, and was accepted by a majority vote. It was then registered by the Trade Registry Office on July 12, 2024, and announced in the Turkish Trade Registry Gazette dated July 12, 2024, and numbered 11121.

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

The company is part of a group of companies. In the previous year of activity, there were no legal transactions performed by the company with the controlling company or any of its subsidiaries, either prompted by the controlling company or for the benefit of its subsidiaries, and no other measures were taken or avoided on behalf of the controlling company or any of its subsidiaries.

Declarations of Independence

15.03.2024

I hereby announce my nomination for the board as an “Independent Member” of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi (“Company”) Board of Directors, in accordance with the criteria outlined in the Company’s Articles of Association and the Corporate Governance Communiqué No. II-17.1 issued by the Capital Markets Board (CMB). In this context:

- a) In the past five years, I, my spouse, or my first- and second-degree relatives by blood or marriage have not had an employment relationship in a managerial position involving significant duties and responsibilities; have not owned, individually or jointly, more than 5 percent of any capital, voting rights, or privileged shares; and have not established any significant commercial relationships with the Company, the partnerships under the control or significant influence of the Company, the partners holding managerial control of or exerting significant influence in the Company, or legal entities over which these partners have managerial control;
- b) In the past five years, I have not been a partner holding 5 percent or more, have not held a managerial position involving significant duties and responsibilities, and have not served as a board member at any company from which the Company has procured or to which it has sold products or services, particularly in areas such as auditing, including tax, legal, and internal audits, rating, or consultancy, during the periods in which such 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 work full-time in public institutions and organizations after being elected as a member, except as a faculty member;
- e) I am a resident of Türkiye pursuant to Income Tax Law No. 139, dated December 31, 1960, and December 19, 1960;
- f) I have strong ethical standards, a professional reputation, and the experience required to contribute to the Company’s activities, remain impartial in conflicts of interest between the Company and shareholders, and make decisions freely while considering the rights of stakeholders;
- g) I can devote sufficient time to company affairs to monitor the Company’s activities and fulfill 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 companies in which the Company or the partners holding management control of the Company have managerial control, and at more than five companies listed on the stock exchange;
- j) I am not registered or announced in the name of a legal person elected as a Board Member.

(Signed in Original Document)

ZEYNEP YALIM UZUN

Declarations of Independence

15.03.2024

I hereby announce my nomination for the board as an “Independent Member” of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi (“Company”) Board of Directors, in accordance with the criteria outlined in the Company’s Articles of Association and the Corporate Governance Communiqué No. II-17.1 issued by the Capital Markets Board (CMB). In this context:

- a) In the past five years, I, my spouse, or my first- and second-degree relatives by blood or marriage have not had an employment relationship in a managerial position involving significant duties and responsibilities; have not owned, individually or jointly, more than 5 percent of any capital, voting rights, or privileged shares; and have not established any significant commercial relationships with the Company, the partnerships under the control or significant influence of the Company, the partners holding managerial control of or exerting significant influence in the Company, or legal entities over which these partners have managerial control;
- b) In the past five years, I have not been a partner holding 5 percent or more, have not held a managerial position involving significant duties and responsibilities, and have not served as a board member at any company from which the Company has procured or to which it has sold products or services, particularly in areas such as auditing, including tax, legal, and internal audits, rating, or consultancy, during the periods in which such 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 work full-time in public institutions and organizations after being elected as a member, except as a faculty member;
- e) I am a resident of Türkiye pursuant to Income Tax Law No. 139, dated December 31, 1960, and December 19, 1960;
- f) I have strong ethical standards, a professional reputation, and the experience required to contribute to the Company’s activities, remain impartial in conflicts of interest between the Company and shareholders, and make decisions freely while considering the rights of stakeholders;
- g) I can devote sufficient time to company affairs to monitor the Company’s activities and fulfill 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 companies in which the Company or the partners holding management control of the Company have managerial control, and at more than five companies listed on the stock exchange;
- j) I am not registered or announced in the name of a legal person elected as a Board Member.

(Signed in Original Document)

BERNA AKYÜZ ÖĞÜT

Declarations of Independence

15.03.2024

I hereby announce my nomination for the board as an "Independent Member" of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi ("Company") Board of Directors, in accordance with the criteria outlined in the Company's Articles of Association and the Corporate Governance Communiqué No. II-17.1 issued by the Capital Markets Board (CMB). In this context:

- a) In the past five years, I, my spouse, or my first- and second-degree relatives by blood or marriage have not had an employment relationship in a managerial position involving significant duties and responsibilities; have not owned, individually or jointly, more than 5 percent of any capital, voting rights, or privileged shares; and have not established any significant commercial relationships with the Company, the partnerships under the control or significant influence of the Company, the partners holding managerial control of or exerting significant influence in the Company, or legal entities over which these partners have managerial control;
- b) In the past five years, I have not been a partner holding 5 percent or more, have not held a managerial position involving significant duties and responsibilities, and have not served as a board member at any company from which the Company has procured or to which it has sold products or services, particularly in areas such as auditing, including tax, legal, and internal audits, rating, or consultancy, during the periods in which such 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 work full-time in public institutions and organizations after being elected as a member, except as a faculty member;
- e) I am a resident of Türkiye pursuant to Income Tax Law No. 139, dated December 31, 1960, and December 19, 1960;
- f) I have strong ethical standards, a professional reputation, and the experience required to contribute to the Company's activities, remain impartial in conflicts of interest between the Company and shareholders, and make decisions freely while considering the rights of stakeholders;
- g) I can devote sufficient time to company affairs to monitor the Company's activities and fulfill 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 companies in which the Company or the partners holding management control of the Company have managerial control, and at more than five companies listed on the stock exchange;
- j) I am not registered or announced in the name of a legal person elected as a Board Member.

