

HEKTAŞ TİCARET TRK ANONİM ŐİRKETİ

Prospectus

This prospectus was approved by the Capital Market Board (the Board) on the date of/...../ 2022.

This prospectus is regarding the issue and public offering of shares with the nominal value of TL 1.670.000.000, which will be increased due to the increase of our partnership's issued capital from TL 860.000.000 to 2.530.000.000, TL 1.290.000.000 of which will be made in cash and TL 380.000.000 of which will be made through internal resources.

Approval of the prospectus shall not mean the acknowledgment of the accuracy of the information in the prospectus by the Board, nor shall it constitute advice regarding the shares. Furthermore, the Board has no assessment or approval authorities regarding the determination of the price of the shares to be offered to the public.

Investment decisions concerning the shares to be offered to the public must be taken upon evaluation of the prospectus as a whole.

This prospectus has been published on our partnership's website www.hektas.com.tr and the website www.oyakyatirim.com.tr of OYAK Yatırım Menkul Deęerler A.Ő., which will intermediate in the public offering, as well as the Public Disclosure Platform (KAP) (kap.org.tr). Furthermore, it is open for review in the application locations.

Under the article 10 of the Capital Market Law (CPL), the issuing party is responsible for the losses arising from the incorrect, misleading and deficient information in the prospectus and its annexes. If it is clearly known that it is not or will not be possible to compensate the loss from the issuer, those offering it to the public, the leading authorized institution intermediating in the issue, and the members of the board of directors of the issuer and the guarantor, if any, shall be liable to the extent that the losses can be attributed to them, depending on their fault and requirements of the situation. However, no legal liabilities can be attributed to the relevant parties solely due to the abstract, except for situations where the abstract is incorrect, misleading or inconsistent when read together with the other parts of the prospectus. Persons and institutions who prepare the reports prepared to be included in the documents that constitute the prospectus, such as independent auditing, rating and assessment institutions, shall be liable for the incorrect, misleading or deficient information in the reports prepared by them, within the framework of CMB's provisions.

PROSPECTIVE EXPLANATIONS

This prospectus contains prospective explanations expressed in words such as "planned", "considered", "aimed", "estimated", "expected". These explanations involve ambiguity and risks and only indicate the estimations and expectations on the date of publication of the prospectus. Many factors may lead to the conclusion of the issuer's prospective explanations in much different ways than those estimated."

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ABBREVIATIONS AND DEFINITIONS

EU	European Union
A.Ş.	Joint Stock Company
AGRIVENTIS/Agriventis Technologies	AGRIVENTIS TECHNOLOGIES PTY.LTD
AKÇA/ Akça Tohumculuk	AKÇA TOHUMCULUK ARGE SANAYİ VE DIŞ TİCARET ANONİM ŞİRKETİ
AREO/ Areo Tohumculuk	AREO TOHUMCULUK ARGE SANAYİ VE DIŞ TİCARET ANONİM ŞİRKETİ
ARMA/Arma İlaç	ARMA İLAÇ SANAYİ VE TİCARET A.Ş
AUD	Australian Dollars
EURO	Currency of the European Union
BLOCKCHAIN	Database system consisting of interconnected blocks
BORSA/BIST/BİAŞ	Borsa İstanbul AŞ.
BITT	Banking and Insurance Transactions Tax
DOUBLE HAPLOID	Method used in plant breeding studies
FAO	Food And Agriculture Organization Of The United Nations
FERBİS/ Ferbis Tarım	FERBİS TARIM TİCARET VE SANAYİ ANONİM ŞİRKETİ
FNC/ FNC Tarım	FNC TARIM TİCARET VE SANAYİ ANONİM ŞİRKETİ
GMP	Good Manufacturing Practices
GDP	Gross Domestic Product
ITL	Income Tax Law
HEDGE	Strategy to protect against financial risks
HEKTAŞ/ŞİRKET	HEKTAŞ TİCARET TÜRK .A.Ş.
SLP	Sensitive Livestock Practices
IFA	International Fertilizer Industry Association
IPARD	Instrument For Pre-Accession Assistance Rural Development
KAP	Public Disclosure Platform
BOARD/CMB	Capital Market Board
CTL	Corporate Tax Law
CSD	Merkezi Kayıt Kuruluşu A.Ş (Central Securities Depository of Turkey)
Marker Analysis	Analysis method for determination of resistant genes, their transfer to crop plants and cloning
OIZ	Organized Industrial Zone

OYAK	Turkish Armed Forces Pension
OYAK YATIRIM /INTERMEDIARY INSTITUTION	OYAK Yatırım Menkul Değerler A.Ş.
REACH	Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals
CML	Capital Market Law
SUNSET/ Sunset Kimya	SUNSET KİMYA TARIM ÜRÜNLERİ VE ALETLERİ İMALAT PAZARLAMA SANAYİ VE TİCARET ANONİM ŞİRKETİ
Agriculture – PPI	Agricultural Products Producer Price Index
TFRS	Turkish Financial Reporting Standards
TAS	Turkish Accounting Standards
IAS	International Accounting Standards
POA	Public Oversight Accounting and Auditing Standards Authority
TCMA	Turkish Capital Markets Association
TCL	Turkish Commercial Law no. 6102
CPI	Consumer Price Index
TSI	Turkish Statistical Institute
PPI	Producer Price Index
TPL	Tax Procedures Law
GDM	General Directorate of Meteorology
DSB	Presidency of the Republic of Turkey Directorate of Strategy and Budget
USD	Currency of the United States of America
ZIMİD	Association of Agricultural Pesticides Producers

I. STOCK EXCHANGE OPINION:

None.

II. OPINIONS AND APPROVALS FROM OTHER INSTITUTIONS:

None.

1. PARTIES ASSUMING RESPONSIBILITY FOR THE PROSPECTUS

We declare that the information in this prospectus and its annexes are in line with the actual situation within the framework of all information in our possession and that every reasonable care has been taken to ensure that there are no omissions that could change the meaning of this information in the prospectus.

Issuer HEKTAŞ TİCARET T.A.Ş. 14/09/2022	Part of Responsibility:
Hüseyin ÇİMEN Budget and Corporate Oversight Affairs Director Director	Enis Emre TERZİ Financial ENTIRE PROSPECTUS

Authorized Institution Intermediating in the Public Offering OYAK YATIRIM MENKUL DEĞERLER A.Ş. 14/09/2022	Part of Responsibility:
Adem Demiral Accounting Operation Manager Manager	Canan ÖZER Assistant General ENTIRE PROSPECTUS

We declare that the information in this report which is a part of the prospectus and its annexes are in line with the actual situation within the framework of all information in our possession and that every reasonable care has been taken to ensure that there are no omissions that could change the meaning of this information.

The signed Statements of Responsibility are attached to the prospectus (Annex 1).

Institution Preparing the Relevant Audit Reports 14/09/2022	Part of Responsibility:
KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. HAKKI ÖZGÜR SIVACI Auditor	31.12.2019 /31.12.2020 INDEPENDENT AUDIT REPORT
DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. NAZLI IVAK Auditor	31.12.2021 INDEPENDENT AUDIT REPORT
DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. NAZLI IVAK Auditor	30.06.2022 INTERIM FISCAL PERIOD LIMITED INDEPENDENT AUDIT REPORT

2. SUMMARY

A—INTRODUCTION AND WARNINGS		
	Title	Disclosure Liability
A.1	Introduction and warnings	<p>This abstract must be read as an introduction to the prospectus. Investment decisions concerning the capital market instruments must be taken upon evaluation of the prospectus as a whole.</p> <p>If claims concerning the information in the prospectus are brought to court, the litigating investor may have to incur the costs relating to the translation of the prospectus before commencement of the legal procedures, within the framework of the legal regulations of the country where the public offering is realized.</p> <p>The legal liability of the relevant parties in respect of the abstract (including its translation) shall be sought only in the situations where the abstract is misleading, incorrect or inconsistent when read with the other parts of the prospectus or fails to supply important information that would assist the investors in taking investment decisions.</p>

A.2	Information about subsequent uses of the prospectus.	None.
B—ISSUER		
B.1	Trade title and business name of the issuer	HEKTAŞ TİCARET TÜRK A.Ş.
B.2	Legal status of the issuer, legislation applicable to the issuer and the country and address where it is based	<p>Legal Status: Joint Stock Company</p> <p>Applicable Legislation: Laws of the Republic of Turkey</p> <p>Country of Establishment: Republic of Turkey</p> <p>Registered Office Address: Gebze Organize Sanayi Bölgesi Mahallesi 700.Sokak No:711/1 Gebze / KOCAELİ</p> <p>Tel: (262) 751 14 12</p> <p>Fax: (262) 751 14 22</p> <p>Web site : www.hektas.com.tr</p>
B.3	Definition of the issuer's current activities including the main product/service categories as well as important factors affecting the activities and information about the sectors/markets where the company is active	<p>The company was established for the purpose of producing, importing and marketing agricultural and veterinary pesticides upon registration and entry in the trade registry in 1956. The main field of activity of the company is the production, import, sales and marketing of plant protection and animal health products, while the company has been engaged in the production, sales and marketing of plant protection¹ products for many years. Empowered by its widespread sales and distribution network, the company established the animal health business line in 2005 and the plant nutrition and seed business lines in 2017.</p> <p>The company set its new, value-oriented vision through a shift from its motto “Doctor of Agriculture” to the motto “Pioneer of² Smart Agriculture. This new vision of the company is a result and requirement of its R&D Projects. Focused only on the plant protection medicines needed by agricultural manufacturers before 2017, the company shifted its perception and focus to the production of agricultural products with high added value in 2017. Ferbis³ Tarım, which operated in Niğde in the last quarter of 2017, became a part of the OYAK Group's affiliates upon the acquisition of 100% of its shares by HEKTAŞ. Furthermore, organomineral fertilizers began to</p>

¹ The activity of protecting the plants from diseases, pests and weeds in order to increase agricultural production and protect and improve its quality.

² Smart agriculture is a technique that enables soil and product management to increase agricultural productivity, and minimize the damage to the environment by using resources more economically.

³ The trade name of FNC Tarım Ticaret ve Sanayi A.Ş., 100% subsidiary of our company, was changed on 07.07.2020 as Ferbis Tarım Ticaret ve Sanayi Ticaret A.Ş and the change was published in the Turkish Trade Registry Gazette dated 07.07.2020 no. 10113.

		<p>be produced upon the rental of a facility to produce organomineral fertilizers in Adana⁴ in the same period.</p> <p>On the other hand, the Company started domestic seed breeding activities by purchasing all shares of Areo⁵ Tohum resident in the province of Antalya in 2019.</p> <p>In early 2020, the Company continues its activities at the Agricultural Innovation, Education and Experience Center, which is based in the Orhangazi District of the province of Bursa and whose investments are still ongoing. The product portfolio of the company contains more than 400 plant protection and nearly 60 plant nutrition products as well as over 70 animal health and seed products. On the other hand, in line with its growth strategies and export targets, the Company acquired all shares of SUNSET, which is engaged in the production and trade of plant protection products, in 2020, and included it among its affiliates. Furthermore, to enrich the product portfolio of the company, and to enter new business lines and develop new products ARMA İlaç, which operated in the field of veterinary medicine production and had export potential and a “GMP Production Certificate”, was acquired in 2021. In the same year, the process of acquiring 51% of Agriventis Technologies, which is resident in Australia and which develops seeds tolerant to drought, was commenced and the acquisition process was completed in January 2022. On the other hand, the Company started the studies required for the establishment of a “Pet Food” production facility with an annual capacity of 50,000 tons within an area of 40,336m² in the province of Balıkesir, Manyas district, Kızıksa neighborhood. Thus, the Company plans to start producing the pet food products, which were previously imported and offered in the market, in its own organization.</p> <p>In conclusion, the Company has been operating in the fields of plant protection products, animal and environmental health products, plant nutrition (fertilizer) and seed products as of the period when the Prospectus was prepared. The company provides protection against the agricultural diseases encountered by agricultural producers with the plant protection products that it produces, sells and markets. The Company also supplies the fertilizer products needed by agricultural producers with the plant nutrition products that it produces and that are offered in its product portfolio. In addition, the company carries out breeding activities in the field of seeds, while also selling and marketing seed products. In this respect, the company produces products that meet agricultural producers’ needs, from seeds to fertilizers and from fertilizers</p>	
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⁴ Organomineral fertilizer is a type of hybrid fertilizer produced by blending organic and chemical raw materials.

⁵ The trade name of Akça Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş., 100% subsidiary of our company, was changed on 06.10.2020 as AREO Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş and the change was published in the Turkish Trade Registry Gazette dated 06.10.2020 no. 10175.

		to plant protection products. The company also produces, sells and markets animal and environmental health products. In this context, it also supplies animal health medicines, pet care and food products that veterinary clinics need.
B.4a	Information about the latest significant trends that affect the exporter and the sector where it operates	<p><u>Agricultural production data:</u></p> <p>Agricultural Products PPI increased by 12.51 percent in December 2021 compared to the previous month and increased by 36.39 percent compared to the same month of the previous year. Production amounts decreased by 13.4% in grains and other crops, while increasing by 1.8% in vegetables and 5.4% in fruits, beverage and spice crops in 2021 compared to the previous year.</p> <p>Accordingly, the realized production quantities were approximately 61.7 million tons for grains and other crops, 31.8 million tons for vegetables and 24.9 million tons for fruits, beverages and spice crops in 2021.</p> <p>Those whose production amount decreased compared to the previous year:</p> <p>Cereal production volumes decreased by 14.3% in 2021 compared to the previous year and amounted to approximately 31.9 million tons.</p> <ul style="list-style-type: none"> - Compared to the previous year, wheat production decreased by 13.9% to approximately 17.7 million tons, barley production decreased by 30.7% to approximately 5.8 million tons, rye production decreased by 32.4% to 200 thousand tons, oat production decreased by 12% to 276 thousand tons, while grain corn increased by 3.8% to approximately 6.8 million tons. <p>The production quantity of vegetable products increased by 1.8% in 2021 compared to the previous year, reaching approximately 31.8 million tons.</p> <ul style="list-style-type: none"> - Tuber and root vegetables, one of the subgroups of vegetable products, increased by 6.9%. Onion production in this group increased by 9.6% while dried garlic production increased by 13.5%. <p>Production amount of fruits, beverage and spice plants increased by 5.4% in 2021 compared to the previous year and amounted to approximately 24.9 million tons.</p> <ul style="list-style-type: none"> - Considering the production amounts of important products among fruits, apricots, grapes and cherries decreased by 4%, 12.8% and 4.8% respectively, while apples, strawberries and olives increased by 4.5%, 22.4% and 32.1% respectively. <p>The amount of ornamental plants production increased by 2.9% in 2021 compared to the previous year.</p> <p>The annual GDP obtained with the total of four periods by production method increased by 11.0% in 2021 compared to the previous year, in terms of chained volume index (2009=100).</p>

