

HEKTAŞ TİCARET T.A.Ş.
AUDIT COMMITTEE REPORT ON THE AREAS OF USE OF THE
FUND OBTAINED FROM THE PAID CAPITAL INCREASE

Report Date: 16.08.2021

Purpose of the Report: Pursuant the article 33 of the Share Communiqué no. VII-128.1 published by the Capital Market Board, a report must be prepared in ten business following the date of publication of their initial two financial statements containing the results of capital increases and disclosed to public with respect to the purposes of use of the fund derived after the paid capital increase applied by publicly held partnerships whose shares are traded on the exchange, and the said report must be published on the corporate website and on KAP.

This report has been prepared by the Audit Committee, to present the evaluations regarding whether the fund obtained from the capital increase was used as specified in the report concerning the areas of use of the fund approved with the decision no. 31 dated 30.03.2021 of our Company's Board of Directors.

The issued capital of the company before the increase	227.571.100,14 TL
Capital Increase Amount	632.428.899,86 TL
The paid-in capital of the company after the increase	860.000.000,00 TL

Shareholding Structure

Name and Surname / Trade Name of the Shareholder	Before the Increase Capital Amount (TL)	Capital Amount After the Increase (TL)
Turkish Armed Forces Pension Fund (OYAK)	133,854,957.44	505,843,050.97
Other	93,716,142.70	354,156,949.03
Total	227,571,100.14	860,000,000.00

Use of the Fund Obtained from the Capital Increase

The procedures relating to the increase of our company's issued capital in the amount of TL 227.571.100,14 within its authorized capital cap of TL 1.000.000.000, to TL 860.000.000 with a paid increase of TL 400.000.000 (at the rate of 175,769249%) and unpaid increase of TL 232.428.899,86 (at the rate of 102,13462%) have been completed in accordance with the laws. The new version of the article 7 titled "Capital" of the articles of association which indicates that the issued capital of our company is in the amount of TL 860.000.000, was registered by Gebze Trade Registry Directorate on 21.06.2021 and declared by being published in the issue dated 25.06.2021 numbered 10357 of the Turkish Trade Registry Gazette.

In the capital increase process, our shareholders exercised their rights to acquire new shares between the dates 30.04.2021-17.05.2021, resulting in pre-emptive rights' exercise amount of TL 399.657.250,00.

Shares with nominal value of TL 342.750 remaining after the exercise of the pre-emptive rights by the shareholders were offered for sale on Borsa İstanbul A.Ş. Primary Market between the dates of 20-21 May 2021, and the sale of all shares was completed on 20 May 2021, with an amount of TL 3.290.150,09. As a result, a total of 402.947.400,09 TL cash inflow was provided.

A cost amount of TL 1.632.000,00 resulted from the amount of TL 402.947.400,09 derived by the company from the paid capital increase and the items constituting this cost are provided in the following table.

Expenses concerning the issue of shares	
CMB Fee (0.2% over the issue value)	800.000,00 TL
Borsa İstanbul A.Ş. Listing Fee (0.03%) (Including BITT)	126.000,00 TL
Competition Protection Fund (0.04%)	160.000,00 TL
CRA Issuer Service Fee (0.005%) (Including BITT)	21.000,00 TL
Intermediary Institution Fee (Including BITT)	525.000,00 TL
Total	1.632.000,00 TL

The Company obtained net fund entry in the amount of TL 401.315.400,09 after 1.632.000,00 Turkish Liras capital increase costs, from the fund amount of TL 402.947.400,09 derived from the capital increase. In the Report on the Areas of Use of the Fund to be Obtained from the Capital Increase, which we declared on the Public Disclosure Platform on 30.03.2021, it is stated that “The resource to be obtained from the capital increase will be deposited during the period until conclusion of the loan and company acquisition payments and the deposit income to be derived will be used in working capital payments.” Accordingly, the amount of TL 401.315.400,09 was deposited until the credit and investment payments detailed below were made and the interest return derived was used in working capital payments.

The areas of use of the fund derived within the scope of the capital increase, which were approved by our audit committee following the disclosure of the financial statements of the company, have been realized as follows as of today (16.08.2021).

1-Closure of Short-term Bank Loans

Our company used TL 278.368.000 of the resource derived from the capital increase to close the loans whose details are given below, in order to increase the company’s profitability by reducing the amount of loan payables and interests.

Loans Closed

BANK	PRINCIPAL AMOUNT	TYPE OF FOREIGN CURRENCY	TYPE OF LOAN	INTEREST RATE	PAYMENT DATE
ANADOLUBANK	5,868,000	TL	ROTATING	19.50%	25.05. 2021
TÜRK EKONOMİ BANKASI	30,000,000	TL	SPOT	7.00%	10.06.2021
TÜRK EKONOMİ BANKASI	30,000,000	TL	SPOT	7.00%	17.06.2021
VAKIFBANK	30,000,000	TL	SPOT	17.25%	24.06.2021
TÜRKİYE FİNANS	90,000,000	TL	SPOT	7.00%	30.06.2021
GARANTİ BANKASI	44,000,000	TL	SPOT	18.70%	05.07.2021
ZİRAAT BANKASI	10,000,000	TL	SPOT	17.75%	08.07.2021
VAKIFBANK	20,000,000	TL	SPOT	17.50%	12.07.2021
TÜRK EKONOMİ BANKASI	18,500,000	TL	SPOT	18.50%	19.07.2021
	278,368,000	TL			

2- Financing of the Acquisition of Financial Fixed Assets

Arma İlaç San. ve Tic.A.Ş.’s share transfer amount of TL 92.000.000, which we stated in the report on the areas of use of the fund approved with the Board of Directors’ decision no. 31 dated 30.03.2021, was paid with the amount received from the capital increase. Since the share transfer process of Agriventis Technologies Pty.Ltd. Continues, the share transfer amount of TL 28.000.000 has not been paid yet and the amount in question is kept as deposit until the payment date.

PLANNED ACQUISITION	PURPOSE OF THE INVESTMENT	PLANNED INVESTMENT AMOUNT	REALIZED INVESTMENT AMOUNT	TYPE OF FOREIGN CURRENCY
Arma İlaç San.ve Tic.A.Ş.	Financial fixed asset investment made in order to continue sustainable growth, to enrich the company's product portfolio, to enter new business lines and to develop new products	92,000,000	92,000,000	TL
Agriventis Technologies Pty.Ltd.	Financial fixed asset investment made in order to continue sustainable growth, to enrich the company's product portfolio, to enter new business lines and to develop new products	28,000,000	-	TL
		120,000,000	92,000,000	TL

Yours sincerely,

Kamil DERECE
Board of Directors Audit
Committee Chairman

Mahmut Cengiz AYDIN
Board of Directors Audit
Committee Member