(Signed in Original Document)

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") (II-17.1). Doğanlar Furniture Group conducts its relations with shareholders, employees, customers, and all relevant parties through effective management and oversight, adhering to core corporate governance principles of accountability, fairness, transparency, and responsibility.

The Group adheres to all mandatory principles outlined in the Corporate Governance Communiqué No. II-17.1 and follows most 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 hindered the achievement of 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 in place to facilitate the Company's effective management. Necessary disclosures will be made if the Company plans to make any changes in its corporate governance practices in the future within the framework of corporate governance principles.

The Company's Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2024–December 31, 2024, have been prepared in accordance with the presentation principles set forth in the CMB's resolution no. 2/49 dated January 10, 2019, and the CMB's Corporate Governance Communiqué no. II-17.1. Doğanlar Furniture Group's Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2024–December 31, 2024, 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).

General Assembly Meetings

The General Assembly meetings of our Company are organized as per 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. General Assembly meetings are held open to the public.

Our corporate website features, in addition to the General Assembly meeting announcement, legislative announcements, disclosures, and other matters that the Corporate Governance Principles require to be disclosed to the shareholders, in accordance with the principles.

As such:

- » We published the total number of shares, which shows the Company's share structure, and information on the right to vote, on the date of the General Assembly Meeting announcement on the corporate website.
- » We prepared the General Assembly agenda by placing each proposal under a separate title and clearly describing the agenda item headings to prevent any misinterpretations. We ensured that the agenda items did not include terms such as "other" or "various." The information provided before the General Assembly meeting is posted according to the agenda items.
- » During the preparation of the Ordinary General Assembly agenda, no matters were requested in writing by the shareholders to be added to the agenda items through the company's Investor Relations Department. Similarly, no items were requested to be included on the agenda by the shareholders, the CMB, or other organizations and institutions related to the Company.
- » The General Assembly meeting method is designed to ensure maximum participation from shareholders. We hold General Assembly meetings to ensure equality among shareholders. General Assembly meetings are held

- at the Company's headquarters.
- » On June 28, 2024, an Ordinary General Assembly meeting was held in Istanbul, where the Company's headquarters is located, in accordance with the Company's Articles of Association. The Company's Articles of Association allow meetings to be held at locations other than the headquarters, within the city where the headquarters is located.
 - » The meeting chair made the necessary arrangements and obtained the essential information before conducting the General Assembly, in accordance with the TCC, the Law, and relevant legislation.
 - » The meeting chair endeavored to ensure that the agenda items were addressed in a clear and understandable manner during the Ordinary General Assembly. Shareholders were provided with equal opportunities to express their views and ask questions. The meeting chair ensured that shareholders' questions, except those related to trade secrets, were answered directly during the General Assembly.
 - » Executive Board Members, at least one other Board Member, and a representative from the independent audit company attend the General Assembly meetings. Additionally, individuals responsible for agenda items or required to make statements are also present. If individuals other than those required by law are unable to attend the meeting, the chair presents the reason for their absence to the General Assembly. The CMB resolution no. 4/89 dated February 1, 2013, applies in this regard. Our shareholders, the Honorary Chairman, the CEO of the Company, the Independent Auditor, and employees of the Company participated in the Ordinary General Assembly for the 2023 fiscal year.

The 2023 Ordinary General Assembly Meeting was held on June 28, 2024, at 10:30 a.m. at İdealtepe Mahallesi, Rıfki Tongsir Caddesi, No: 107, Maltepe/Istanbul. At the General Assembly Meeting, 17.73 billion shares out of the 35 billion shares representing the Company's capital were represented.

Questions from shareholders regarding agenda items, whether they attended the meeting in person or by proxy, were answered during the meeting. The meeting minutes and a list of attendees were made available to the public through the PDP on the same day. The meeting minutes and a list of attendees are available for shareholders on the corporate website.

In accordance with Article 12 of the Articles of Association, the General Assembly sets the upper limit for donations. Donations exceeding this limit are prohibited, and any donations made will be added to the distributable profit base. The Company's donations must comply with the Capital Market Law's ban on illegal transfer pricing, the Turkish Commercial Code (TCC), and any other applicable laws. Material event disclosures are required, and shareholders must be informed about donations during the General Assembly. At the June 28, 2024, General Assembly Meeting, it was reported that the Company donated 4,060,566 Turkish lira in 2023, and the upper limit for donations and aids for 2024 was set at 2 million Turkish lira.

The meeting minutes of the General Assembly, including those from previous years, are available on the corporate website at www.doganlarmobilyagrubu.com.

Voting and Minority Rights

The Company avoids practices that hinder shareholders from voting. It implements the necessary mechanisms to ensure that each shareholder can exercise their 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 at the General Assembly Meeting, right holders who are entitled to attend the Company's General Assembly Meetings under the "Regulation on General Assembly Meetings of Joint Stock Companies to be Held Electronically" may participate in these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. At the 2023 Ordinary General Assembly meeting, as per 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 established system.

There are no privileged shares, and therefore no voting shares, in the Company's Articles of Association. Each share carries one vote. The partnership structure of the Company does not involve a legal entity with which it has a mutual affiliate relationship. There is no provision for minority shares to be represented in the management. The

Articles of Association stipulate that Minority Rights shall not exceed one-twentieth of the share capital. Although there is no regulation stipulating that these rights may be granted to those with a lower percentage, the exercise of these rights within the scope of the provisions of the Capital Markets Law and the Turkish Commercial Code, maximum care is taken in this regard.