		<p>The GDP at current prices by production method reached 7 trillion 209 billion 40 million TL in 2021 with an increase of 42.8% compared to the previous year. Considering the activities constituting the GDP, the agricultural sector as chained volume index decreased by 2.2% in 2021 compared to the previous year.</p> <p><u>Exports of herbal products:</u></p> <p>According to the Digital Data Panel prepared by Agrimetre⁶, based on the Foreign Trade Data announced by the Turkish Statistical Institute; 2 billion USD exports and 1.7 billion USD imports were realized in January 2022, in the agriculture, food and beverage sector.</p> <p>Prominent products in exportation in the first month of 2022 are;</p> <p>Hazelnuts (0.12 billion USD), Flour (0.11 billion USD) and Refined Sunflower Oil (0.07 billion USD). These products constitute approximately 14.6% of total exports.</p> <p>According to the foreign trade data of January 2022 by sector, Fresh Fruits (197 million USD), Sugar and Sugary Products (182 million USD), Vegetable Oil (165 million USD) and Fisheries and Aquaculture (140 million USD) sectors are listed as the sectors that export the most products. The most imported products in January 2022 are wheat (0.22 billion USD), Soybean (0.17 billion USD) and Crude Sunflower Oil (0.17 billion USD) respectively.</p> <p><u>Supports:</u></p> <p>The Presidency announced that in 2021, 24 billion TL support was provided to the agricultural sector in order to strengthen agricultural production, 2.3 billion TL was given to 4,850 projects within the scope of the IPARD EU Rural Development Grant Program, thus 3.3 billion TL investment and 8.750 employment were provided, and 2,460 projects were provided with a grant of 645 million TL, while employment was provided to 12 thousand 500 people to support rural development.</p> <p>According to the decree published in the Official Gazette, for 2021, support payment including fuel and fertilizer support will be made in the amount of 42 TL for wheat, barley, rye, oats and triticale; 76 TL for paddy, seed cotton; 32 TL for chickpeas, white beans and lentils; 28 TL for canola and safflower, 38 TL for potato and soybean, 37 TL for oil sunflower, 35 TL for grain corn, 27 TL for onion and fodder plants, 26 TL for fresh tea and hazelnuts, 25 TL for olives and other products, and 8 TL for fallow. In 2021, 860 thousand tons of fresh tea was purchased and 3.4 billion TL was paid to the producers. Within the scope of drought support, 2.6 billion TL drought support was given to farmers by the state. 50%</p>	
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⁶ Agrimetre, an internet-backed database reporting the production, trade and market data in the field of food and agriculture: www.agrimetre.com

		<p>grant support began to be provided to a group of more than 74 machinery and equipment.</p> <p>In addition, it was announced that the support to beet farmers was increased in the 2022 production period. In this respect, the advance price of 16 polar beets was determined as 1000 TL/Ton with an increase of 138% compared to the previous year, and for each ton of beets, pulp fee of 50 TL/Ton, quota completion premium of 50 TL/ton, 4 cash advances in the production and harvest period, cash advances of 50 TL/Ton with a 178% increase compared to the previous year and wet beet pulp of 20% has been determined with an increase of 3%.</p> <p>According to the decree published in the Official Gazette, the support for 2022 certified seed use, which was 16 TL per decare for barley, wheat, rye, triticale, oats and paddy, has been determined as 24 TL with an increase of 50%. With the latest regulation, the payment of certified seed support in 2022 has also been ensured.</p> <p>Thus, wheat, barley, rye, oat and triticale producers will be paid a total of 116 TL per decare, with diesel fuel, fertilizer, certified seeds and an additional 50 TL input support in 2022.</p> <p>Agricultural support payments for the year 2022 have been deposited into the accounts of the farmers within the scope of agricultural support payments made to farmers every year.</p> <p>Accordingly,</p> <ul style="list-style-type: none"> - 188 million 486 thousand 279 TL was paid for tea premium support, - Approximately 89 million 90 thousand TL was paid as cereals, legumes and grain corn support, - 11 million 722 thousand TL was paid to beneficiaries for biological control support, - 1 million 921 thousand 955 TL was paid for animal gene rights support. - Irrigation facilities in agricultural areas with completed dams and ponds will be completed rapidly and contributed to the national economy. - It is aimed to irrigate 830 thousand hectares of land with modern systems and to provide an annual income increase of 41 billion TL for producers. - It is aimed to rapidly increase the share of electricity obtained from the sun in irrigation activities with financing facilities. <p><u>Climate and its impacts:</u></p> <p>Precipitation in the first quarter of 2022 was above the normal and above the precipitation of the same period last year. It was observed that precipitation increased by more than 40% throughout Northern Aegean and Thrace regions and the regions surrounding Izmir, whereas it decreased by more than 40% in places around Konya, Eskişehir, Çankırı, Çorum, Amasya, Kastamonu, Gümüşhane, Bayburt, Şanlıurfa, Mardin and Artvin. In the first three months of 2022, Antalya received the most precipitation with 621 mm, while Iğdır received the</p>	
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		<p>least precipitation with 50 mm. The highest decrease in precipitation compared to normals occurred in Mardin with 47%.</p> <p>232.9 mm of precipitation was recorded across the country in the first three months. In winter, precipitation increased by 13% compared to normals (1991-2020 normal precipitation was 205.3 mm), and by 36% compared to the precipitation of the same period last year (the precipitation of winter 2021 was 171.4 mm). There was an increase in regional precipitation in all regions, except for the Eastern and Southeastern Anatolia regions. The highest decrease has been observed in the Southeastern Anatolia Region with 34%.</p> <p><u>Developments in agriculture:</u></p> <p>The IPARD III Program to be implemented between 2021 and 2027 has been accepted pursuant to the decision taken by the European Commission. The IPARD III Program, prepared by the Ministry of Agriculture and Forestry General Directorate of Agricultural Reform as the Managing Authority, will remain in effect for the next 7 (+3) years. In the IPARD III Program, for which a fund of 430 million Euros has been allocated by the European Commission, the amount of grant to be distributed to the beneficiaries in return for the project will be approximately 555 million Euros, with the addition of the national contribution. It is expected that the total amount of investment to be brought to the economy will exceed 1 billion Euros.</p> <p><u>Regional Developments In Terms of Crops</u></p> <p><i>Mediterranean Region:</i></p> <p>Product prices in January are as follows: one tomato: 4-5 TL, cherry tomatoes 6-7 TL, banana pepper: 13-15 TL, green pepper: 13-16 TL, red pepper: 12 TL, bell pepper 15 TL, cucumbers: 10-12 TL, eggplants: 15 TL. Warehouse sales prices were between 5-6 TL. In January, banana prices on the Gazipaşa-Alanya-Manavgat line were lower than in previous years. Banana prices were around 4-5 kg/TL. Aubergine price was 13-15 Kg/TL and cucumber price was 6-8 Kg/TL.</p> <p>It was observed that crop prices on the Antalya Coastal line continued their high course throughout February. Tomato prices increased to 12 – 16 TL / Kg, pepper prices increased to 16 – 20 TL / Kg, and eggplants' average price climbed to 15 – 25 TL / Kg. Banana prices in Gazipaşa and Alanya Districts of Antalya varied between 4.50- 5.00 TL/Kg in February. Vegetable harvests continued on the Antalya coastline in March. Market conditions changed between 18-20 TL for tomatoes and between 20-40 TL for pepper groups depending on the variety. The price of cucumbers and almonds was 7-8 TL, the price of regular cucumbers was 9 TL, and the price of eggplants reached 18-20 TL. With respect to fruits, the price of bananas increased by 5-6 TL at the beginning of March and by 8-9 TL in the last part of the month. The reason for this</p>	
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		<p>increase in bananas is that the harvest rate has now reached 75-80%. As for citrus fruits, the price of high quality oranges was around 3.5-4 TL on the days when the harvest was almost complete.</p> <p><i>Southeast Anatolia Region:</i></p> <p>For cereals, prices are 5.75 - 6,25 TL/kg for hard wheat, 5- 5,5 TL/kg for bread wheat, 13 - 15 TL/kg for lentils, 13.52 TL/kg for chickpeas, 4,75- 5,20 TL/kg for barley and 5- 5,25 TL/kg for corn. Product prices for cotton remaining in stocks were realized in the range of 20- 22 TL/kg depending on the yield. The prices of dried apricots remaining in stocks in Malatya ranged between 40-55 TL/kg. The figures stand for the lowest and highest levels in the last 3-month period.</p> <p><i>Çukurova Region:</i></p> <p>Prices of products are as follows: peppers: 12 TL/kg, tomatoes: 9 TL/kg, tangerines: 3TL/kg, lettuce: 6TL/each, cucumbers: 6 TL/ kg, eggplants: 9TL/kg, onions: 2 TL /kg, Enter lemons: 2,5 TL/kg.</p> <p><i>Marmara Region:</i></p> <p>Prices of products are as follows: wheat: between 3.88 and 5.35 TL/kg, Barley: between 3 and 4.53 TL/kg, Sunflower: between 9.1– 16.47 TL/kg. The tomato purchase contract prices of the tomato paste factories in the region ranged between 1600-1650 TL/Tons.</p>	
B.5	The group of the issuer and its position within the group	<p>The company was established for the purpose of producing, importing and marketing agricultural and veterinary pesticides upon registration and entry in the trade registry in 1956. The main field of activity of the company is the production, import and marketing of agricultural and veterinary pesticides. The main shareholder of the Company is the Turkish Armed Forces Pension Fund (“OYAK”) which owns <u>58,82 per cent</u> of the company’s shares. OYAK is an institution with legal personality, which is financially and administratively autonomous and subject to the provisions of private law. It was founded pursuant to the Armed Forces Pension Law no. 205 on 1 March 1961.</p> <p>OYAK has direct and indirect subsidiaries and affiliates operating in industry, finance and service sectors. The Issuer Company is an affiliate of the OYAK group operating in the fields of Food, Agriculture and Livestock. The Issuer Company has its own subsidiaries as well.</p> <p>While preparing the Issuer Company’s consolidated financial statements, the subsidiaries subject to consolidation, their fields of activity and the Company’s shareholding in these subsidiaries are as follows.</p>	

		<table><tr><th>Title of the Company</th><th>Field of Activity</th><th>Share in the Capital and Voting Rate (%)</th></tr><tr><td>Takimsan Tarım Kimya Sanayi ve Ticaret A.Ş</td><td>Production, import and marketing of pesticides</td><td>99.78%</td></tr><tr><td>Ferbis Tarım Ticaret ve Sanayi A.Ş</td><td>Production, import and marketing of pesticides</td><td>100%</td></tr><tr><td>Areo Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş</td><td>Production and development activities for all kinds of seeds</td><td>100%</td></tr><tr><td>Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret A.Ş</td><td>Production, import and marketing of pesticides</td><td>100%</td></tr><tr><td>Arma İlaç Sanayi ve Ticaret A.Ş</td><td>Production of Veterinary Medicines</td><td>100%</td></tr><tr><td>Agriventis Technologies Pty. Ltd.</td><td>Seed and Seed Breeding</td><td>51%</td></tr></table>	Title of the Company	Field of Activity	Share in the Capital and Voting Rate (%)	Takimsan Tarım Kimya Sanayi ve Ticaret A.Ş	Production, import and marketing of pesticides	99.78%	Ferbis Tarım Ticaret ve Sanayi A.Ş	Production, import and marketing of pesticides	100%	Areo Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş	Production and development activities for all kinds of seeds	100%	Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret A.Ş	Production, import and marketing of pesticides	100%	Arma İlaç Sanayi ve Ticaret A.Ş	Production of Veterinary Medicines	100%	Agriventis Technologies Pty. Ltd.	Seed and Seed Breeding	51%
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B.6	<p>Names/titles of individual who directly or indirectly have 5% or more share in the capital or total voting rights and information about each individual's shareholding</p> <p>Information about whether the controlling shareholders of the issuer have different voting rights</p> <p>If yes, names/titles of the individuals who directly or indirectly have the management power of the issuer or control the issuer and information about the source of this control</p>	<p>The Company's shareholding structure as of the prospectus date is as follows. All shares constituting the capital provide equal voting rights. There are no share groups with different</p> <table><tr><th>Shareholders</th><th>Group of Shares</th><th>Amount of Shares (TL)</th><th>Shareholding %</th></tr><tr><td>Turkish Armed Forces Pension Fund (OYAK)</td><td>-</td><td>505,843,050.97</td><td>%58.82</td></tr><tr><td>Publicly Listed-Other</td><td>-</td><td>354,156,949.03</td><td>%41.18</td></tr><tr><td>TOTAL</td><td></td><td>860,000,000</td><td>%100</td></tr></table> <p>voting rights.</p> <p>The Turkish Armed Forces Pension Fund (OYAK) has management power and control over the Company with its 58.82% shareholding.</p>	Shareholders	Group of Shares	Amount of Shares (TL)	Shareholding %	Turkish Armed Forces Pension Fund (OYAK)	-	505,843,050.97	%58.82	Publicly Listed-Other	-	354,156,949.03	%41.18	TOTAL		860,000,000	%100					
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TOTAL		860,000,000	%100																				

B.7	Selected financial information and important changes occurring in the issuer's financial position and operating results	FINANCIAL POSITION STATEMENT (BALANCE SHEET) (TL)	Subjected to Independent Audit 31.12.2019	Subjected to Independent Audit 31 December 2020	Subjected to Independent Audit 31.12.2021	Subjected to Limited Independent Audit 30.06.2022
		<i>CURRENT ASSETS</i>	938,011,535	1,459,883,213	3,268,942,287	6,351,740,944
		<i>NON-CURRENT ASSETS</i>	287,413,243	573,775,431	1,356,873,591	1,877,509,616
		TOTAL ASSETS	1,225,424,778	2,033,658,644	4,625,815,878	8,229,250,560
		<i>SHORT-TERM LIABILITIES</i>	357,794,454	1,161,648,716	3,112,170,260	6,204,279,769
		<i>LONG-TERM LIABILITIES</i>	360,259,823	174,979,114	101,480,409	190,753,113
		<i>EQUITY</i>	507,370,501	697,030,814	1,412,165,209	1,834,217,678
		TOTAL LIABILITIES	1,225,424,778	2,033,658,644	4,625,815,878	8,229,250,560
		a) Annual income statements of the last three periods				
		INCOME STATEMENT (TL)	Subjected to Independent Audit 31.12.2019	Subjected to Independent Audit 31.12.2020	Subjected to Independent Audit 31.12.2021	
		<i>Revenue</i>	732,677,504	1,013,719,129	2,020,718,336	
		<i>Cost of Sales</i>	-419,081,256	-662,405,526	-1,312,393,367	
		GROSS PROFIT (LOSS)	313,596,248	351,313,603	708,324,969	
		<i>General Management Expenses</i>	-22,735,517	-40,972,229	-79,282,890	
		<i>Marketing Expenses</i>	-37,609,511	-50,758,497	-87,330,503	
		<i>Research and Development Expenses</i>	-11,528,751	-18,269,154	-31,274,904	
		<i>Other Incomes from Main Activities</i>	7,821,238	3,607,456	5,016,538	
		<i>Other Expenses from Main Activities</i>	-4,273,201	-5,854,150	-86,011,169	
		MAIN OPERATING PROFIT (LOSS)	245,270,506	239,067,029	429,442,041	
		<i>Incomes from Investment activities</i>	516,000	1,979,252	2,578,830	
		<i>Expenses from Investment activities</i>	-63,760	-386,217	-181,144	
		OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	245,722,746	240,660,064	431,839,727	

