

11 April 2025 Ordinary General Assembly – Questions & Answers

The following are the questions posed by shareholders who attended the 2024 Ordinary General Assembly of Doğan Şirketler Grubu Holding A.Ş. on 11 April 2025, both physically and electronically, and the answers provided. This document is published on our corporate website for the information of our stakeholders in accordance with Corporate Governance Principle No. 1.3.5, annexed to the Communiqué on Corporate Governance (II-17.1) of the Capital Markets Board.

Question 1

- What portion of your total net asset value is comprised of non-public subsidiaries? What caused the decline in operational profit and net cash position in 2024?

Answer:

Our total net asset value stands at approximately USD 2.6 billion. Around 25% of this consists of publicly traded subsidiaries, while the rest are non-public. The decline in operational profit in 2024 was primarily due to weaker performance in the automotive segment and at Karel. The decrease in net cash position was due to investments in mining.

Question 2

- How was Hepiyi Sigorta's estimated value of approximately TRY 24 billion determined? What valuation method do you use?

Answer:

The valuation is based on industry comparables and multiples of similar digital insurance companies. In sectors like insurance, such valuation levels are considered reasonable. We believe this value is rational based on comparative analysis.

Question 3

- What other factors contributed to the decline in net profit and operational performance in 2024?

Answer:

Primarily, the weak performance in the automotive segment and at Karel. At Karel, contractual obligations had a negative impact, and in the automotive segment, taxes imposed on China-origin vehicles affected performance. GSR standards and increases in minimum wage also raised costs and had a negative effect.

Question 4

- What is your stance on Hepiyi's IPO? What are your thoughts regarding timing?

Answer:

IPO processes do not proceed at the same pace for every company. If a company is ready, the process is easier. However, the current market conditions are not very favorable for an IPO. Therefore, we are taking a cautious approach. While we are pleased with our increased market share, it is difficult to give a precise IPO timeline at this stage.

Question 5

- Why did Karel underperform this year?

Answer:

Last year's contract prices lagged behind inflation, creating cost pressure and negatively impacting operational performance.

Question 6

- Were you surprised that there was no minimum wage increase in July?

Answer:

For the past two years, a minimum wage increase had taken place in July, in line with our forecasts. Similarly, in 2024, the decision not to raise the minimum wage in July was not a surprise, as it was also in line with our expectations.

Question 7

- What are your views on Karel's future and growth potential? Are you planning a capital increase through private placement?

Answer:

Our priority is to improve operating profit. However, this process also involves risks. Operational challenges at Karel have been quite demanding. We are currently renegotiating contracts. It's not an easy process, but if successful, it could create significant value.

Question 8

- Can you provide information regarding the 10% decline in Q4 revenues?

Answer:

The revenue decline was primarily due to weaker performance in the automotive segment. Our automotive operations were very strong in Q4 2023, and due to this high base, Q4 2024 appears to be a decline.

Question 9

- Can you provide details about your share buyback program? What are your criteria?

Answer:

Our current buyback represents 1.68% of the capital. We have announced a new buyback

program for 2025. We do not have specific target prices. The aim of the buybacks is to support the stock. We execute purchases at appropriate times as we see fit.

Question 10

- Can you provide information about your R&D headcount? How is AI being implemented within the group?

Answer:

Karel and Daiichi collectively employ 220 R&D engineers. Daiichi has 140 dedicated R&D engineers. At Karel, around 120 engineers work in defense, telephone, and communication systems.

Copilot AI is actively used at the Holding level and will soon be deployed across group companies. Among them, Hepiyi Sigorta is the most advanced in AI usage as a digital insurance company.

Question 11

- Are you considering new investments in the financial services and asset management sectors?

Answer:

The financial services sector is closely monitored and considered a growth area. However, there are currently no concrete plans.

Question 12

- What are your expectations for the mining business in 2025? Is an IPO being considered?

Answer:

We expect around USD 100 million in revenue, with an EBITDA margin of 25–30%, and a USD 40–45 million capex. No company decision has been made regarding an IPO.

Question 13

- What is your net asset value growth expectation?

Answer:

We forecast a USD-based growth of 5–10% for 2025.