Although the right to request the appointment of a special auditor is not stipulated in the Articles of Association, there are no regulations and practices restricting the process of special audit. The Company acts in accordance with the relevant article of the Turkish Commercial Code. Accordingly, each shareholder has the right to request the appointment of a special auditor from the General Assembly, even if it is not included in the agenda, provided that the right to obtain and review information has been exercised. If the General Assembly accepts this request, the Company or each A shareholder may apply to the commercial court where the Company's head office is located for the appointment of a special auditor within 30 days. There has been no request for the appointment of a special auditor during the period.

Transfer of Shares

The Company's Articles of Association do not include any provisions restricting the transfer of shares. The transfer of the Company's shares is conducted in compliance with the Turkish Commercial Code, capital markets legislation, and other applicable laws. Shares may be transferred outside of the stock exchange without any restrictions. No restrictions may be imposed on the transfer of shares that are traded or will be traded on the stock exchange. When the Company repurchases its shares, it complies with capital markets legislation and other relevant laws, ensuring that all necessary material event disclosures are made.

Public Disclosure and Transparency

Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. is committed to making all required disclosures to the public in accordance with legislation. The Company follows an active and transparent disclosure policy, fully complying with the Capital Market Law in all public disclosure practices. It aims to implement the most effective communication strategy in line with the CMB Corporate Governance Principles. The Company's Articles of Association outlines the additional information to be disclosed to the public, beyond legal requirements. It also specifies the frequency and method of such disclosures, the approach to addressing questions sent to the Company, and other related matters.

In accordance with the Public Disclosure and Transparency principle, the information is disclosed in a timely, complete, clear, interpretable, and cost-effective manner on the "Public Disclosure Platform" at www.kap.org.tr and on the corporate website at www.doganlarmobilyagrubu.com. This ensures that individuals and institutions benefiting from the disclosures can make informed decisions. In accordance with the CMB regulations, 44 material event disclosures were made during the year. All material event disclosures were made on time and published on the Company's website.

The Disclosure Policy is available on the corporate website.

Corporate Governance Principles Compliance Information Form and Compliance Report

The Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2024–December 31, 2024, are available on the Company's corporate website (www.doganlarmobilyagrubu.com) under the "Corporate Governance/Corporate Governance Principles Compliance Report" section, 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 Early Detection of Risk Committee and the Audit Committee, both of 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 the tangible and intangible assets of Doğanlar Furniture Group,
- » Ensure that activities comply with both internal and external legislation,
- » Enhance internal control processes to improve the effectiveness and efficiency of business operations,
- » Ensure that corrective actions are implemented promptly.

Internal audits are carried out according to the quarterly Audit Plan/Calendar developed by the Audit Department and updated regularly.

Findings, opinions, and suggestions from internal audits are first shared with practitioners, then evaluated and reported. Following the report, a Corrective/Preventive Action Meeting (CPA) is scheduled within the designated period to identify the required actions, assign responsibility, and set target completion dates for each finding. This approach ensures the prompt adoption and implementation of necessary corrective and preventive measures, along with the swift execution of suitable, feasible solutions that enhance processes and activities. All activities are continuously monitored and evaluated by the Company’s management, the internal audit unit, and 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 designed to ensure that all financial and operational risks related to the activities are controlled and maintained at a reasonable level at all times.

Doğanlar Furniture Group’s main financial risks can be summarized as follows:

As a result of its operations, the Company faces various financial risks, including exposure to fluctuations in debt and capital market prices, foreign exchange rates, and interest rates. The Company’s overall risk management program focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Company’s financial performance. (To be checked upon publication of the Financial Report)

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 Group level, except for the credit risk associated with trade receivables. Each company is responsible for managing and analyzing the credit risk of every new customer before agreeing to standard payment terms, delivery conditions, and timelines. Credit risk arises from cash and cash equivalents, deposits held at banks, and credit exposures to wholesale and retail customers, including outstanding receivables and promissory transactions. Management evaluates the credit quality of its customers by considering their financial position, past experience, and other relevant factors. The Company continuously monitors utilization to ensure there are no collection losses on the trade receivable balances of its customers.

b) Liquidity Risk

Liquidity risk includes risks related to the inability to finance asset growth, settle maturing liabilities, and conduct transactions 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 remains above a predetermined level of short-term liabilities to meet any sudden cash requirements.

c) Currency Risk

The Group 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 Group is primarily exposed to foreign currency risk in USD and EUR.

Doğanlar Furniture Group Ethical Management

At Doğanlar Furniture Group, we place great emphasis on maintaining high ethical standards in our activities and ensuring that all our employees adhere to these principles. To achieve this, we ensure compliance with our ethical policies and principles through the Disciplinary Regulation and the Regulation on the Code of Ethics implemented within our company, and impose disciplinary sanctions when necessary.

In accordance with the Code of Ethics, our stakeholders can share their notifications through the ethics line. Ethical violations reported or detected are examined by the Audit Department or Human Resources Department, and necessary proceedings are carried out based on the decision of the Disciplinary Board or the opinion of the Employment Attorney.

After reviewing the ethical notifications, sanctions outlined in the Disciplinary Regulation, such as verbal warnings, written warnings, admonitions, reprimands, and termination of the employment contract, are imposed for the relevant ethical violation. Regulatory and preventive actions are taken to prevent similar cases.

To reinforce the understanding of acting in compliance with ethical rules and policies, various awareness activities and trainings are organized for employees, and new hires are ensured to fully comply with our ethical rules and policies during orientation.

Statement of Responsibility

11.03.2025

Our consolidated financial statements for the period January 1, 2024–December 31, 2024, which were approved by the Board of Directors’ Resolution No. 89/18, dated 11.03.2025 and prepared under the Capital Markets Board Communiqué No. II-14.1, along with the annual report of the Board, are attached hereto.