		<i>Financing Incomes</i>	2,720,379	12,300,346	126,884,880
		<i>Financing Expenses</i>	-103,056,817	-94,092,410	-224,394,384
		PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	145,386,308	158,868,000	334,330,223
		<i>Tax (Expense) Income from Continuing Operations</i>	184,942	29,462,967	-8,573,207
		<i>Tax (Expense) Income of the Period</i>	-171,539	-227,555	-4,438,104
		<i>Deferred Tax (Expense) Income</i>	356,481	29,690,522	-4,135,103
		PROFIT (LOSS) OF THE PERIOD	145,571,250	188,330,967	325,757,016
		b) Income statements of the last two interim periods			
		INCOME STATEMENT (TL)	Subjected to Limited Independent Audit 30.06.2021	Subjected to Limited Independent Audit 30.06.2022	
		<i>Revenue</i>	897,721,406	2,530,419,764	
		<i>Cost of Sales</i>	-618,943,034	-1,491,777,249	
		GROSS PROFIT (LOSS)	278,778,372	1,038,642,515	
		<i>General Management Expenses</i>	-37,501,561	-74,406,614	
		<i>Marketing Expenses</i>	-36,171,388	-84,931,466	
		<i>Research and Development Expenses</i>	-14,770,277	-28,911,144	
		<i>Other Incomes from Main Activities</i>	3,389,990	21,476,003	
		<i>Other Expenses from Main Activities</i>	-35,770,450	-163,017,537	
		MAIN OPERATING PROFIT (LOSS)	157,954,686	708,851,757	
		<i>Incomes from Investment activities</i>	991,737	4,041,807	
		<i>Expenses from Investment activities</i>	-70,302	-435,758	
		OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	158,876,121	712,457,806	
		<i>Financing Incomes</i>	43,235,468	135,625,658	
		<i>Financing Expenses</i>	-102,508,912	-338,756,954	
		PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	99,602,677	509,326,510	
		<i>Tax (Expense) Income from Continuing Operations</i>	-1,140,509	-89,899,434	
		<i>Tax (Expense) Income of the Period</i>	-837,200	-100,025,210	
		<i>Deferred Tax (Expense) Income</i>	-303,309	10,125,776	
		PROFIT (LOSS) OF THE PERIOD	98,462,168	419,427,076	

		<p>The detailed financial statements of the company and the respective independent audit reports are provided on the web sites www.hektas.com.tr and www.kap.org.tr.</p> <p>Considering the summary financial statements of the Company given above, it is observed that the total assets of the Company have increased significantly over the years. The Company's total assets increased by 66% between 2019-2020 and by 127% between 2020-2021.</p> <p>The balance sheet of the Company for the first half of the year 2022 indicates that its total assets increased by 78% compared to the yearend balance of 2021.</p> <p>The main reasons for the increase in the Company's total assets are the increases in the sales and production of the Company over the years, as well as its tangible and intangible fixed asset investments.</p> <p>The Company's sales revenue increased by 38% between 2019-2020, while the increase was recorded as 99% between 2020 and 2021</p> <p>The Company's income statement for the first half of 2022 indicates that its sales revenue increased by 182% compared to the same period of the previous year. The increases in the Company's net operating capital as a result of these dramatic increases in the sales revenue also led to an increase in the Company's assets, as we explained above. On the other hand, the inorganic growth caused by the physical investments and the financial fixed asset purchases made in order to penetrate different business lines brought along a yearly increase in the Company's fixed assets.</p> <p>On the other hand, with respect to the gross sales profit between the same periods, it is observed that the Company operated with 43% gross sales profitability in 2019, while this rate declined to 35% in 2020, whereas the rate continued in 2021.</p> <p>The main reason for this situation is the negative conjuncture created by the pandemic conditions that emerged in China in the last period of 2019 and affected the whole world. Our company supplies most of the raw materials of the products it produces from China. The supply restrictions imposed in China and the supply problems that arose due to the pandemic have resulted in the necessity to supply these raw materials at high prices from some alternative countries. This naturally increased the cost of goods sold. In addition, special sales discounts were applied in order to ensure the continuity of agricultural supply under pandemic conditions, reduce the input costs of agricultural producers and due to aggressive</p>	
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		<p>competition conditions. On the other hand, globally increasing logistics costs have also increased the severity of this situation.</p> <p>The Company's income statement of the first half of 2022 indicates that the company operates with a gross sales profitability of 41%. It would be observed that the gross sales profitability was realized as 31% due to the reasons mentioned above, in the same period of the previous year.</p> <p>However, thanks to the decrease in the negative impact of the pandemic on commodity and logistics costs in 2022, the cost of goods sold began to decrease. In addition, the increasing sales volume and the increase in product prices in the domestic market resulted in 41% gross sales profitability in the first half of 2022.</p> <p>While the main operating profit of the company decreased by 2.5% between 2019-2020, it increased by 80% between 2020-2021. This situation is caused by the decrease in gross sales profitability to 35% in 2020, along with the increase in other operational expenses, especially general administrative expenses and marketing expenses.</p> <p>On the other hand, the operating profit for the first half of 2022 increased by 349% compared to the same period of the previous year. As stated above, the increase in the sales revenue of the Company by 182% in the same period and the increase in the gross sales profitability from 31% to 41% are the reasons for the increase in the operating profit.</p> <p>It is observed that the net period profit of the company increased by 29% between the years 2019-2020, and the net period profit increased by 73% between the years 2020-2021.</p> <p>It is observed that the net profit of the first half of 2022 increased by 326% compared to the same period of the previous year.</p>
B.8	Selected important pro forma financial information	None.
B.9	Profit forecast and expectations	None.
B.10	Content of the issues other than the positive opinion in the audit reports pertaining to the financial statements in the prospectus	None.

B.11	The capability of the issuer's operating capital to meet its current liabilities	(TL)	31.12.2019	31 December 2020	31.12.2021	30.06.2022
		Current Assets	938,011,535	1,459,883,213	3,268,942,287	6,351,740,944
		Short-term Liabilities	357,794,454	1,161,648,716	3,112,170,260	6,204,279,769
		Net Working Capital	580,217,081	298,234,497	156,772,027	147,461,175
		The Company does not have working capital deficit and has sufficient working capital for a period of at least 12 months.				

C—CAPITAL MARKET INSTRUMENT

C.1	Information about the type and groups of the capital market instrument to be issued and/or quoted on the stock exchange, including its securities identification number (ISIN)	<p>The Company's authorized capital cap is 3.000.000.000 Turkish Lira. The issued capital of the company is TL 860.000.000. This capital is divided into 86.000.000.000 shares, each with a nominal value of 1 Kuruş (kr).</p> <p>The issued capital of TL 860.000.000 within the authorized capital cap of TL 3.000.000.000 will be increased to TL 2.530.000.000 with an increase of TL 1.670.000.000, TL 1.290.000.000 of which will be supplied in cash (paid), and TL 380.000.000 of which will be supplied from internal resources.</p> <p>TL 1.290.000.000 of the capital increase amounting to TL 1.670.000.000 will be made in cash (paid) and the current shareholders' rights to purchase new shares (pre-emptive rights) will not be restricted. In this capital increase (ISIN: TRAHEKTS91E4) shareholders will be granted pre-emptive rights.</p> <p>Each share of the Company has equal voting power. The Company does not have any privileged shares.</p> <p>On the other hand, the Company has 300 founders' shares given to its founders. Though these shares do not represent the Company's capital, they provide their holder with the right to acquire dividends (5% dividends).</p>
C.2	Currency in which the capital market instrument will be issued	The shares will be offered for sale in Turkish Lira.
C.3	Number of shares which are issued and wholly paid for and number of shares not fully paid for, if any	The current paid-in capital of our company is TL 860,000,000 and the number of shares is 86.000.000.000. There are no outstanding shares.

	Nominal value of each share	The nominal value of each share is 1 Kuruş.
C.4	Information about the rights provided by the capital market instrument	<p>-Right to Receive Share from the Profit (CMB Law Art.19-TCL Art.507)</p> <p>-Right to Acquire New Shares (TCL Art. 461, for partnerships in the authorized capital system CMB Law Art. 18)</p> <p>- Right to Remove from the Partnership and Sell (CMB Law Art.27)</p> <p>-Right to Acquire Unpaid Shares (CMB Law Art. 19-TCL Art.462)</p> <p>-Right to Leave Partnership (CMB Law Art.24)</p> <p>-Right to Sell (CMB Law Art. 27)</p> <p>-Right to Receive Share from Liquidation (TCL Art. 507)</p> <p>-Right to Invitation to and Participation in the General Assembly (CMB Law Art. 29-30, TCL Art. 414-415-419-425-1527)</p> <p>-Right to Attend Negotiations in the General Assembly (TCL Art. 407, 409, 417)</p> <p>-Right to Vote (CMB Law Art. 30, TCL Art. 432-434-436)</p> <p>-Right to File Annulment Lawsuit (TCL Art. 445-451, CMBL Art.18/6,20/2)</p> <p>-Minority Rights (TCL Art.411,412,420,439)</p> <p>-Right to Demand Special Lawsuit (TCL Art. 438,439)</p> <p>-Right to Obtain and Review Information (CMB Law Art.14, TCL Art. 437)</p>
C.5	Information about the restrictions on the transfer and circulation of the capital market instrument	There are no records restricting the transfer and circulation of the shares or preventing the shareholder from exercising his/her rights on the shares to be offered to the public.
C.6	Information about whether an application was made or will be made for trade of the capital market instruments offered to the public on stock exchange and information about the market where they will be traded	The current shares are traded on BIST Star Market. The shares to be issued for capital increase purposes will be traded on this market as well. The shares to be issued by partnerships with shares listed on the Stock Exchange due to their paid and/or unpaid capital increases are listed on the Stock Exchange following the registration of the new capital after the capital increase at the Trade Registry, without taking any other decision or carrying out another procedure. (Borsa İstanbul A.Ş. Listing Directive Article

		41)
C.7	Information about the profit distribution policy	<p>The article 34 of the Company's articles of association explains "Distribution and Determination of the Profit". Accordingly,</p> <p>The General Assembly is authorized to take decisions on not distributing or partially or wholly distributing the profits, within the framework of profit distribution policies. Applications concerning general reserves and dividend calculation are carried out in accordance with the provisions of TCL, CMB and related legislation.</p> <p>The period of the profit which remains after deducting the amounts that must be paid or set aside by the company such as the Company's overheads and miscellaneous depreciation as well as the taxes payable by the company's legal personality from the Company's incomes determined at the end of the operating period and which is shown in the annual balance sheet shall be allocated as follows and in the following order, after deducting previous years' losses, if any:</p> <p>(a) 5% shall be set aside as reserves.</p> <p>(b) Primary dividends shall be set aside in accordance with the Turkish Commercial Law and the Capital Market Legislation, over the amount to be calculated by adding the donation amount made within the year, if any, to the remaining amount.</p> <p>(c) 5% dividend shall be set aside for founding shareholders from the amount remaining after the amounts specified in the clause a and b are deducted from the Annual Profit.</p> <p>(d) The General Assembly is authorized to distribute the part remaining after the deduction of the amounts specified in the clauses (a), (b) and (c) from the net profit of the period as secondary dividends partially or wholly or to set it aside as optional reserves under the article 521 of the Turkish Commercial Law.</p> <p>(e) One tenth of the amount calculated by deducting 5% dividends from the part decides to be distributed to the shareholders and other individuals participating in the profit shall be added to the general reserves as per the 2nd paragraph of the article 519 of TCL.</p> <p>Unless the dividends determined for the shareholders and the reserves which must be set aside according to the laws are set aside, it cannot be decided to set aside other reserves, transfer profits to the following year and distribute shares from the profit to the members of the board of directors and employees of the partnership; nor</p>

		<p>shall it be possible to distribute shares from the profit to these individuals, unless the dividends determined are paid. Furthermore, within the framework of the provisions of TCL, CMB Law and the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.</p> <p>Profits distributed in accordance with the provisions of the Articles of Association cannot be withdrawn. Recalling the profits in case of advance dividend distribution is an exception.</p> <p>Dividends shall be equally distributed to all shares existing as of the date of the distribution, without taking the dates of issue and acquisition of these shares into account.</p> <p>The manner and timing of distributing the profits decided to be distributed shall be decided by the general assembly upon the proposal of the board of directors regarding the issue. The Company's explanations on the profit distribution policy published on KAP are as follows:</p> <p>The Company has adopted the policy of distributing the entire distributable profit of the period in cash to the extent permitted by the prospective free cash generation expectation, including investment / financing needs and market projections, and financial leverage ratios, within the framework of the applicable legislation and the provisions of the Company's Articles of Association. The profit distribution policy is reviewed annually by the Board of Directors, in the light of the national and global economic circumstances, the projects on the company's agenda and the status of its funds.</p> <p>Dividends are paid by December 15 of the related calendar year in instalments with equal or different amounts within the framework of the legislative provisions, by authorizing the Board of Directors in the general assembly meeting where the distribution is decided.</p> <p>Within the framework of the provisions of the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.</p>
D—RISKS		
D.1	Information about significant risk factors pertaining to the issuer, its activities and the industry where it operates	<p>The Company may generally encounter potential interest and exchange rate risk depending on macroeconomic variables, and also encounters risk factors such as the negative impact of reduction of supply sources of active ingredients and auxiliary substances on its production and</p>

		<p>sales activities, shrinkage of its product portfolio due to the prohibition of active ingredients and auxiliary substances, the tendency towards biological products, failure to comply with the regulations due to the quantity and continuous change of regulations affecting the company's activities, extraordinary increase in input costs due to the volatility of international commodity prices, the high negative impact of the company's activities in terms of the environment and occupational safety, and failure to collect its trade receivables as a result of the weak financial and corporate structures of the customers in the industry, due to its activities and the industry</p> <p>In other words, the Company may encounter risks such as, risks in commodity prices, supply reductions, decisions taken by the government and public authority, receivable risks and cash deficit, distribution channels and disruptions in the supply chain.</p>
D.2	Information about significant risk factors pertaining to the capital market instrument	<p>The price of the company's shares may not only fluctuate due to general market conditions, but may also be affected by the results of the partnership's operational and financial activity and its dividend and capital increase policies.</p> <p>The price of the company's shares may vary as a result of the impact of national and international macroeconomic variables on stock markets.</p> <p>The potential ups and downs in the global stock markets may affect the price of shares in the same direction.</p> <p>Depreciation of Turkish Lira against other currencies may result in a decrease in the value of the shares.</p>
E—PUBLIC OFFERING		
E.1	Information about the net income to be derived and total estimated cost to be incurred by the issuer/party offering the shares to the public in respect of the public offering and estimated costs to be claimed from the investors demanding	<p>The Company's paid-in capital in the amount of TL 860.000.000 will be increased to TL 2.530.000.000, TL 1.290.000.000 (150%) of which will be paid and TL 380.000.000 (44.18604%) of which will be unpaid. The gross income to be derived from the capital increase would be TL 1.290.000.000. The gross cash inflow expected to be generated from the sale of the shares to be issued for the paid capital increase is TL 1.290.000.000, while the expected issue cost is TL 5.566.725. The estimated net cash inflow to be generated after deducting the estimated issue cost is prescribed as TL 1.284.433.275.</p>