In compliance with Capital Markets Board regulations, regarding the Consolidated Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Shareholders’ Equity, Annual Report, along with the footnotes, Corporate Governance Compliance Report (CRF), and Corporate Governance Information Form (CGIF), prepared in accordance with the Capital Markets Board’s decision dated January 10, 2019, and numbered 2/49, we hereby declare that:

- a) These documents have been examined by us;
- b) Based on the information we have obtained within our areas of duties and responsibilities, they do not contain any inaccurate statements on significant issues or any deficiencies that, as of the date of any such statement, could be misleading on significant issues;
- c) Based on the information we have obtained within our areas of duties and responsibilities, we believe that the financial statements, including the consolidated ones, prepared in accordance with the applicable financial reporting standards, accurately reflect the Company’s assets, liabilities, financial position, and profit and loss. Additionally, the annual report fairly represents the Company’s progress, performance, consolidated financial position, and the significant risks and uncertainties it faces.

Respectfully,

Audit Committee

(Signed in Original Document)

(Signed in Original Document)

MUTLU ERTURAN
Committee Chair

BERNA AKYÜZ ÖĞÜT
Committee Member

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



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ON THE EARLY RISK IDENTIFICATION SYSTEM AND COMMITTEE
ORIGINALLY ISSUED IN TURKISH

To the Board of Directors of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

- 1. We have audited the early risk identification system and committee established by Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (the “Company”).

Board of Directors’ Responsibility

- 2. Pursuant to subparagraph 1 of Article 378 of Turkish Commercial Code (“TCC”) No. 6102; Board of Directors is required to form an expert committee, and to run and to develop the necessary system for the purposes of early identification of causes that jeopardize the existence, development and continuity of the company; applying the necessary measures and remedies in this regard; and managing the related risks.

Auditor’s responsibility

- 3. Our responsibility is to reach a conclusion on the early risk identification system and committee based on our audit. Our audit was conducted in accordance with TCC, “Principles on Independent Auditor’s Report on the Early Risk Identification System and Committee” issued by the Public Oversight Accounting and Auditing Standards Authority and ethical requirements. Those principles require us to identify whether the Company established the early risk identification system and committee or not and, if established requires us to assess whether the system and committee is operating or not within the framework of Article 378 of TCC. Our audit does not include evaluating the adequacy of the operations carried out by the management of the Company in order to manage these risks.

Information on the Early Risk Identification System and Committee

- 4. The Company established the early risk identification system and committee with 3 members and the number of members decreased to 2 during the year. The Committee has submitted the relevant reports for the period 1 January- 31 December 2024 to the Board of Directors that had been prepared for the purpose of early identification of risks that jeopardize the existence of the Company and its development, applying necessary measures and remedies in this regard, and managing the risks.

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Annual Report Compliance Opinion



Conclusion

5. Based on our audit, it has been concluded that Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.’s early risk identification system and committee is sufficient, in all material respects, in accordance with Article 378 of TCC.

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Serbest Muhasebeci Mali Müşavirlik A.Ş.

Sertu Talı, SMMM
Independent Auditor

Istanbul, 11 March 2025



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

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

1. Qualified Opinion

We have audited the annual report of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2024 period.

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

2. Basis for Qualified Opinion

As the Group's auditor, we physically attended the inventory counts to perform procedures related to the existence of inventories amounting to 1,804,696,769 Turkish Lira in the consolidated statement of financial position as of 31 December 2024. However, due to the fact that the reconciliation of the physical count results with the accounting records could not be provided by the Group's management, sufficient and appropriate audit evidence regarding the existence of inventories could not be obtained, and it was not possible for us to determine whether any adjustment was necessary. Additionally, as part of the Group audit of the consolidated financial statements, due to the inability to perform audit procedures on inventories amounting to 228,713,987 Turkish Lira in the subsidiaries located in the Republic of Senegal, we could not obtain the necessary audit evidence regarding the accuracy, completeness, existence, and financial statement classification of these inventories, and it was not possible for us to determine whether any adjustment was necessary. Since these matters may also impact the determination of financial performance and cash flows, it was not possible for us to determine whether any adjustment was necessary regarding the net profit reported in the profit or loss statement and the net cash flows from operating activities reported in the cash flow statement.

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

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

We expressed a qualified opinion in the auditor’s report dated 11 March 2025 on the full set consolidated financial statements for the 1 January - 31 December 2024 period.

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

Group management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 and Capital Markets Board’s (“CMB”) Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (the “Communiqué”) are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Group’s operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Group’s research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

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



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

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

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

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

Sertu Talı, SMMM
Independent Auditor

Istanbul, 11 March 2025

Quality in Every Detail,
a Better Future in Every Step



Independent Auditor's Report

Consolidated Financial Statements, Footnotes
and Independent Auditor's Report
for the Accounting Period
Ending December 31, 2024



(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS’
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ
VE TİCARET ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES

FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2024
CONSOLIDATED FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITOR’S REPORT

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR’S REPORT

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

A. Audit of the consolidated financial statements

1. Our qualified opinion

We have audited the accompanying consolidated financial statements of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for qualified opinion

As the Group's auditor, we physically attended the inventory counts to perform procedures related to the existence of inventories amounting to 1,804,696,769 Turkish Lira in the consolidated statement of financial position as of 31 December 2024. However, due to the fact that the reconciliation of the physical count results with the accounting records could not be provided by the Group's management, sufficient and appropriate audit evidence regarding the existence of inventories could not be obtained, and it was not possible for us to determine whether any adjustment was necessary. Additionally, as part of the Group audit of the consolidated financial statements, due to the inability to perform audit procedures on inventories amounting to 228,713,987 Turkish Lira in the subsidiaries located in the Republic of Senegal, we could not obtain the necessary audit evidence regarding the accuracy, completeness, existence, and financial statement classification of these inventories, and it was not possible for us to determine whether any adjustment was necessary. Since these matters may also impact the determination of financial performance and cash flows, it was not possible for us to determine whether any adjustment was necessary regarding the net profit reported in the profit or loss statement and the net cash flows from operating activities reported in the cash flow statement.