		<table><tr><th colspan="2">Expenses concerning the issue of shares</th></tr><tr><td>Board Fee (0.2% over the issue value)</td><td>3.340.000 TL</td></tr><tr><td>Borsa İstanbul A.Ş. Listing Fee (0.03%) (Including BITT)</td><td>526.050 TL</td></tr><tr><td>Competition Protection Fund (0.04%)</td><td>668.000 TL</td></tr><tr><td>MKK Issuer Service Fee (0.005%) (Including BITT)</td><td>87.675 TL</td></tr><tr><td>Amount Paid to Int. Ins. (Including BITT)</td><td>945.000 TL</td></tr><tr><td>Estimated Total Cost</td><td>5.566.725 TL</td></tr><tr><td>Total Shares with Nominal Value of 1 TL</td><td>1,670,000,000</td></tr><tr><td>Cost per Share</td><td>0.00333 TL</td></tr></table>	Expenses concerning the issue of shares		Board Fee (0.2% over the issue value)	3.340.000 TL	Borsa İstanbul A.Ş. Listing Fee (0.03%) (Including BITT)	526.050 TL	Competition Protection Fund (0.04%)	668.000 TL	MKK Issuer Service Fee (0.005%) (Including BITT)	87.675 TL	Amount Paid to Int. Ins. (Including BITT)	945.000 TL	Estimated Total Cost	5.566.725 TL	Total Shares with Nominal Value of 1 TL	1,670,000,000	Cost per Share	0.00333 TL							
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Total Shares with Nominal Value of 1 TL	1,670,000,000																										
Cost per Share	0.00333 TL																										
E.2a	<p>Information about the rationale for the public offering, areas of use of the public offering incomes and the estimated net income to be derived</p>	<p>It has been decided to increase the Company’s current issued capital in the amount of TL 860.000.000 to TL 2.530.000.000 with a paid increase of TL 1.290.000.000 (150%) and unpaid increase of TL 380.000.000 (44.18604%).</p> <p>The gross cash inflow expected to be generated from the sale of the shares to be issued for the planned paid capital increase of TL 1.290.000.000 is TL 1.290.000.000. It is projected that the estimated net cash inflow to be generated within the scope of the paid capital increase would be TL 1.284.433.275 after deducting the estimate cost of issuing in the amount of TL 5.566.725.</p> <p>The resource that is prescribed to be obtained from the capital increase is planned to be used in the areas specified in the table below.</p> <table><tr><th>PLANNED EXPENDITURE AREA</th><th>DESCRIPTION</th><th>PLANNED EXPENDITURE AMOUNT</th><th>CURRENCY</th><th>PLANNED EXPENDITURE RATE</th></tr><tr><td>Foreign Investments</td><td>Continuing sustainable growth, enriching the company’s product portfolio, entering new business lines</td><td>1,027,546,620</td><td>TL</td><td>80%</td></tr><tr><td>Orhangazi Facility Investments</td><td>Agricultural Innovation, Education and R&D Investments</td><td>31,886,655</td><td>TL</td><td>2%</td></tr><tr><td>Raw Material Supply</td><td>Domestic and Foreign raw material purchases in line with the increased sales volume</td><td>225,000,000</td><td>TL</td><td>18%</td></tr><tr><td colspan="2"></td><td>1,284,433,275</td><td>TL</td><td>100%</td></tr></table>	PLANNED EXPENDITURE AREA	DESCRIPTION	PLANNED EXPENDITURE AMOUNT	CURRENCY	PLANNED EXPENDITURE RATE	Foreign Investments	Continuing sustainable growth, enriching the company’s product portfolio, entering new business lines	1,027,546,620	TL	80%	Orhangazi Facility Investments	Agricultural Innovation, Education and R&D Investments	31,886,655	TL	2%	Raw Material Supply	Domestic and Foreign raw material purchases in line with the increased sales volume	225,000,000	TL	18%			1,284,433,275	TL	100%
PLANNED EXPENDITURE AREA	DESCRIPTION	PLANNED EXPENDITURE AMOUNT	CURRENCY	PLANNED EXPENDITURE RATE																							
Foreign Investments	Continuing sustainable growth, enriching the company’s product portfolio, entering new business lines	1,027,546,620	TL	80%																							
Orhangazi Facility Investments	Agricultural Innovation, Education and R&D Investments	31,886,655	TL	2%																							
Raw Material Supply	Domestic and Foreign raw material purchases in line with the increased sales volume	225,000,000	TL	18%																							
		1,284,433,275	TL	100%																							

E.3	Information about and conditions of the public offering	<p>The nominal value of the shares offered to the public is TL 1.290.000.000.</p> <p>The rights to acquire new shares will begin to be exercised in 10 business days following the declaration of the Prospectus at the latest and the period allowed for exercising the right to acquire new shares is determined as 15 (fifteen) days for the existing shareholders. If the last day of this period is public holiday, the period of exercising the right to acquire new shares will end on the evening of the following business day. Shares remaining from the exercise of the right to acquire new shares will be offered to the public on the Stock Exchange Primary Market and the duration of the offering has been determined as 2 business days. The nominal amount and public offering dates of the remaining shares to be offered for sale will be announced on the Company's corporate web site www.hektas.com.tr), on KAP (www.kap.org.tr) and the web site of OYAK Yatırım Menkul Değerler A.Ş. (www.ovakyatirim.com.tr) through a sales announcement to investors.</p> <p>The shares to be issued will be sold on the Stock Exchange at the nominal value in the exercise of the right to acquire new shares (the nominal value of one share is 1 Kuruş, and 1 lot (100) share will be offered for sale at 1 TL). For the shares remaining after the rights to acquire new shares is exercised, sales will be performed at the price to be established on Borsa İstanbul A.Ş., which will not be lower than the nominal value.</p> <p>The share prices will be deposited in cash to the account no. TR710003200000000098978704 opened at Türkiye Ekonomi Bankası A.Ş in the name of the Company to be used exclusively in this capital increase.</p> <p>If there are remaining shares not sold, these shares will be canceled.</p> <p>In the sales to investors, the method of "Sale on the Stock Exchange" stipulated in the CMB's Communiqué on the Sale of Capital Market Instruments no. II-5.2 will be used.</p> <p>Investors who would like to have shares in this capital increase must apply to one of the stock exchange members comprised of institutions authorized to trade on BIST. They may purchase shares within the channels provided by the aforementioned authorized institutions.</p>
E.4	Significant interests of the relevant persons related to the public offering, including conflicting interests	<p>There are no natural or legal persons with significant interests in the public offering. The Company will derive capital, while the intermediary OYAK Yatırım Menkul Değerler A.Ş. will derive intermediary commission from the public offering of the company's shares.</p>

E.5	<p>Name/title of the person/issuer who offers the capital market instrument to the public</p> <p>Information about the commitments made for not increasing the amount of shares in circulation, including the party who makes the commitment and the duration of the commitment.</p>	<p>Issuer: HEKTAŞ TİCARET TÜRK A.Ş.</p> <p>None.</p>
E.6	<p>Amount and percentage of the dilution effect arising from the public offering</p> <p>The amount and percentage of the dilution effect in case the right to acquire new shares is exercised and the current shareholders do not receive any shares from the public offering</p>	<p>Assuming that the current shareholders exercise all their rights to acquire new shares in the public offering, the amount and percentage of the dilution effect for a share with nominal value of 1 TL (negative) are TL 0,2465 and 16,67% respectively for existing shareholders.</p> <p>Assuming that the current shareholders do not exercise all their rights to acquire new shares in the public offering, the amount and percentage of the dilution effect for a share with nominal value of 1 TL (positive) are TL 6,3497 and 429% respectively for existing shareholders.</p>
E.7	<p>Information about the estimated costs to be claimed from investors who make demands</p>	<p>Investors who make demands will be subject to the remuneration policies of the intermediary institutions to which they apply.</p>

3. INDEPENDENT AUDITORS

3.1. Trade titles and addresses of the independent audit institutions of the issuer as of the financial statement periods in the prospectus (along with the professional institutions of which they are a member):

Financial Statement Periods	Trade Name of the Independent Audit Institution	Auditor	Professional Institution of Membership	Address
01.01.2022 - 30.06.2022	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	NAZLI IVAK	CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS OF ISTANBUL	MASLAK BİLİM SOK SUN PLAZA NO 5 34398 ŞİŞLİ İSTANBUL
01.01.2021 - 31.12.2021	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	NAZLI IVAK	CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS OF ISTANBUL	MASLAK BİLİM SOK SUN PLAZA NO 5 34398 ŞİŞLİ İSTANBUL
01.01.2020 - 31.12.2020	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	HAKKI ÖZGÜR SIVACI	CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS OF ISTANBUL	İŞ KULELERİ KULE 3 KAT 2-9 LEVENT 34330 İSTANBUL
01.01.2019 - 31.12.2019	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	HAKKI ÖZGÜR SIVACI	CHAMBER OF SWORN-IN CERTIFIED PUBLIC ACCOUNTANTS OF ISTANBUL	İŞ KULELERİ KULE 3 KAT 2-9 LEVENT 34330 İSTANBUL

For the fiscal periods 2019 and 2020, independent audit services were received from KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş., with Hakkı Özgür Sıvacı as the auditor as mentioned in the table above.

For the fiscal year 2021, independent audit services were received from DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. The Company works with the same independent audit firm for the fiscal year 2022 as well. The Auditor is Nazlı Ivak as specified in the table above.

3.2. Information about the dismissal, withdrawal or change of the independent audit institutions/responsible partner lead auditor:

As mentioned in the section (3.1) of the Prospectus, independent audit services were received from KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. for the fiscal years 2019 and 2020 and the auditor was Hakkı Özgür Sıvacı. During the Company's ordinary general assembly of 2020 which was held on 24.03.2021, it was unanimously decided to receive the independent audit service from DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

4. SELECTED FINANCIAL INFORMATION

Important financial items selected from the Company's consolidated financial statements and income statements of the fiscal periods 31.12.2019, 31.12.2020, 31.12.2021 and interim periods 30.06.2021 and 30.06.2022 are as follows.

Selected financial information of the Company for the fiscal periods 31.12.2019, 31.12.2020, 31.12.2021

Selected Financial Information (TL)	Subjected to Independent Audit 31.12.2019	Subjected to Independent Audit 31 December 2020	Subjected to Independent Audit 31.12.2021
Current Assets	938,011,535	1,459,883,213	3,268,942,287
-Cash and cash equivalents	176,954,772	70,222,264	96,691,275

-Derivative Instruments	-	48,868,820	169,694,609
-Trade Receivables	431,752,861	751,740,136	1,654,538,937
-Other Receivables	533,428	22,024,438	3,547,176
-Inventories	258,163,550	412,652,528	1,146,573,859
-Prepaid expenses	26,343,723	121,646,087	107,967,422
-Current Tax Assets	32,446,470	583,486	1,079,923
- Other Current Assets	11,816,731	32,145,454	88,849,086
Non-Current Assets	287,413,243	573,775,431	1,356,873,591
-Trade Receivables	-	-	8,623,198
-Other Receivables	163,162	446,428	836,074
- Real estate held for investment	2,170,970	5,221,772	4,775,883
- Tangible Non-Current Assets	197,432,408	393,352,539	1,038,724,957
-Usufruct Assets	36,444,008	28,103,776	43,014,887
- Intangible Non-Current Assets	49,317,083	116,704,435	208,944,129
-Prepaid expenses	-	-	20,706,311
-Deferred Tax Assets	1,885,612	29,946,481	31,248,152
Total Assets	1,225,424,778	2,033,658,644	4,625,815,878
Short-term Liabilities	357,794,454	1,161,648,716	3,112,170,260
-Financial Payables	249,257,102	894,459,973	2,210,061,295
-Trade Payables	83,252,957	217,457,232	816,378,438
-Benefits Provided to Employees	7,410,691	13,350,691	37,126,829
-Other Payables	10,693,256	27,998,315	26,095,202
-Derivative Instruments	-	485,728	10,935,886
-Deferred Incomes	3,872,245	2,997,040	2,817,455
-Tax liability on the period's profit	30,801	227,555	2,948,394
- Short-term Provisions	3,277,402	4,672,182	5,806,761
Long-term Liabilities	360,259,823	174,979,114	101,480,409
-Financial Payables	344,867,162	157,447,473	61,213,837
- Long-term Provisions	9,064,208	11,161,823	21,376,652
-Deferred Tax Liabilities	6,328,453	6,369,818	18,889,920
Equity	507,370,501	697,030,814	1,412,165,209
-Paid-in Capital	227,571,100	227,571,100	860,000,000
a) Equity Attributable to Equity Holders of the Parent	227,571,100	227,571,100	860,000,000
b) Minority Shares			
-Effect of Mergers Involving Enterprises or Businesses under Joint Control	-	-	-8,764,014
- Premiums / Discounts Related to Shares	2,256,362	2,256,362	5,203,762
-Other Accumulated, Comprehensive Incomes or Expenses	-2,571,750	-2,871,565	-7,685,734
Not to be Reclassified under Profit or Loss			
- Hedging Gains (Losses)	-	8,541,316	16,381,837
- Restricted Reserves Set Aside from the Profit	30,759,303	38,087,444	46,485,140

- Previous Years' Expenses and Losses	103,784,236	235,115,190	174,787,202
- Net profit of the period	145,571,250	188,330,967	325,757,016
Total Liabilities	1,225,424,778	2,033,658,644	4,625,815,878
Gross Profit/Loss	313,596,248	351,313,603	708,324,969
Operating Profit/Loss	245,270,506	239,067,029	429,442,041
Period's Profit/Loss from Ongoing Activities	145,386,308	158,868,000	334,330,223
Distribution of the Period's Profit/Loss	145,571,250	188,330,967	325,757,016
- Minority Shares			
- Equity Holders of the Parent	145,571,250	188,330,967	325,757,016
Earnings/Loss Per Share (One hundred)	1.28	0.83	0.48

Selected financial information of the Company for the interim fiscal periods 30.06.2021 and 30.06.2022

Selected Financial Information (TL)	Subjected to Limited Independent Audit 30.06.2021	Subjected to Limited Independent Audit 30.06.2022
Current Assets	2,486,410,663	6,351,740,944
-Cash and cash equivalents	447,298,272	699,701,878
-Financial Instruments	-	10,789,631
-Derivative Instruments	68,693,971	184,876,673
-Trade Receivables	1,235,705,844	3,236,301,921
-Other Receivables	5,756,728	1,015,422
-Inventories	517,866,107	1,901,014,309
-Prepaid expenses	158,301,101	161,764,267
-Current Tax Assets	938,072	6,794
- Other Current Assets	51,850,568	156,270,049
Non-Current Assets	626,327,698	1,877,509,616
-Trade Receivables	945,627	5,462,195
-Other Receivables	611,951	1,445,660
- Real estate held for investment	4,837,847	4,713,983
- Tangible Non-Current Assets	426,656,147	1,327,667,399
-Usufruct Assets	23,323,281	46,292,638
- Intangible Non-Current Assets	118,896,202	339,604,691
-Prepaid expenses	22,920,900	118,321,316
-Deferred Tax Assets	28,135,743	34,001,734
Total Assets	3,112,738,361	8,229,250,560
Short-term Liabilities	1,717,622,881	6,204,279,769

-Financial Payables	1,405,559,608	5,374,770,910
-Trade Payables	263,786,102	686,454,523
-Benefits Provided to Employees	11,734,880	47,426,927
-Other Payables	27,976,907	16,093,251
-Derivative Instruments	-	-
-Deferred Incomes	2,038,602	6,304,378
-Tax liability on the period's profit	837,200	63,859,051
- Short-term Provisions	5,689,582	9,370,729
Long-term Liabilities	196,513,091	190,753,113
-Financial Payables	176,990,457	65,621,341
-Other Payables	-	63,393,912
- Long-term Provisions	13,393,926	32,843,066
-Deferred Tax Liabilities	6,128,708	28,894,794
Equity	1,198,602,389	1,834,217,678
-Paid-in Capital	860,000,000	860,000,000
a) Equity Attributable to Equity Holders of the Parent	860,000,000	860,000,000
b) Minority Shares		
-Effect of Mergers Involving Enterprises or Businesses under Joint Control		-19,852,274
- Premiums / Discounts Related to Shares	5,203,762	5,203,762
-Other Accumulated, Comprehensive Incomes or Expenses	-4,324,785	-14,345,000
Not to be Reclassified under Profit or Loss		
- Currency translation differences		11,600,323
- Hedging Gains (Losses)	7,514,466	13,787,766
- Restricted Reserves Set Aside from the Profit	46,485,140	59,011,345
- Previous Years' Expenses and Losses	179,561,705	479,809,935
- Net profit of the period	104,162,101	425,402,312
- Non-controlling Interests		13,599,509
Total Liabilities	3,112,738,361	8,229,250,560
Gross Profit/Loss	278,456,002	1,038,642,515
Operating Profit/Loss	164,616,269	708,851,757
Period's Profit/Loss from Ongoing Activities	106,822,982	509,326,510
Distribution of the Period's Profit/Loss	104,162,101	419,427,076
- Minority Shares		
- Equity Holders of the Parent	104,162,101	419,427,076
Earnings/Loss Per Share (One hundred)	0.22	0.49

The Company's income statements for the fiscal periods 31.12.2019, 31.12.2020, 31.12.2021

INCOME STATEMENT (TL)	Subjected to Independent Audit 31.12.2019	Subjected to Independent Audit 31.12.2020	Subjected to Independent Audit 31.12.2021
<i>Revenue</i>	732,677,504	1,013,719,129	2,020,718,336
<i>Cost of Sales</i>	-419,081,256	-662,405,526	-1,312,393,367
GROSS PROFIT (LOSS)	313,596,248	351,313,603	708,324,969
<i>General Management Expenses</i>	-22,735,517	-40,972,229	-79,282,890
<i>Marketing Expenses</i>	-37,609,511	-50,758,497	-87,330,503
<i>Research and Development Expenses</i>	-11,528,751	-18,269,154	-31,274,904
<i>Other Incomes from Main Activities</i>	7,821,238	3,607,456	5,016,538
<i>Other Expenses from Main Activities</i>	-4,273,201	-5,854,150	-86,011,169
MAIN OPERATING PROFIT (LOSS)	245,270,506	239,067,029	429,442,041
<i>Incomes from Investment activities</i>	516,000	1,979,252	2,578,830
<i>Expenses from Investment activities</i>	-63,760	-386,217	-181,144
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	245,722,746	240,660,064	431,839,727
<i>Financing Incomes</i>	2,720,379	12,300,346	126,884,880
<i>Financing Expenses</i>	-103,056,817	-94,092,410	-224,394,384
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	145,386,308	158,868,000	334,330,223
<i>Tax (Expense) Income from Continuing Operations</i>	184,942	29,462,967	-8,573,207
<i>Tax (Expense) Income of the Period</i>	-171,539	-227,555	-4,438,104
<i>Deferred Tax (Expense) Income</i>	356,481	29,690,522	-4,135,103
PROFIT (LOSS) OF THE PERIOD	145,571,250	188,330,967	325,757,016

Income statements of the Company for the interim fiscal periods 30.06.2021 and 30.06.2022

INCOME STATEMENT (TL)	Subjected to Limited Independent Audit 30.06.2021	Subjected to Limited Independent Audit 30.06.2022
<i>Revenue</i>	897,721,406	2,530,419,764
<i>Cost of Sales</i>	-618,943,034	-1,491,777,249
GROSS PROFIT (LOSS)	278,778,372	1,038,642,515
<i>General Management Expenses</i>	-37,501,561	-74,406,614
<i>Marketing Expenses</i>	-36,171,388	-84,931,466
<i>Research and Development Expenses</i>	-14,770,277	-28,911,144
<i>Other Incomes from Main Activities</i>	3,389,990	21,476,003
<i>Other Expenses from Main Activities</i>	-35,770,450	-163,017,537
MAIN OPERATING PROFIT (LOSS)	157,954,686	708,851,757
<i>Incomes from Investment activities</i>	991,737	4,041,807
<i>Expenses from Investment activities</i>	-70,302	-435,758
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	158,876,121	712,457,806
<i>Financing Incomes</i>	43,235,468	135,625,658
<i>Financing Expenses</i>	-102,508,912	-338,756,954
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	99,602,677	509,326,510
<i>Tax (Expense) Income from Continuing Operations</i>	-1,140,509	-89,899,434
<i>Tax (Expense) Income of the Period</i>	-837,200	-100,025,210
<i>Deferred Tax (Expense) Income</i>	-303,309	10,125,776
PROFIT (LOSS) OF THE PERIOD	98,462,168	419,427,076

The detailed financial statements of the company and the respective independent audit reports are provided on the web sites www.hektas.com.tr and www.kap.org.tr.

Before taking the investment decision, the investor must take into consideration the sections 10 and 22 of this prospectus which contain detailed information about the issuer's financial status and operating results.

5. RISK FACTORS

5.1. Risks relating to the issuer and its activities:

Downsizing of supply sources of active ingredients and auxiliary substances

The Company supplies the raw materials and auxiliary materials that it uses in the production of the products it produces from Far Eastern countries such as China and India. In these countries, supply sources may downsize due to various reasons, primarily regulations and there may even be the risk of unavailability of the raw material and auxiliary materials to be used in production.

Downsizing of the product portfolio due to prohibition of active ingredients and auxiliary materials

The prohibitions imposed on the uses of active ingredients in our country within the framework of EU regulations could result in the downsizing of the Company's product portfolio. There are various active ingredients used particularly in the production of the plant protection products produced by the Company. These active ingredients may be banned due to reasons such as the damage they cause/may cause on the ecological system. This situation constitutes a risk in the short run, from the stage of finding an equivalent for the banned active ingredient or developing a substitute product in its place.

The high number of and constant changes in the regulations affecting the Company's activities

The Company is directly affected by the regulations of the Ministry of Agriculture and Forestry of Turkey due to the industry where it operates. Furthermore, EU regulations are also very important due to their potential impact. The Company should follow all the regulations of the relevant ministry and the EU in the field of plant protection, fertilizer, seed and animal health as required by its product portfolio and take immediate action.

Since the company buys the active ingredients of the products it produces from abroad, it is subject to a large extent of foreign trade and customs legislation in its purchasing activities. In this respect, regulations and changes in customs and foreign trade regulations are also of great importance.

High volatility in the exchange rates and international commodity markets

Most of the raw material and auxiliary material stocks used in production are imported from abroad. In this regard, the Company faces exchange rate risk. Furthermore, price movements in the international commodity markets may also vary greatly. Consequently, the Company may not only face opening foreign exchange position and the exchange rate losses to result from this position, but may also have to incur high production costs due to the fluctuations in the commodity prices.

Level of the Company's activities in terms of environmental and occupational safety

The products produced by the Company generally have chemical properties. In this respect, the Company is not only subject to the environmental regulations applicable to enterprises producing heavy chemicals, but also faces the risks of encountering major industrial accidents. On the other hand, the working environment is classified as "hazardous" in terms of the degree of hazard and may also face risks arising from the working environment.

Inability to collect trade receivables

Trade receivables cover many customers distributed to various industries and geographical areas. There may be a risk of inability to collect trade receivables due to sectoral, geographical and customer-specific reasons.

In addition to these risks, the Company may encounter the currency risk, credit risk, liquidity risk and price risk stated in the footnotes of the financial statements due to its activities.

5.2. Risks relating to the sector where the issuer operates:

Long working terms due to the nature of the sector

The sector operates with high maturities. This risk is a reality of the sector. It takes a long time for producers of agricultural products to grow, harvest and sell the product. Therefore, all companies in the sector operate according to this reality. The obligation to work with high maturities as a requirement of the sector puts the Company under the burden of financing customers with long maturities and gives rise to the financial risks brought by this burden.

Weak financial and corporate structures of the customers in the sector

Majority of the customers in the sector have weak financial structures. Maturity and guarantee have become key factors in competition. Since the competition in the sector is mainly based on maturity and guarantee, the trade receivable risk is high.

Preference of organic and/or biological protection products by the sector as a result of the changes in consumer demand

Due to the changes in consumer demand; agricultural product producers also want to use organic and biological protection products instead of chemical protection and plant nutrition products in their products. The shift of producers' demand from chemical products to biological products will pose a risk for the product portfolio.

5.3. Risks regarding the shares to be issued:

The price of the company's shares may not only fluctuate due to general market conditions independently of the partnership's activities, but may also be affected by the results of the partnership's operational and financial activity and its dividend and capital increase policies.

The price of the company's shares may vary as a result of the impact of national and international macroeconomic variables on stock markets.

The potential ups and downs in the global stock markets may affect the price of shares in the same direction.

Depreciation of Turkish Lira against other currencies may result in a decrease in the value of the shares.

After the shares are issued, the price of the shares will be determined in the market depending on the developments in the economy and / or the financial structure of the Company. If the financial performance of the company is below expectations or depending on the capital market conditions, there may be fluctuations in the price of the shares.

The dividend income of the shareholders is the income obtained from the distribution of the profits generated by companies at the end of the year. The Company can distribute its profits in cash or by issuing shares through the addition of dividends to the capital. If profits are not generated, the risk of being unable to distribute profits would arise. In addition, it can be decided not to distribute profits in the periods when profits are generated as well. In all circumstances, profit distribution is subject to the approval of the General Assembly.

In addition, shareholders have a share in the profit and loss of the Company. If a balance remains after liquidation of the Company, shareholders participate in the liquidation balance commensurately with their shares. In case of liquidation of the partnership, payment can be made to the shareholders only after the required payments are made to all other creditors.

5.4. Other risks:

The company is also exposed to risks arising from economic recession, competition, climate and seasonal changes. The company's activities are subject to legislation risk, including the impacts of the changes in the effective legislation and laws, regulations, policies and their interpretation in Turkey. Most of the raw material and auxiliary material stocks used in production are imported from abroad. In this regard, the Company faces exchange rate risk. Although certain derivative instruments are used for protection against exchange rate risk, working with stocks is an option to provide natural hedging in the purchase of certain raw materials and auxiliary materials.

Unpredictable exchange rate and price volatility may cause extraordinary situations.

6. INFORMATION ABOUT THE ISSUER

6.1. General information about the issuer:

6.1.1. Trade title and business name of the issuer:

HEKTAŞ TİCARET TÜRK ANONİM ŞİRKETİ

6.1.2. Trade registry and registry number of the issuer:

The Issuer's:

- *Head office address registered at the trade registry;*

Gebze Organize Sanayi Bölgesi Mahallesi 700.Sokak No:711/1 Gebze/Kocaeli

- *Trade registry directorate where the issuer is registered and its trade registry number;*

Gebze Trade Registry Directorate – 6535/10921

6.1.3. Date of establishment of the issue and its planned duration, if it is not indefinite:

Date of Establishment; 28.02.1959 – Indefinite

6.1.4. Legal status of the issuer, legislation applicable to the issuer, addresses of its registered office and actual management center, web address and telephone and fax numbers:

Legal Status	:	Joint Stock Company
Applicable Legislation	:	Laws of the Republic of Turkey (TCL, CMB, TPL, etc.)
Country of Establishment	:	Republic of Turkey
Address (Head Office) and Actual Management Center	:	Gebze Organize Sanayi Bölgesi Mahallesi 700.Sokak No:711/1 Gebze/Kocaeli
Web site	:	www.hektas.com.tr
Head Office Telephone and Fax No:	:	0262 751 14 12 – 0262 751 14 22

6.1.5. Information about the issuer of the depository certificate

None.

6.2. Investments:

6.2.1. Information about the issuer's important investments as of the financial statement periods which must be included in the prospectus and the methods of financing these investments:

1.Financial Fixed Asset Investments

Acquisition of Areo⁷ Tohumculuk

On 22 February 2019, the Company acquired 100% of AREO Tohumculuk ARGE Sanayi ve Dış Ticaret Anonim Şirketi ("AREO") at a price of TL 25.150.000 based on the valuation study performed and included AREO within the scope of consolidation. In the valuation study performed for AREO Tohumculuk, "Reduced Cash Flow" method was used and the market value of Areo Tohumculuk ARGE Sanayi ve Dış Ticaret Anonim Şirketi was calculated as TL 25.283.293 TL (twenty five million two hundred eighty three thousand two hundred ninety three TL) according to this method. The financial investment in question was made by obtaining bank loan.

Areo's main field of activity is to engage in all kinds of seed product and development activities and to set up green houses and specially equipped areas for this purpose. The Company shall carry out its R&D works relating to seeds, primarily seed breeding works, through its subsidiary. "Areo" is currently located in the Techno-town of Akdeniz University.

AREO Tohumculuk ARGE Sanayi ve Dış Ticaret Anonim Şirketi was established in 2010 in Antalya, in the Techno-town of Akdeniz University. The company carries out its works on the eighteen decares of private space allocated and rented within the Akdeniz University campus.

AREO Tohumculuk's main field of activity is the breeding and production of vegetable (garden plants) seeds. The products subject to the development works of the company include tomato, pepper, cucumber, eggplant, zucchini, melon and watermelon varieties in particular. Vegetable seeds are products with much higher value per unit than wheat, corn, barley etc. (field crops) seeds.

Studies continue to develop products that meet the quality required by the market. One of the main objectives of the company is to grow healthy products that meet the needs of international markets, meet the expectations of the producers, comply with the standards, are resistant to diseases, and can be safely consumed by consumers.

AREO Tohumculuk works with completely natural breeding methods by using bio-technology and molecular biology techniques, although it requires more time and effort. A large gene pool has been created as a result of the studies that have been going on for more than ten years, including nine years in Akdeniz University Technocity. The gene pool contains around 12,000 tomatoes, 8,000 peppers and 4,000 cucumber seeds. Especially, red and pink village tomatoes, which are common in our country, have been bred, and these varieties have been widely accepted by the consumers.

Acquisition of Sunset Kimya ve Tarım

On 9 June 2020, the Company acquired 100 per cent of Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret Anonim Şirketi ("Sunset") at a price of TL 65.000.000 and included Sunset within the scope of consolidation based on its financial statements pertaining to the period ending on 30 May 2020. Sunset's main field of activity is the wholesale and retail trade, production, import and export and domestic and international marketing of all kinds of agricultural pesticides. Sunset is based in Adana and has a capital of TL 2.000.000.

⁷ The trade name of Akça Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş., 100% subsidiary of our company, was changed on 06.10.2020 as AREO Tohumculuk ARGE Sanayi ve Dış Ticaret A.Ş and the change was published in the Turkish Trade Registry Gazette dated 06.10.2020 no. 10175.

The financial fixed asset acquisition in question was financed by obtaining bank loan.

Acquisition of Arma İlaç

The Company acquired 100% of the shares of Arma İlaç Sanayi ve Ticaret A.Ş. (“Arma”) for TL 92.000.000 on 28.07.2021. Arma İlaç is engaged in the production of veterinary medicines. Arma İlaç is based in the Sincan district of Ankara. Its capital is in the amount of TL 43.000.000. Arma İlaç has a Good Manufacturing Practice (GMP)⁸ certificate granted by the Ministry of Agriculture and Forestry of Turkey.

The financial fixed asset acquisition in question was carried out with the funds supplied from the paid capital increase made in 2021 by the Company.

Acquisition of Agriventis Technologies Pty Ltd

The Company acquired 51 per cent of the shares of Agriventis Technologies Pty Ltd (“Agriventis”) for TL 28.000.000 on 12.01.2022. Agriventis is engaged in the development of agricultural seeds and seed breeding and production. Agriventis is based in Sydney, Australia. Its capital is in the amount of AUD 457.375.

The financial fixed asset acquisition in question was carried out with the funds supplied from the paid capital increase made in 2021 by the Company.

2. Tangible Fixed Asset Investments

The Company has construction and machinery and facility investments with investment certificate which were made in the plant protection production facilities in Kocaeli/Gebze and Organomineral production facilities in Adana. Furthermore, there are investments made for purposes of modernization, capacity increase and maintenance in the R&D based training and production facilities in Bursa/Orhangazi and subsidiaries. Important fixed asset investments are shown in the following table.