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Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

3. Emphasis of matters

As of 31 December 2024, the Group's short-term liabilities have exceeded its current assets by 2,489,516,191 Turkish Lira. The measures taken by the Group's management regarding this matter are also disclosed in note 2.6 of the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

4. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How the key audit matter was addressed in the audit
The fair value of the land and factory buildings recognized using the revaluation method As detailed in Note 11, the Group accounts for the land and factory buildings located on it under the property, plant, and equipment category ("land and buildings") using the revaluation model. As of 31 December 2024, the Group has carried out a revaluation of the land and real estate to reflect changes in market conditions. The valuations completed by an independent real estate appraisal firm resulted in the total fair value of land and buildings as of 31 December 2024 amounting to TRY3,038,260,500 thousand, a fair value increase of TRY1,439,543,254 thousand in 2024 recognized in the consolidated financial statements. As further described in Note 2.5, the accounting policy for land and buildings classified under property, plant and equipment is the use of the revaluation method. The fair values of these assets are determined by an independent valuation institution accredited by the Capital Markets Board (“CMB”) and are recognized in the consolidated financial statements following Group management’s assessment. The fair value of land and buildings depends on the valuation methods used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, the specifications of each piece of land and building, its physical condition, and geographic location. Since the value of land and buildings is material to the consolidated financial statements, and in the determination of fair value of land and buildings the benchmarking analysis approach (market) is used, which include inputs and assumptions that can lead to changes in the fair value of the land and buildings, the “fair value of land and buildings recognized using the revaluation method” has been identified as a key audit matter.	We performed the following audit procedures in relation to accounting for land and buildings using the revaluation method: - Assessing the capability, competency, and objectivity of the independent property valuation institution appointed by the Group in accordance with SIA 500, - Checking the completeness of the land and buildings subject to revaluation by comparing accounting records to valuation reports, - Testing the deeds and ownership ratios of land and buildings using the sampling method, - An independent property valuation institution accredited by the CMB and holding a license was appointed as an “auditor’s expert” to support the audit process. The following audit procedures were performed using the sampling method with the support of the auditor’s expert: - Comparing the location, tenant, and square meter information for the land included in reports with the land registers, - Evaluating the nature of the land and buildings, - Evaluating the appropriateness of the benchmarking analysis method used in revaluation of the relevant land and building, - Determining whether the land and buildings that was the subject of calculations using the benchmark comparison method have features similar to the Group’s land and buildings or not, - Evaluation of whether the square meter unit costs of the land and buildings subject to valuation under the cost method are in line with market expectations and of similar nature, - Evaluation of the depreciation rates used for the land and buildings subject to valuation under the cost method in relation to the age of the building, - Checking whether the valuation reports were prepared in line with the main principles., - Comparing the fair values in the valuation reports with the notes, to assess the consistency of the amounts disclosed in the notes and consolidated financial statements and evaluating whether the disclosures in the notes are adequate in accordance with TFRSs.



Key Audit Matters	How the key audit matter was addressed in the audit
Recoverability of trade receivables Trade receivables from third parties, TRY 703 million as of 31 December 2023, constitute a significant portion of the assets of the Company. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer – the amount of guarantees / collateral held, past collection performance, creditworthiness and aging of receivables. The outcome of such estimates is very sensitive to expected future market conditions. Therefore, recoverability of trade receivables is a key matter for our audit. Please refer to notes 2.5 2.7 5 and 22 to the financial statements for the Group’s disclosures on trade receivables, including the related accounting policy.	We performed the following procedures in relation to the recoverability of trade receivables: - Understanding the business process for collections and following procedures from third parties, - Comparing trade receivable turnover days to the prior period, - Inquiries with management in relation to any disputes with customers and written inquiries with the Group’s legal counsels on outstanding litigation in relation to trade receivables, - Testing receivables from third parties by obtaining confirmation letters from customers and distributors and reconciling them to the Company’s accounting records, - Testing collections in the subsequent period from selected customers, - Testing, on a sample basis, guarantees/collaterals and credit insurances held and assessing the Group’s ability to convert them to cash, - Testing, on a sample basis, guarantees/collaterals and credit insurances held and assessing the Company’s ability to convert them to cash.

5. Other matters

As part of the independent audit of the consolidated financial statements for the period from 1 January to 31 December 2024, we have audited the adjustments made to the consolidated financial statements prepared as of 31 December 2023, as disclosed in Note 2.1. In our opinion, these adjustments are appropriate and have been correctly applied. Apart from these adjustments, since we were not engaged to perform an audit, limited audit, or any procedures on the consolidated financial statements for the 2023 financial year as a whole, we do not express an audit opinion or provide any assurance on the consolidated financial statements for the 2023 financial year.

The Group's consolidated financial statements as of 31 December 2023, were audited by another audit firm, and in its report dated 14 May 2024, the firm issued a qualified opinion due to the inability to perform sufficient audit procedures regarding the recoverability of trade receivables from unrelated parties, the measurement of the recoverable value of inventories, and the accounting for financial assets.



6. Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

7. Auditor’s responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 11 March 2025.

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

Sertu Talı, SMMM
Independent Auditor

Istanbul, 11 March 2025

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

		Audited financial statements for the current period	Restated Audited financial statements for prior period	Restated Audited financial statements for prior period
Assets	Notes	31 December 2024	31 December 2023	31 December 2022
Current assets		3,065,512,337	4,621,009,123	4,340,250,156
Cash and cash equivalents	3	180,345,818	477,633,370	771,049,935
Financial investments	11	1,041,568	365,132,978	-
Trade receivables	5	706,150,906	1,025,527,789	803,131,496
- Trade receivables from related parties	6	2,927,110	3,491,875	5,935,316
- Trade receivables from third parties	5	703,223,796	1,022,035,914	797,196,180
Other receivables	7	72,772,007	93,101,864	98,569,130
- Other receivables from related parties	6	29,934,387	6,115,245	15,451,722
- Other receivables from third parties	7	42,837,620	86,986,619	83,117,408
Inventories	8	1,804,696,769	2,064,322,442	2,106,964,774
Prepaid expenses	9	286,573,490	553,147,360	389,937,536
Current income tax assets	21	4,034,234	35,240,778	3,141,503
Other current assets		9,897,545	6,902,542	167,455,782
Non-Current Assets		6,766,423,608	5,286,525,298	4,816,967,054
Ticari alacaklar	5	-	11,269,938	-
- Trade receivables from third parties	5	-	11,269,938	-
Other receivables	7	25,333,885	72,896,968	95,746,012
- Other receivables from third parties	7	25,333,885	72,896,968	95,746,012
Property, plant and equipment	11	5,391,290,128	3,940,873,492	3,540,129,719
Right of use assets	11	950,952,751	928,557,127	856,344,749
Intangible assets	12	398,846,844	332,927,773	324,746,574
Total Assets		9,831,935,945	9,907,534,421	9,157,217,210

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

		Audited financial statements for the current period	Restated Audited financial statements for prior period	Restated Audited financial statements for prior period
Liabilities	Notes	31 December 2024	31 December 2023	31 December 2022
Current Liabilities		5,555,028,528	6,107,044,016	5,318,428,474
Short-term borrowings	4	1,315,849,291	440,600,494	621,533,055
- Bank borrowings		1,158,404,498	217,247,518	377,040,686
- Financial lease liabilities		31,062,840	65,599,878	77,504,963
- Lease liabilities		126,381,953	157,753,098	166,987,406
Short term portion of long term borrowings	4	1,399,873,825	1,700,705,275	784,259,389
Trade payables	5	1,999,784,687	2,461,939,654	2,452,722,931
- Trade payables due to third parties		1,999,784,687	2,461,939,654	2,452,722,931
Employee benefits	14	132,629,369	151,086,715	143,472,678
Other Payables	7	52,336,931	124,991,845	158,653,837
- Other payables due to third parties	7	52,284,159	51,140,035	158,620,412
- Other payables due to related parties	6	52,772	73,851,810	33,425
Deferred income	9	564,877,810	1,064,940,067	1,058,195,358
Current income tax assets		-	66,278,650	-
Short term provisions		89,393,981	96,315,298	99,591,226
- Short term provisions for employee benefits	14	45,533,548	43,432,512	49,833,549
-Other short term provisions	13	43,860,433	52,882,786	49,757,677
Other current liabilities		282,634	186,018	-
Non-Current Liabilities		1,082,370,620	1,221,545,842	1,808,184,509
Long-term borrowings	4	912,975,424	1,030,783,965	1,580,797,515
- Bank borrowings		253,531,683	514,320,232	1,008,794,376
- Financial lease liabilities		33,291,472	10,030,184	60,892,571
- Lease liabilities		626,152,269	506,433,549	511,110,568
Other Payables	7	16,880,242	13,864,197	11,436,935
- Other payables due to third parties		16,880,242	13,864,197	11,436,935
Long term provisions		71,686,892	71,374,500	127,582,339
- Long term provisions for employee benefits	14	63,648,303	62,497,525	121,233,167
- Other long term provisions	13	8,038,589	8,876,975	6,349,172
Deferred tax liabilities	21	80,828,062	105,523,180	88,367,720
Equity		3,194,536,797	2,578,944,563	2,030,604,227
Equity holders of the parent		3,194,724,847	2,578,877,069	2,115,977,739
Paid in capital	15	350,000,000	350,000,000	350,000,000
Adjustment to equity due to reverse merger	15	(159,069,767)	(159,069,767)	(159,069,767)
Capital correction differences	15	1,670,304,021	1,670,304,021	1,670,304,021
Share premium	15	64,359,719	64,359,719	64,359,719
Treasury shares (-)	15	(237,835,789)	(237,835,789)	(35,233,270)
Accumulated other comprehensive income or losses that will not be reclassified to profit or loss		1,103,938,058	4,416,899	(15,995,272)
Accumulated other comprehensive income or losses that will be reclassified to profit or loss	15	23,599,548	(26,906,285)	(4,990,624)
Restricted reserves	15	69,070,486	32,931,192	32,931,192
Retained earnings / (losses)		763,878,895	(15,970,403)	213,671,740
Net profit / (loss) for the period		(453,520,324)	896,647,482	-
Non-controlling interests		(188,050)	67,494	(85,373,512)
Total Equity		9,831,935,945	9,907,534,421	9,157,217,210

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

		Audited financial statements for the current period	Restated Audited financial statements for prior period
	Notes	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	16	11,836,689,052	12,109,162,850
Cost of sales (-)	16	(8,226,802,907)	(7,985,710,967)
Gross profit		3,609,886,145	4,123,451,883
General administrative expenses (-)	17	(662,992,194)	(671,413,257)
Marketing, selling and distribution expenses (-)	17	(3,125,112,145)	(2,675,245,914)
Research and development expenses (-)	17	(107,295,044)	(96,527,177)
Other income from main operations	18	454,744,425	819,195,016
Other expense from main operations (-)	18	(358,188,956)	(614,512,576)
Operating profit before financial income		(188,957,769)	884,947,975
Income from investing activities	19	13,872,704	85,575,652
Expense from investing activities (-)	19	(5,400,000)	(7,164,135)
Operating profit before financial income/ expense		(180,485,065)	963,359,492
Financial income	20	60,689,114	117,482,650
Financial expenses (-)	20	(1,757,756,135)	(1,007,365,122)
Monetary gain loss	24	1,052,261,845	820,288,778
Profit before tax		(825,290,241)	893,765,798
Tax income / (loss) for the period		371,514,373	(46,143,650)
- Taxes on income	21	-	(66,278,650)
- Deferred tax income / (expense)	21	371,514,373	20,135,000
Net profit / (loss) for the year		(453,775,868)	847,622,148
Non-controlling interests		(255,544)	(49,025,334)
Equity holders of the parent		(453,520,324)	896,647,482
Earnings per share (Kr)		(0.0130)	0.0256