<i>INVESTMENTS</i>	<i>Investment Years</i>	<i>AMOUNT (TL)</i>
<i>Gebze Production Facility Investments</i>	<i>2019-2021</i>	<i>346,936,342</i>
<i>Orhangazi Facility Investments</i>	<i>2019-2021</i>	<i>154,307,242</i>
<i>Adana Organomineral Fertilizer Production Facility Investments</i>	<i>2019-2021</i>	<i>32,161,397</i>
<i>Areo Seed Facility Investments</i>	<i>2019-2021</i>	<i>13,722,310</i>
<i>Ferbis Production Facility Investments</i>	<i>2019-2021</i>	<i>210,856,539</i>
<i>TOTAL</i>		<i>757,983,830</i>

6.2.2. Information about the nature, completion level, geographical distribution and method of financing of the investments made by the Issuer:

Within the scope of the modernization, automation and robotic system project initiated at the Company's Plant Protection Products production facility in Gebze district of Kocaeli province, the installation of the filling lines and robotic system of the Powder Form Production Facility continues and is planned to be completed in August 2022. However, within the scope of the modernization, automation and robotic system project initiated at the Company's Plant Protection Products production facility in Gebze, an additional construction permit of 1.900 m² was obtained in addition to the existing raw material warehouse with an area of 5,400 m² in order to expand the existing warehouse areas. The total raw material warehouse area will be 7.300 m². The investment is planned to be completed in September 2022.

The investments carried out in the Orhangazi district of Bursa within the scope of the "Agricultural Innovation Training and Experience Center" project established by the Company in the Orhangazi district of Bursa province are ongoing. The project is planned to be completed in December 2022.

The total closed area of the Company's Pet Food Production Facility, which started to be invested in the Manyas district of Balıkesir, is planned to be 10,375 m². Construction works and auxiliary facilities installation works are in progress. The capacity of the production facility will be 2,400 tons/month and 28,800 tons/year. The project is planned to be completed in August 2022.

The construction of the project with a total closed area of 7,317 m², which has started to be constructed recently, continues at the Niğde province Bor production facility of Ferbis, a 100% subsidiary of the Company. This investment project is expected to be completed in early 2023.

6.2.3. Decisions taken, contracts drawn up and other initiatives taken by the issuer's governing body regarding significant investments for the future, which bind the issuer

Ongoing investments for the future, the completion levels of these investments and their planned completion dates are specified in the section 6.2.2 of this Prospectus. There are decisions taken by the management body of the Company regarding the investments and the investments have also been announced via the Public Disclosure Platform (KAP).

There are no decisions or commitments binding on the Company with respect to these investments.

7. GENERAL INFORMATION ABOUT THE ACTIVITIES

7.1. Main Fields of Activity:

7.1.1. Information about the issuer's activities including the main product/service categories as of the financial statement periods that must be included in the prospectus:

The company was established for the purpose of producing, importing and marketing agricultural and veterinary pesticides upon registration and entry in the trade registry in 1956. The main field of activity of the company is the production, import, sales and marketing of plant protection and animal health products, while the company has been engaged in the production, sales and marketing of plant protection⁹ products for many years. Empowered by its widespread sales and distribution network, the company established the animal health business line in 2005 and the plant nutrition and seed business lines in 2017.

The company set its new, value-oriented vision through a shift from its motto "Doctor of Agriculture" to the motto "Pioneer of¹⁰ Smart Agriculture. This new vision of the company is a result and requirement of its R&D Projects. Focused only on the plant protection medicines needed by agricultural manufacturers before 2017, the company shifted its perception and focus to the production of agricultural products with high added value in 2017. Ferbis Tarım, which operated in Niğde in the last quarter of 2017, became a part of the OYAK Group's affiliates upon the acquisition of 100% of its shares by HEKTAŞ. Furthermore, organomineral fertilizers began to be produced upon the rental of a facility to produce organomineral fertilizers in Adana¹¹ in the same period.

⁹ The activity of protecting the plants from diseases, pests and weeds in order to increase agricultural production and protect and improve its quality.

¹⁰ Smart agriculture is a technique that enables soil and product management to increase agricultural productivity, and minimize the damage to the environment by using resources more economically.

¹¹ Organomineral fertilizer is a type of hybrid fertilizer produced by blending organic and chemical raw materials.

On the other hand, the Company started domestic seed breeding activities by purchasing all shares of Areo Tohum resident in the province of Antalya in 2019.

In early 2020, the Company continues its activities at the Agricultural Innovation, Education and Experience Center, which is based in the Orhangazi District of the province of Bursa and whose investments are still ongoing.

The product portfolio of the company contains more than 400 plant protection and nearly 60 plant nutrition products as well as over 70 animal health and seed products.

On the other hand, in line with its growth strategies and export targets, the Company acquired all shares of SUNSET, which is engaged in the production and trade of plant protection products, in 2020, and included it among its affiliates. Furthermore, to enrich the product portfolio of the company, and to enter new business lines and develop new products ARMA İlaç, which operated in the field of veterinary medicine production and had export potential and a “GMP Production Certificate”, was acquired in 2021. In the same year, the process of acquiring 51% of Agriventis Technologies, which is resident in Australia and which develops seeds tolerant to drought, was commenced and the acquisition process was completed in January 2022. On the other hand, the Company has commenced the necessary studies for the establishment of a “Pet Food” production facility with an annual capacity of 50.000 tons in an area of 40.336 m² in the province of Balıkesir, District of Manyas, Kiziksa neighborhood, and will begin to produce the pet food products, which were imported and offered to the market previously, in its own facilities from now on.

In conclusion, the Company has been operating in the fields of plant protection products, animal and environmental health products, plant nutrition (fertilizer) and seed products as of the period when the Prospectus was prepared. The company provides protection against the agricultural diseases encountered by agricultural producers with the plant protection products that it produces, sells and markets. The Company also supplies the fertilizer products needed by agricultural producers with the plant nutrition products that it produces and that are offered in its product portfolio.

In addition, the company carries out breeding activities in the field of seeds, while also selling and marketing seed products. In this respect, the company produces products that meet agricultural producers’ needs, from seeds to fertilizers and from fertilizers to plant protection products. The company also produces, sells and markets animal and environmental health products. In this context, it also supplies animal health medicines, pet care and food products that veterinary clinics need.

Production activities

The company carries out its production activities in plant protection production facilities in Kocaeli and in Organomineral production facilities in Adana. Furthermore, plant protection products are produced in the plant protection production facilities in Niğde by Ferbis, which is a 100% subsidiary. In addition, veterinary medicines are produced in the production facilities in Ankara/Sincan of Arma İlaç, which is a 100% subsidiary of the Company and is engaged in the production of veterinary medicines.

Gebze Production Facility

Plant protection products, plant nutrition products, disinfectants and biocidal products are produced at the Company's production facility located in Gebze/Kocaeli. It has a total area of around 75.000 m², approximately 45.000 m² of which is open and 30.000 m² of which is closed. The company's production facility carries out production activities at the Industry 4.012 standard. The production facility has ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 27001:2013 certificates, and all legal regulations are followed and accredited within the framework of respective standards.

The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the Prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Gebze	63%	77%	136%

Gebze Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Technical Substance	3,644,146	4,741,714	4,889,992
Liquid Form	4,972,148	6,419,964	6,430,690
Herbicide Liquid Form	1,474,478	1,741,758	2,747,142
Powder Form	4,308,511	4,896,329	6,791,735
Grand Total	14,399,282	17,799,764	20,859,559

The table above indicates the annual production quantities at the company's production facility in Gebze in 2019, 2020 and 2021. The total production quantity in the Company's Gebze production facilities in 2020 was 17.799.764 kg and the production quantity increased by 24% compared to the same period of the previous year. The production quantity in 2021 was 20.859.559 kg and the production quantity increased by 17% compared to the same period of the previous year. The following table shows the production quantities Gebze production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Gebze Production Facility	Realized Production (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Technical Substance	1.568.704	2.106.092	3.061.050
Liquid Form	3.165.197	3.827.370	3.773.453
Herbicide Liquid Form	838.137	1.518.488	1.660.355
Solid Form	2.034.434	3.059.264	3.798.233
Grand Total	7.606.472	10.511.214	12.293.091

The total production quantity in the Company's Gebze production facilities in the first half of 2021 was 10.511.214 kg and the production quantity increased by 38% compared to the same period of the previous year. The production quantity in 2022 was 12.293.091 kg and the production quantity increased by 17% compared to the same period of the previous year.

¹² Industry 4.0: Industry 4.0, which is synonymous with smart production, is a collective system that includes many contemporary automation systems, data exchanges and production technologies.

Ferbis Production Facility

Ferbis Production Facility is located at the address Organize Sanayi Bölgesi Mah. 2 B No' lu Yol Cad. No:6 Bor / Niğde and is engaged in the production of plant protection and plant nutrition products. It has a total area of around 25.000 m², approximately 14.000 m² of which is open and 11.000 m² of which is closed. The production facility has ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates and all legal regulations are adhered to and accreditation is received in line with the standards. The Company's capacity utilization rates and production quantities as of the periods of financial statements that must be included in the Prospectus are provided in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Niğde	86%	104%	112%

Niğde Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Technical Substance	1.366.690	1.389.701	2.636.320
Liquid Form	642.629	1.518.061	2.276.908
Herbicide Liquid Form	2.352.681	2.367.272	3.874.718
Powder Form	161.001	205.966	0
Grand Total	4.523.001	5.481.000	8.787.946

The table above indicates the annual production quantities at the company's production facility in Niğde in 2019, 2020 and 2021. The production quantity in the Company's Niğde production facilities in 2020 was 5.481.000 kg and the production quantity increased by 21% compared to the same period of the previous year. The production quantity in 2021 was 8.787.946 kg and the production quantity increased by 60% compared to the same period of the previous year. The following table shows the production quantities in the Niğde production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Niğde Production Facility	Realized Production (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Technical Substance	681.025	1.145.060	1.335.166
Liquid Form	673.018	1.305.476	1.249.644
Herbicide Liquid Form	1.167.652	1.905.603	1.890.101
Solid Form	112.779	13.800	204.488
Grand Total	2.634.474	4.369.939	4.679.399

The production quantity in the Company's Niğde production facilities in the first half of 2021 was 4.369.939 kg and the production quantity increased by 66% compared to the same period of the previous year. The production quantity in the first half of 2022 was 4.369.399 kg and the production quantity increased by 7% compared to the same period of the previous year.

Adana Production Facility

The Company has been operating in the field of organomineral fertilizer production at the address Acidere OSB Mahallesi 5 Ocak Caddesi No:6 Sarıçam / Adana since 2017. It has a total area of around 53.000 m², approximately 23.000 m² of which is open and 30.000 m² of which is closed.

The organomineral fertilizer, which is known as the new generation fertilizer, is a type of fertilizer developed to enrich the agricultural lands whose productivity has decreased due to unconscious agricultural practices and to return the minerals needed by the products grown to the soil. The production facility has ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates, and all legal regulations are followed and accredited within the framework of respective standards. The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Adana	87%	93%	74%

Adana Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Organomineral Fertilizer Semi-finished	5.225.125	12.966.819	1.858.632
Organomineral Fertilizer Finished	26.065.175	65.123.067	71.790.150
Grand Total	31.290.300	78.089.886	73.648.782

The table above indicates the annual production quantities at the company's production facility in Adana in 2019, 2020 and 2021. The production quantity in the Company's Adana production facilities in 2020 was 78.089.886 kg and the production quantity increased by 150% compared to the same period of the previous year. The production quantity in 2021 was 73.648.782 kg and the production quantity declined by 6% compared to the same period of the previous year. As it can be seen in the table, the decline results from the production quantity of Organomineral Semi-finished Products. Due to the use of the semi-finished product inventories of the previous period (2020), the production of semi-finished products of 2021 was less than the production in the same period of the previous year. The following table shows the production quantities of Adana production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Adana Production Facility	Production Quantities (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Organomineral Fertilizer	32.941.600	46.170.518	40.645.925

The production quantity in the Company's Adana production facilities in the first half of 2021 was 46.170.518 kg and the production quantity increased by 40% compared to the same period of the previous year. The production quantity in the first half of 2022 was 40.645.925 kg and the production quantity declined by 12% compared to the same period of the previous year.

Arma Production Facility

Arma production facility is located at the address Malıköy Başkent O.S.B. Mahallesi, Atatürk Bulvarı, No: 69 P.K. 06909, Sincan/ANKARA and operates in the field of production of veterinary medicines. It has a total area of around 3.600 m², approximately 1.600 m² of which is open and 2.000 m² of which is closed.

It is one of the 30 facilities that received GMP certificate from the Ministry of Agriculture and Forestry in Turkey. In the modernized production facility, there are 3 GMP certified lines and 28 GMP certified drug types. The production facility has ISO 9001:2015, ISO 14001:2015 and GMP certificates, and all legal regulations are followed and accredited within the framework of respective standards. The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the Prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Ankara	-	-	22%

As stated in the section 6.2.1 of the prospectus, no production activities were carried out in 2019 and 2020, since Arma İlaç was acquired in 2021. Since production was carried out in the last quarter of 2021, the capacity utilization rate does not cover the whole year.

Arma Production Facility	Production Quantity (BOX/PIECE) - ANNUA		
Nature of Production	2019	2020	2021
Betalactam Vial	-	-	160.674
Betalactam Powder	-	-	319.110
Sterile Vial	-	-	1.435.120
Tablet	-	-	376.624
Grand Total	-	-	2.291.528

Ankara Production Facility	Production Quantity (Number) (01 January-30 June)		
Nature of Production	2020	2021	2022
Betalactam Vial	-	-	267.231
Betalactam Powder	-	-	14.940
Sterile Vial	-	-	598.001
Tablet	-	-	413.682
Grand Total	-	-	1.293.854

Sales activities

The Company's sales by product category in each financial statement period that must be included in the prospectus are as follows.

a) Annual comparison of sales by product category

Fields of Activity (Net Sales)-TL	2019	%	2020	%	2021	%
Plant Protection	609.113.381	83,14%	808.215.242	79,73%	1.274.992.534	63,10%
Plant Nutrition (Fertilizer)	103.350.317	14,11%	177.333.151	17,49%	692.952.914	34,29%
Animal Health	17.869.537	2,44%	26.057.779	2,57%	51.707.050	2,56%
Seed	2.344.268	0,32%	2.112.958	0,21%	1.065.838	0,05%
Grand Total	732.677.504	100,00%	1.013.719.129	100,00%	2.020.718.336	100,00%

b) Comparison of sales by product category as of six-month interim periods

Fields of Activity (Net Sales)-TL	2021/6	%	2022/6	%
Plant Protection	625.532.276	69,68%	1.625.541.656	64,24%
Plant Nutrition (Fertilizer)	258.633.537	28,81%	831.242.892	32,85%
Animal Health	12.119.239	1,35%	72.623.047	2,87%
Seed	1.436.354	0,16%	759.126	0,03%
Grand Total	897.721.406	100,00%	2.530.166.722	100,00%

7.1.2. Information announced to the public about significant products and services whose research and development processes are ongoing and the current stage reached in the research and development process for these products and services without revealing commercial secrets:

The Ministry of Science, Industry and Technology of the Republic of Turkey granted an R&D Center certificate to the Company within the framework of the Law no. 5746 on the "Support of Research and Development Activities" and this situation was announced to the public on KAP.

In order to reduce foreign dependency in agricultural pesticides and sectoral technology, a cooperation protocol was signed between the Company and Ankara University, Faculty of Agriculture regarding the development of R&D activities for new technologies, products and agricultural methods, and explanations and announcements regarding the issue were published on the web page of the Company and KAP.

Furthermore, a cooperation agreement was signed between the Company and Gebze Technical University in order to conduct R&D activities in agriculture in accordance with the "National Agriculture" target. Explanations and announcements regarding the issue were published on the web page of the Company and KAP.