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

		Audited financial statements for the current period	Restated Audited financial statements for prior period
	Notes	1 January – 31 December 2024	1 January – 31 December 2023
Net profit / (loss) for the year		(453,775,868)	847,622,148
Other comprehensive income / (expense) :			
Other comprehensive income not to be reclassified under profit and loss		1,099,521,159	20,412,171
Revaluation surplus of intangible assets	11	1,439,543,254	-
Remeasurement losses of defined benefit plans	14	(14,305,211)	25,515,214
Taxes related to other comprehensive income that will not be reclassified to profit or loss	21	(325,716,884)	(5,103,043)
Other comprehensive income to be reclassified under profit and loss		50,505,833	(21,915,660)
Currency translation differences		50,505,833	(21,915,660)
Other comprehensive income / (loss) after tax		1,150,026,992	(1,503,489)
Total comprehensive income		696,251,124	846,118,659
Total comprehensive income attributable to:			
Non-controlling interests		(255,544)	(49,025,334)
Parent company interests		696,506,668	895,143,993

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated)

					Other comprehensive income not to be reclassified under profit and loss		Other comprehensive income to be reclassified under profit and loss			Accumulated gains/ (losses)				
	Paid-in share capital	Capital adjustments differences	Share premium	Treasury shares	Gains / losses on remeasurements of defined benefit plans	Property, plant and equipment revaluation surplus	Gains/(losses) on cash flow hedges	Currency translation differences	Restricted reserves	Retained earnings/ (Accumulated losses)	Net profit/ loss for the period	Equity holders of the parent	Non-comntrolling interest	Total Equity
1 January 2023	190,930,233	1,670,304,021	64,359,719	(35,233,270)	(80,555,135)	64,559,863	(409,627,540)	(4,990,624)	32,931,192	1,066,389,516	--	2,559,067,975	(85,373,512)	2,473,694,463
Effect of restatement (Notes 2,1)	--	--	--	--	--	--	409,627,540	--	--	(852,717,776)	--	(443,090,236)	--	(443,090,236)
1 January 2023	190,930,233	1,670,304,021	64,359,719	(35,233,270)	(80,555,135)	64,559,863	-	(4,990,624)	32,931,192	213,671,740	--	2,115,977,739	(85,373,512)	2,030,604,227
Transfers	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Effects of Business Combination under Common Control	--	--	--	--	--	--	--	--	--	(229,642,144)		(229,642,144)	134,466,340	(95,175,804)
Gains/losses on treasury share transaction	--	--	--	(202,602,519)	--	--	--	--	--	--	--	(202,602,519)	--	(202,602,519)
Total comprehensive income	--	--	--	--	20,412,171	--	--	(21,915,660)	--	--	896,647,482	895,143,993	(49,025,334)	846,118,659
31 December 2023	190,930,233	1,670,304,021	64,359,719	(237,835,789)	(60,142,964)	64,559,863	--	(26,906,285)	32,931,192	(15,970,403)	896,647,482	2,578,877,069	67,494	2,578,944,563
1 January 2024	190,930,233	1,670,304,021	64,359,719	(237,835,789)	(60,142,964)	64,559,863	(401,791,681)	(26,906,285)	32,931,192	836,747,373	1,037,101,982	3,170,257,664	67,494	3,170,325,158
Effect of restatement (Notes 2,1)	--	--	--	--	--	--	401,791,681	--	--	(852,717,776)	(140,454,500)	(591,380,595)	--	(591,380,595)
1 January 2024	190,930,233	1,670,304,021	64,359,719	(237,835,789)	(60,142,964)	64,559,863	--	(26,906,285)	32,931,192	(15,970,403)	896,647,482	2,578,877,069	67,494	2,578,944,563
Transfers	--	--	--	--	--	--	--	--	36,139,294	860,508,188	(896,647,482)	--	--	--
Dividend paid	--	--	--	--	--	--	--	--	-	(80,658,890)	--	(80,658,890)	--	(80,658,890)
Total comprehensive income	--	--	--	--	(10,728,908)	1,110,250,067	--	50,505,833	--	--	(453,520,324)	696,506,668	(255,544)	696,251,124
31 December 2024	190,930,233	1,670,304,021	64,359,719	(237,835,789)	(70,871,872)	1,174,809,930	--	23,599,548	69,070,486	763,878,895	(453,520,324)	3,194,724,847	(188,050)	3,194,536,797

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

(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)
DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

		Audited financial statements for the current period	Restated Audited financial statements for prior period
	Notes	1 January – 31 December 2024	1 January – 31 December 2023
A. Cash flows from operating activities		952,071,345	956,006,566
Net profit/(loss) for the period		(453,775,868)	847,622,148
Adjustments for reconciliation of profit for the period		1,460,670,073	122,853,473
Adjustments for depreciation and amortization	17	1,152,976,571	840,780,269
Adjustments for impairment loss(reversal)	5	60,131,239	67,029,922
Adjustments for receivable impairment(reversal)		60,131,239	67,029,922
Adjustments for provisions		(32,572,413)	(33,968,555)
Adjustments for provion for employee benefits	14	(22,711,678)	(39,621,465)
Adjustments for provision for warranty	13	(7,410,345)	13,347,378
Adjustments for lawsuit and/or penalty provisions(reversal)		(2,450,390)	(7,694,468)
Asjustments fot tax expense/(income)	21	(371,514,373)	46,143,650
Adjustments for interest (income) and expense	20	1,432,526,179	692,133,071
Adjustments for interest expense	20	1,557,139,483	781,608,986
Adjustments for interest income	20	(11,745,353)	(80,766,072)
Unearned financial expense from time purchases	18	7,372,229	3,003,009
Unearned financial income from time sales	18	(120,240,180)	(11,712,852)
Adjustments for unrealized currency translation differences		176,966,236	146,080,685
Adjustments for losses/(gains) on disposal of property, plant and equipment	19	(13,872,704)	(78,406,376)
Adjustments for losses/(gains) on disposal of property, plant and equipment	19	(13,872,704)	(78,406,376)
Other adjustments related to net profit/(loss) for the period		4,404,840	-
Increase / decrease in blocked deposits		4,404,840	-
Monetary gain / (loss)		(1,014,415,570)	(1,197,653,245)
Change in working capital		54,103,528	(331,503,911)
Adjustments for decrease (increase) in trade receivables		319,376,883	(222,396,293)
Decrease (increase) in due from related parties		564,764	2,443,441
Decrease (increase) in due from third parties		318,812,118	(224,839,734)
Adjustments for decrease/(increase) in other receivables related to operations		67,892,940	(67,429,702)
Decrease (increase) in due from related parties		(23,819,142)	9,336,477
Decrease (increase) in due from third parties		91,712,082	(76,766,179)
Adjustments for decrease (increase) in inventories		259,625,673	42,642,332
Decrease/(increase) in prepaid expenses		266,573,870	(163,209,824)
Adjustments for increase (decrease) in trade payables		(341,914,785)	9,216,723
Decrease(increase) in due to third parties)		(341,914,785)	9,216,723
Adjustments for increase/(decrease) in other payables related to operations		4,160,170	(105,053,115)
Adjustments for decrease/(increase) in other receivables related to operations		4,160,170	(105,053,115)
Decrease (increase) in employee benefits		(18,457,346)	7,614,037
Increase (decrease) in deferred income		(500,062,257)	6,744,709
Adjustments for other increase (decrease) in working capital		(3,091,619)	160,367,222
Cash flows from operating activities		994,957,665	998,257,659
Payments related with provisions for employee benefits	14	(7,814,214)	(10,236,029)
Income taxes refund/(paid)		(35,072,106)	(32,015,064)
B. Cash flows from investing activities		(445,637,000)	(1,179,087,880)
Cash outflow from purchase of property, plant and equipment and intangible assets	11,12	(888,077,593)	(980,834,489)
Cash outflow from purchase of property, plant and equipment		(805,462,178)	(949,985,903)
Cash outflow from purchase of intangible assets		(82,615,415)	(30,848,586)
Cash inflow from sales of of property, plant and equipment and intangible assets	11,12	66,603,830	86,113,515
Cash inflow from sales of property, plant and equipment		66,603,830	86,113,515
Cash inflows from financial investments		364,091,410	-
Cash outflows from financial investments		-	(365,132,978)
Interest received		11,745,353	80,766,072
C. Cash flow from financing activities		(689,268,151)	150,304,042
Cash inflows from borrowings	4	3,498,677,432	3,029,394,444
Cash outflows from repayments of borrowings	4	(2,485,014,391)	(2,164,057,040)
Dividends paid		(80,658,890)	-
Interest paid		(1,357,642,498)	(622,153,008)
Cash outflows from payments of lease liabilities	4	(190,830,767)	(166,698,738)
Cash inflows / (outflows) from related parties for financing purposes		(73,799,037)	73,818,384
D. Inflation effect on cash and cash equivalents		(110,048,907)	(238,566,883)
Net increase/(decrease) in cash and cash equivalent before currency translation differences		(292,882,712)	(311,344,156)
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		(292,882,712)	(311,344,156)
E. Cash and cash equivalents at the beginning of the period		459,705,779	771,049,935
Cash and cash equivalents at the end of the period (A+B+C+D+E)		166,823,067	459,705,779

The accompanying notes form an integral part of these consolidated financial statements



Contact

Business Name

Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Şirketi

Head Office

İdealtepe Mahallesi, Rıfkı Tongsir Caddesi, No: 107, Maltepe, İstanbul.

Factories

Düzce Factory

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

Biga Factory

Address: İdriskoru Köyü, Hacıvenez Mevkii, No: 29 Biga, Çanakkale

Senegal Factory

Address: En Face Du Marché D’intérêt National, D Afric Senegal Furniture, Diamniadio/Dakar

Foreign Subsidiaries

Doğtaş Kelebek Mobilya Kıbrıs Ltd. Şti.

Address: Atatürk Cad., Yağmur Sok., No: 14/A, Yenikent, Gönyeli, Lefkoşa/KKTC

D’Afric Senegal Furniture S.A.

Address: En Face Du Marché D’intérêt National, D Afric Senegal Furniture, Diamniadio/Dakar

Doğtaş Kelebek Mobilya Senegal Ltd. Şti.

Address: Ngor Almadies, Route Des Almadies en Face De La FBNBANK DAKAR/SENEGAL

DOGTAS FURNITURE USA INC.

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

Kelebek UK-Title: Kelebek Furniture UK Limited

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

Trade Registry No: 21271-0

Paid-in Capital: 350,000,000

Tax Office: Large Taxpayers

Tel: +90 216 425 00 02

Mersis No: 0542005583700010

Registered Capital Ceiling: 500,000,000

Tax ID: 5420055837

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