In addition to product and formulation development efforts, the company also invests in future technologies. In this context, it has successfully completed the first phase of the Smart Assistant, an Artificial Intelligence Supported Mobile Application Project for Disease Detection in the Field. Our company has also started the project for the use of drone and remote monitoring systems in the early detection of diseases. In addition to all these research and development activities, our company establishes strategic partnerships based on value and R&D with the world's leading plant protection and plant nutrition companies.

The Company concluded 48 R&D projects and completed 64 projects in total in 2021. The aim of these completed projects is to have new products produced, product quality and standards increased, and cost-reducing and standard-raising techniques implemented.

The Company launched the "HEKTAŞ Traceable Safe Food Platform Project" in 2021. With this application, production details of fruits and vegetables offered to consumers can be accessed through the mobile application and command center customized according to the needs of the users (Consumer, Expert, Producer).

End-to-end traceability of the products produced with the Traceable Safe Food Platform Project is secured with blockchain technology. With the project, it has been ensured that all stakeholders in the production chain from producer to the end consumer are included in the HEKTAŞ Safe Food Platform, and the stakeholders' information is instantly monitored and followed by other platform partners, at every step of the process.

There are ongoing efforts to give the formulations slow-release properties increasing the mineral uptake level of the plants, in order to ensure that Organomineral fertilizers, which are called new generation fertilizers, have added value and to differentiate them in Plant Nutrition products.

In the R&D Center, the HHU Sensitive Animal Husbandry Practices Project was initiated in order to increase the efficiency and quality of animal production in our country. This project involves the development of Real-Time Herd Management Systems and improvement of the existing ones with emerging digital technologies (sensors, artificial intelligence-based software, internet of things, cloud computing, etc.), as well as digitizing processes such as feed control and tracking, monitoring of weather / climate conditions, step and location tracking, milk measurement and monitoring, with sensor and communication technologies.

Another project initiated in our R&D Center this year is the project of “Developing live/inactivated vaccines against genotypes common in our country for Infectious Bronchitis (IB) disease in poultry”. Poultry breeding in Turkey is quite advanced. There were 354 million chickens in Turkey in 2018. Unfortunately, all of the poultry vaccines, which are mandatory items of chicken integrated facilities, are imported. With the outputs to be obtained at the end of this project, it is aimed to further reduce one of the important import items of Turkey and grow Hektaş Animal Health Product Portfolio.

In the field of seeds, improvement studies on vegetables and field crops continue. The legal registration processes of domestic wheat varieties, whose breeding work was concluded in the R&D Center, were initiated in 2020. The registration decisions and names of the varieties whose evaluations are concluded will be announced at the Field Crops registration committee meeting to be held in April 2022. Significant progress has been made in the breeding of disease-resistant wheat with biotechnological methods in climate chambers, and field trials continue.

In the first 3 months of 2022, the following have been achieved at the R&D Center;

8 new R&D projects were started.

With the addition of 8 new projects, a total of 24 projects are still in progress.

1 of the 24 projects carried out has been completed.

13 new products that were licensed and offered for sale as outputs of R&D projects in the field of plant protection were commercialized.

Operating on the basis of a multidisciplinary structure, the center continued to create fast and effective solutions with its competent research staff.

At Areo Seed Technologies Center;

The Speed Breeding system was established.

With the Real Time PCR device launched in Biotechnology and Plant Tissue Culture laboratories, molecular marker analyzes and cost-reducing and capacity-enhancing methods are rapidly optimized. Molecular marker analyses, where genetic resistance against pathogens in breeding materials is tested, continue with an almost 100% capacity.

Preliminary studies have been started for the optimization of the double haploid method in some selected species.

Pre-yield trials with a large number of plant seeds at various stages in the Vegetable Breeding program, large-scale farmer trials of cultivar candidates (second screen), large farmer demonstration trials before commercialization (registration), etc. have been set up and the efforts have been commenced according to the plan.

Production and sales rights of 2 cotton varieties obtained from the project carried out jointly with Nazilli Cotton Research Institute have been received. Production plans for 2022 have been prepared.

Elite seed production of two einkorn varieties (Atasiyez and Mergüze), whose sales rights belong to Hektaş, is carried out by the General Directorate of Agricultural Research. At the end of the harvest, the seeds will be delivered to our company.

7.2. Main sectors/markets:

7.2.1. Information about the sectors / markets where the issuer operates and the position of the issuer in these sectors / markets, as well as their advantages and disadvantages:

The Company operates in Plant Protection, Animal Health, Plant Nutrition and Seed markets. The Company tries to develop and increase its fields of activity and product portfolios, both through product development and R&D activities and collaborations.

Agriculture and Plant Protection

Agricultural production is one of the cornerstones of the economy, providing food and raw materials and creating employment. According to the data of the United Nations Food and Agriculture Organization (FAO), agriculture accounts for 4% of the total global production. The value of agricultural production is increasing every year, with Africa and Asia being the biggest supporters of the increase. The agricultural sector has an important position in global employment. In 2000, more than 1 billion people worldwide worked in the agricultural sector. The share of agriculture in the total global workforce was 40%. This rate has decreased in recent years due to urbanization. According to 2019 data, the number of people working in the agricultural sector decreased to 884 million and the share of agriculture in the global workforce decreased to 27%.

With the increasing world population, the need for an increase in agricultural production becomes more important every year. However, the decrease in agricultural areas and the decrease in soil fertility, the negative effects of global warming and climate changes on production require an increase in the amount of product yield per unit. In addition, changes in the dietary habits of consumers have led to the need for quality production as well as increased productivity. According to the FAO plant production statistics, the most grown 4 crops in the world are sugarcane, corn, wheat and paddy respectively. The total production quantity of these products constitutes more than 50% of the world's herbal production and is increasing every year. These crops are the main source of raw materials for different sectors such as feed and biofuel, as well as the food sector. Among these products, corn has displayed the highest growth in the last 4 years with an increase of 9%. Among the most important reasons for this are the increasing urbanization and the increase in the income levels of consumers, which leads to a protein-based diet, as a result of which the need for feed in the field of livestock increases.

According to FAO data, chickens constitute 78% of the world's animal stock in 2019 with 25.5 billion. Cattle, ducks, sheep, goats and pigs are the other most commonly raised animals, respectively. In terms of meat production, the most produced product is pork, followed by chicken and beef. America and China are the most important producers.

Turkey has an important position in world agriculture with its rich biological diversity, different climatic and geographical conditions, large agricultural lands and labor force, and ranks high in the production of many products in the world. Therefore, agriculture is one of the most important areas of our economy. The demographic data of the past years indicate that migration from rural to urban areas has increased considerably and the number of people engaged in agricultural activities in rural areas has decreased.

This situation has increased the need for food production as the population, which used to be producers in rural areas, have now become consumers in cities. While Turkey was one of the few self-sufficient countries in terms of agricultural products in the past, it now imports some of these products. The agricultural sector continued to grow, regardless. In the last 10 years, agricultural GNP has reached 333 billion TL with a compound annual growth rate of 12.6%.

Agricultural areas in Turkey are decreasing every year. Total agricultural areas have decreased by 17% since 1990. According to the Report of the Chambers of Agriculture of Turkey, the reasons for the reduction in agricultural areas are; the allocation of agricultural lands for non-agricultural purposes, exclusion of some of the small-scale farm lands that cannot generate sufficient income from agriculture and soil degradation due to incorrect agricultural activities and incorrect land use. Nevertheless, a 0.4% increase was observed between 2019-2020 in agricultural areas. The total agricultural area in our country in 2020 was 23.2 million hectares. Field crops constitute the largest share among agricultural areas with 67%, followed by fruits with 16%.

Production amounts increased by 8.7% in grains and other crops, 0.3% in vegetables, 5.8% in fruits, beverage and spice crops in 2020 compared to the previous year. Production quantities were approximately 69.3 million tons for grains and other crops, 31.2 million tons for vegetables and 23.6 million tons for fruits, beverages and spice crops in 2020. Among the most grown products in these groups, wheat production increased by 7.9% to 20.5 million tons, tomatoes increased by 2.8% to 13.2 million tons and apples increased by 18.8% to 4.3 million, compared to the previous year.

In terms of agricultural production values, 549 billion TL has been reached with an 13% compound growth rate in the last 10 years. However, only 66% of this value could be marketed, amounting to 366 billion TL. In terms of value, the live animals category constitutes the largest share with 36%. The categories with the highest growth in 2020 compared to the previous year were Fruits, Beverage and Spice Crops with a growth rate of 36%, and Grains and Other Crops with a growth rate of 23%.

One of the most important problems of the agricultural sector in our country is the presence many actors in the value chain between producers and consumers, that is, from farms to tables. The increases in food prices are among the biggest problems experienced in recent years. The presence of too many actors in the value chain and the high dependence on foreign sources for basic inputs such as fertilizers, seeds, diesel and feed used in agricultural production results in the sector being adversely affected by increases in exchange rates. In addition, unplanned production causes serious fluctuations in crop prices and foreign trade deficit.

The sale of agricultural products can be basically divided into two as crop production and animal husbandry. Sales channels for plant protection and plant nutrition, which are inputs of plant production, are quite similar. Under the law, these products cannot be sold directly to end consumers by companies. Therefore, there are intermediary institutions such as wholesalers, dealers, cooperatives and unions between companies and manufacturers. In addition, direct sales can only be made to large manufacturers. Dealers constitute the most important channel for companies as a retail channel.

Although there is a similar channel structure for seeds, there is no legal obstacle in selling them directly to consumers. Especially in vegetable production, obtaining seeds from seedlings has increased in recent years.

Therefore, seedlings constitute an important channel. In the field of animal health, veterinary medicinal products are sold through single-channel pharmaceutical warehouses, and promotional activities are carried out to veterinary clinics and pet shops, as per the legislation. Among these, feed additives are not considered as drugs and can be sold directly to integrated facilities. The pet products area involves the most channels. In the wholesale channel, companies can work with

pharmaceutical warehouses and regional large wholesalers. In the retail channel, companies can work with pet shops and veterinary clinics. In addition, markets and online sales platforms are channels that have increased in importance in the sales of pet products in recent years. Furthermore, pet products are sold at some fuel stations within the framework of a new application.

With respect to environmental health products, wholesale pharmaceutical warehouses and plant protection product wholesalers, as well as dealers selling plant protection products, constitute the retail channel. A disinfectant is a product that can be sold directly to end consumers. In addition, sales can be performed through a wide variety of channels such as pharmaceutical warehouses, retailers, corporate firms and markets.

The Covid-19 crisis in 2020 has affected the plant protection products market both in the world and in our country. The lockdown measures implemented by countries have limited the production and supply opportunities, and there has been a tendency towards local products in agricultural production and related sectors around the world. China, one of the world's leading manufacturers of plant protection products and raw materials, ceased production at the first stage of the pandemic and then gradually increased it, making product and raw material supply difficult especially for global companies. This situation had a negative impact on product prices. Researches demonstrate that the failure of plant protection activities due to supply problems and price increases, especially in high-income countries such as the EU and America, as a result of the pandemic, may cause yield losses in production and increase in crop prices. The global plant protection products market reached 60 billion USD with an increase of 3% compared to the previous year in 2020.

The turnover of some global companies with a large share in the market, which have difficulties in the supply of raw materials and products due to the pandemic, has been observed to decrease, whereas the turnover of local companies is estimated to have increased. According to market researches, a decrease in plant protection global market growth rates is predicted due to the increasing trends towards biological products and integrated control, as well as the production of resistant varieties in seed breeding. The market is expected to exceed 70 billion USD with a 3.3% compound annual growth between 2021-25.

In terms of the effects of the pandemic on the market in our country, it is observed that 53 thousand tons of usage was realized with an increase of approximately 5%. One of the biggest reasons for this increase is the tendency towards domestic companies as a result of the increase in product prices of global companies, which have problems in product supply.

Domestic products applied in higher doses compared to the original formulas of global companies had an effect on the increase in quantity. In terms of value, it is estimated that the Turkish plant protection market has reached 3.9 billion TL. The market is expected to reach 11 billion TL in 2025 with a 22% compound annual growth rate. The factors behind the high growth rates of the sector are explained by two important sector dynamics that have been going on for years:

All of the 389 active substances used in our country are imported. Domestic companies produce PPPs using active ingredients whose patent protection has expired and license them according to the licensing system on the basis of precedents. Consequently, while 30% of the pesticides used are imported in terms of quantity, this ratio reaches 60% in terms of value.

Domestic players who make investments with respect to production capacity should also increase their R&D investments on active ingredient production and original product development to produce more value-added products. In terms of the companies in the market, it is observed that Hektaş maintained its market leadership, and its total market share increased to 19% with the addition of Ferbis sales. Although important global players in the market such as Bayer, Syngenta, Corteva and BASF were adversely affected during the pandemic period, they maintained their

position in the market. Among domestic companies, Agrobrest is one of the important players that increased its sales turnover and market share in this period.

The Turkish plant protection market is expected to grow in the coming period at similar growth rates in terms of quantity, in line with the global market. The market is estimated to reach 78 thousand tons in 2025 with a 7% compound annual growth.

Today, plant protection practices are trying to suppress pests by fighting them. Contemporary plant protection approaches, on the other hand, are aimed at keeping pests under control with natural mechanisms in nature, rather than completely eliminating them. In this respect, it is expected that the plant protection sector will turn to smart and sensitive agriculture practices in the future, preventing the emergence of pests and diseases while controlling existing pests.

Our country is adjacent to geographically important crop production regions, namely the Commonwealth of Independent States (CIS), North Africa and the Middle East. It is observed that the cultivated areas of these regions have increased by 34% in the last 10 years. The biggest growth has been observed in the North Africa region with 102%.

In the export of plant protection products, it is important that target countries have similar plant patterns, pests and climatic conditions. In addition, the investment costs for licensing to be made in different countries are quite high, and the licensing process takes years. Due to these difficulties encountered in the licensing cost and process, inorganic growth through acquisition or mergers with companies already having licenses in foreign countries is expected.

PLANT NUTRITION

The plant nutrition products market, which supplies one of the most important inputs of agricultural production, continued its steady growth in 2020. Despite the negative impact exerted on the sector's production in early 2020 by the Covid-19 pandemic, which has had negative impacts worldwide, production increased gradually and met the market demand thanks to the measures taken.

According to the International Fertilizer Association (IFA) report, global consumption of plant nutrition products increased by 2% reaching over 190 million tons in the past year. The major factors mitigating the impact on the sector are:

- The measures and actions taken to support agricultural production by governments in order to meet the food supply
- Fall in product prices due to the fall in natural gas prices, which is among the most important inputs in fertilizer production

The global plant nutrition market is estimated to be worth 160 million USD in 2020. The market is expected to exceed 188 billion USD with a 3.1% compound annual growth between 2021-2025. According to IFA, demand will gradually increase and innovative products will gain importance after 2021.

The pandemic has highlighted the importance of food safety once more. As a result of the diminishing agricultural areas due to the increasing population and decline in the efficiency of the soil, there is need for special products that nourish soil and increase efficiency in agricultural production. The increased awareness of consumers on the other hand has resulted in the prominence of high-quality agricultural production. The most important factors to affect the plant nutrition market in the coming period will be increase in efficiency and production of high-quality products.

Environmental issues such as climate change and global gas emissions will require governments to introduce regulations on the use of agricultural input. The European Union has published the EU Nitrate Directive in order to reduce the rate of nitrogen and other nutrients mixed in underground and surface waters. The aim is to prevent the excessive and incorrect use of plant nutrients, while

encouraging the use of high-efficiency special fertilizers such as slow-release, controlled-release products. Another important factor that will affect the sector in the future is the widespread use of agricultural technologies. Especially advanced irrigation systems are changing the plant nutrition use by producers.

Today, the transition from conventional fertilizers to liquid or water-soluble drip irrigation fertilizers is increasing, and this trend is expected to continue increasingly in the future. Modern irrigation systems ensure more effective fertilization, along with the need for less labor. This indicates that the market share of these products will increase rapidly. The specialty fertilizers market is estimated to reach 21 billion USD in 2025. Therefore, many global manufacturing companies are more interested in the market, attempting to increase their market shares by developing new strategies and products in this respect. In 2020, meeting the food demand has gained importance due to the pandemic and the importance of supporting agricultural activities in order to achieve this has been understood in our country as in rest of the world.

An average of 6 million tons of fertilizer is consumed annually in Turkey. According to the data of the Ministry, a record was broken in consumption with 7.1 million tons in 2020. The Turkish plant nutrition market is estimated to be worth 21.8 billion TL in 2021. The market is expected to reach 43.7 billion TL with a compound annual growth rate of 21.4% in the next 5 years.

Companies such as Toros, Gübretaş, İgşaş, Gemlik Gübre are important players in the market. The interest in special fertilizers is increasing in our country as well as in the world. Our country has an important position among the countries in the Mediterranean climate zone in greenhouse cultivation, and the special fertilizer market is growing steadily. Greenhouse production in Turkey is concentrated in the Mediterranean and Aegean regions and is increasing every year.

In addition, the increase in the use of smart irrigation systems in the production of field crops ensures the growth of the water-soluble or liquid special fertilizer market. Organic agriculture is becoming prevalent in the world and in our country. Value-added products such as organic and organominerals are gaining bigger share in the market, particularly due to the increase in the importance of food safety and consumer demands. According to studies conducted in our country, only 3% of our agricultural soils have a good level of organic matter content. In order to eliminate this situation, which causes loss of efficiency in agricultural production, the Ministry of Agriculture and Forestry of the Republic of Turkey declared the “Solid Organic Organomineral Fertilizer Use Support” for the first time in 2019. Thanks to support programs and campaigns supporting organic agriculture, the organic and organomineral fertilizer market is also growing rapidly in Turkey. This growth has attracted the attention of domestic classical fertilizer producers and classical fertilizer producers, who have dominated the market in recent years, have made organomineral investments.

The company created the "Tradite" brand in a short time in the fertilizer market it entered in 2017, and under this brand, it currently produces, packs and stores organomineral fertilizers in 4 rental facilities in Adana. The annual capacity of these facilities has reached 100 thousand tons and cannot support the demand for this fertilizer type in the market. In this respect, investment feasibility studies continue in order to increase the total production capacity to 500 thousand tons. Options regarding factories for rent or sale are being evaluated in different provinces. Product differentiation and development studies are also continuing, and recipes that can add slow-release properties to organomineral fertilizers are prepared and trials are carried out. These products are planned to be ready for sale in 2022. The development and production of different types of organomineral fertilizers will accelerate with new production investments.

BIOLOGICAL PRODUCTS

While biological products appear as a sector that receives a share from plant protection and plant nutrition sectors, it has started to become a strategic business line with the potential and growth it

has displayed in recent years. Many large agricultural input producers around the world take various strategic actions and invest in R&D in order to increase the number of biological products in their portfolios.

In a study conducted with suppliers and distributors from 43 different countries in 2020; 58% of them stated that they integrate biological products into their portfolio, and 21% stated that they carry out studies in this area. Biological products, which constituted a share of only 30% in 2011, are being added to portfolios significantly faster in the last 10 years. Biopesticides are estimated to constitute the largest market share among biological products.

Many companies give biopesticides the same priority and importance as conventional (chemical) plant protection products. Although biopesticides currently have the highest market share, they are expected to grow faster due to the increasing use of crops with microbial content in a wide variety of applications such as seed processing, field and post-harvest.

SEEDS

The Turkish seeds market is estimated to have reached 4.6 billion TL in 2020. The market is expected to exceed 8.8 billion with a 14% compound annual growth rate in 2025. Field crops constitute 80% of the market. Approximately 70% of the field crops market is dominated by wheat, potato and maize seeds.

In field crops, TİGEM has the largest market share in products such as wheat, barley and oats, while domestic companies such as Öz Buğday and Beta Tarım are also prominent. With respect to industrial products such as corn, sunflower and cotton, global companies such as Bayer, BASF, Corteva, Limagrain constitute the majority of the market.

Tomatoes constitute the largest share among vegetable seeds. Tomatoes continue to be the mostly produced vegetable in our country with 13.2 million tons. Local and global players compete in the Turkish vegetable seeds market, among which Syngenta, Bayer, HM Clause, Yüksek Yohum and May Tohum can be shown as examples. The share of the vegetable seeds market is expected to grow in coming years. One of the most important factors in this increase is the growing greenhouse areas. Greenhouse areas in Turkey have increased by 22%, reaching 805 thousand decares in the last 5 years. Furthermore, due to the higher added value of vegetable products, an increase is observed in the producers' tendency to transform their fields into vegetable gardens.

ANIMAL HEALTH

The animal health market is segmented into antibiotics, antiparasitics, hormones, vitamins and medicated feed additives. The global animal health market is estimated to be worth 42.5 billion USD in 2020.

The market is expected to reach 60 billion USD in 2025 with a 7.1% compound annual growth rate. Vaccines constitute the largest segment with a share of approximately 30%. In relation with the "One Health" concept, the importance of preventive medicine is expected to increase all over the world in order to protect animal health and food safety. Meanwhile, studies are carried out on the building of resistance against antibiotics in animals are conducted over the world.

Therefore, the growth of the antibiotic segment is expected to slow down globally, particularly in developed countries. The Turkish animal health market is estimated as 2.9 billion TL in 2020. The market is expected to reach 8.5 billion TL with a 25.3% compound annual growth in 2025.

The segments expected to grow the most are vaccines, antiparasitics and hormones, respectively. The fact that the vaccine segment is not currently at the expected level in Turkey indicates that the antibiotics segment will grow more than the segment in developed countries in the coming period.

The antibiotics segment is expected to slow down and therefore the vaccine segment is expected to grow, also due to the vaccines developed and produced in Turkey.

7.2.2. Information about the distribution of the issuer's net sales amount by field of activity and geographical structure of the market in each financial statement period that must be included in the prospectus.

The consolidated net sales amounts by geographical structures of markets and the Company's fields of activity as of the financial statement periods that must be included in the prospectus are provided in the following tables.

a) Consolidated net sales by field of activity

a.1) Annual comparison of consolidated net sales by field of activity

Fields of Activity (Net Sales)-TL	2019	%	2020	%	2021	%
Plant Protection	609.113.381	83,14%	808.215.242	79,73%	1.274.992.534	63,10%
Plant Nutrition (Fertilizer)	103.350.317	14,11%	177.333.151	17,49%	692.952.914	34,29%
Animal Health	17.869.537	2,44%	26.057.779	2,57%	51.707.050	2,56%
Seed	2.344.268	0,32%	2.112.958	0,21%	1.065.838	0,05%
Grand Total	732.677.504	100,00%	1.013.719.129	100,00%	2.020.718.336	100,00%

a.2) Comparison of consolidated net sales by field of activity as of six-month interim periods

Fields of Activity (Net Sales)-TL	2021/6	%	2022/6	%
Plant Protection	625.532.276	69,68%	1.625.541.656	64,24%
Plant Nutrition (Fertilizer)	258.633.537	28,81%	831.242.892	32,85%
Animal Health	12.119.239	1,35%	72.623.047	2,87%
Seed	1.436.354	0,16%	759.126	0,03%
Grand Total	897.721.406	100,00%	2.530.166.722	100,00%

b) Consolidated net sales by geographical structure of markets

b.1) Annual comparison of consolidated net sales by geographical structure of markets

Geographical Distribution (Net Sales)-TL	2019	2020	2021
Domestic Sales	698.570.108	963.303.635	1.934.128.243
Foreign Sales	34.107.396	50.415.494	86.590.093
Grand Total	732.677.504	1.013.719.129	2.020.718.336

Regional Distribution of Domestic Sales (TL)	2019	2020	2021
Mediterranean	85.008.266	121.365.162	227.416.397
Çukurova	120.332.506	206.032.118	404.963.530
Aegean	82.911.517	117.292.447	202.726.010
Gap	151.218.113	131.944.559	267.413.295
Central Anatolia	175.578.375	250.617.896	526.975.720

Marmara	83.521.331	136.051.454	304.633.291
Grand Total	698.570.108	963.303.635	1.934.128.243

Distribution of Foreign Sales by Country (TL)	2019	2020	2021
Azerbaijan	26.211.208	35.554.457	57.022.254
Georgia	2.000.273	498.478	2.147.586
Northern Cyprus	2.864.760	6.472.055	4.987.650
Egypt	647.499	1.680.166	
Uzbekistan	0	2.661.748	1.887.841
Jordan	1.118.140	608.540	1.843.407
Other	1.265.516	2.940.050	18.701.354
Grand Total	34.107.396	50.415.494	86.590.093

The domestic/international distinction of the Company's net sales revenue as of annual financial statement periods are shown in the table above. Sales made to foreign countries account for 4%, 5% and 5% of the net sales revenue in 2021, 2020 and 2019 respectively.

b.2) Comparison of consolidated net sales by geographical structure of markets as of 6-month interim periods

Geographical Distribution (Net Sales)- TL	30.06.2021	30.06.2022
Domestic Sales	878.358.857	2.441.778.209
Foreign Sales	19.362.549	88.388.513
Grand Total	897.721.406	2.530.166.722

Regional Distribution of Domestic Sales (TL)	30.06.2021	30.06.2022
Mediterranean	99.663.277	244.536.363
Çukurova	150.813.932	533.323.968
Aegean	122.263.574	238.326.954
Gap	174.179.013	354.802.943
Central Anatolia	197.583.411	614.431.918
Marmara	133.855.652	456.356.063
Grand Total	878.358.857	2.441.778.209

Distribution of Foreign Sales by Country (TL)	30.06.2021	30.06.2022
Azerbaijan	15.705.234	45.897.253
Georgia		11.193.572
Northern Cyprus	1.548.691	4.301.833
Egypt		
Uzbekistan	1.068.139	668.052
Jordan		
Other	1.040.485	26.327.806
Grand Total	19.362.549	88.388.513

7.3. Information about the effect of extraordinary factors on the information listed in the Articles 7.1.1 and 7.2:

Shrinkage and prohibitions of supply sources of active ingredients and auxiliary substances

The Company supplies the raw materials and auxiliary materials that it uses in the production of the products it produces from Far Eastern countries such as China and India. In these countries, supply sources may downsize due to various reasons, primarily regulations and there may even be the risk of unavailability of the raw material and auxiliary materials to be used in production.

In order to prevent the risks of missing the market demand due to inability to import raw materials and produce products on time as a result of supply shrinkage, the minimum stock level of key raw materials and auxiliary materials used in the production of many products is determined at a high level due to the increased sales and production volume.

Furthermore, prohibitions of active ingredients used in production by certain countries, primarily the EU, or potential prohibitions are significant considerations as well.

High volatility in the exchange rates and international commodity markets

Most of the raw material and auxiliary material stocks used in production are imported from abroad. In this regard, the Company faces exchange rate risk. Although certain derivative instruments are used for protection against exchange rate risk as mentioned in the section 5.1 of this prospectus, working with stocks is an option to provide natural hedging in the purchase of certain raw materials and auxiliary materials.

Unpredictable exchange rate and price volatility may cause extraordinary situations.

The company is also exposed to risks arising from economic recession, competition, climate and seasonal changes. The company's activities are subject to legislation risk, including the impacts of the changes in the effective legislation and laws, regulations, policies and their interpretation in Turkey.

The Company may encounter risks in commodity prices, climatic and natural disasters, product recall, economic recession, loss of reputation, increased competition, decisions taken by the government and public authorities, receivable risks and cash shortage, disruptions in distribution channels and supply chain, which can be faced by the food and agriculture industry.

7.4. Summarized information about patent, license, industrial-commercial, financial, etc. agreements which are important in terms of the issuer's trade activities and profitability and the extent to which the financial situation is dependent on these agreements or new production processes:

Product licenses and registrations are of great importance for the Company's activities. "Licenses" are significant items for the Company's activities. Licenses are rights that are granted to the Company by the Ministry of Agriculture and Forestry of the Republic of Turkey in order to sell and produce its products. The Company cannot sell and market or engage in the production of any products not licensed and not registered by the Ministry of Agriculture and Forestry of the Republic of Turkey.

In this respect, it is important for the Company to develop new products and increase the variety of areas of use of the product. Therefore, the Company attaches importance to new product development and R&D activities. The company carries out the actions of developing intangible assets, acquiring new intangible fixed assets and extending the economic life of existing rights with

3 (three) product directorates (Plant Protection Product Directorate, Animal Health Product Directorate, Plant Nutrition Product Directorate Directorate).

7.5. Basis of the announcements made by the issuer regarding its competitive position:

Information about the plant protection market where the Company operates, as well as its position in this market are obtained from ZİMİD's (Association of Agricultural Pesticides Producers) database and the association's statistical studies concerning the market. The data prepared by ZİMİD regarding the market are obtained by the Company periodically.¹³

The data submitted by the Company with respect to the Plant Nutrition (Fertilizer) market are specified in the web page of the Ministry of Agriculture and Forestry of the Republic of Turkey.

The Turkish Animal Health market is measured in 6-month intervals by the Association of Veterinary Health Product Manufacturers.¹⁴

7.6. Information about business interruptions which have affected or may affect the financial situation significantly in the last 12 months:

None.

8. INFORMATION ABOUT THE GROUP

8.1. Summarized information about the group of the issuer, fields of activity of group companies, their relations with the issuer and the issuer's position within the group:

The main shareholder of the Company is the Turkish Armed Forces Pension Fund ("OYAK") which owns **58.82 per cent** of the company's shares. OYAK is an institution with legal personality, which is financially and administratively autonomous and subject to the provisions of private law. It was founded pursuant to the law no. 205 on 1 March 1961.

OYAK has direct and indirect subsidiaries and affiliates operating in industry, finance and service sectors. OYAK's affiliates operates in sectors such as mining metallurgy, chemistry, agriculture, cement / concrete / paper, automotive, energy, logistics and finance.

OYAK's companies operating in the mining metallurgy sector, Ereğli Demir ve Çelik Fabrikaları T.A.Ş., İskenderun Demir ve Çelik A.Ş., Erdemir Çelik Servis Merkezi Sanayi ve Ticaret A.Ş. and Erdemir Madencilik Sanayi ve Ticaret A.Ş rank 7th, 5th, 69th, and 141st in the 2021 year ISO 500 list respectively. The shares of Ereğli Demir ve Çelik Fabrikaları T.A.Ş and İskenderun Demir ve Çelik A.Ş are traded on BIST.

Transactions relating to the merger of OYAK companies operating in the cement sector, i.e. Adana Çimento, Mardin Çimento, Denizli Çimento, Bolu Çimento, Ünye Çimento and Aslan Çimento within Mardin Çimento San. And. A. Ş. Were completed in May 2020 and Mardin Çimento's title was changed as OYAK Çimento Fabrikaları A.Ş. OYAK Çimento Fabrikaları A.Ş. Ranked 91st in ISO 500 list in 2021. Shares of OYAK Çimento Fabrikaları A.Ş. are traded on BIST.

OYAK – Renault, an OYAK group company, operates as manufacturer in the Turkish automobile industry. OYAK – Renault ranked fourth in the Turkey's overall ranking and sector ranking in the list of top one thousand export companies of 2017 declared in June 2018 by the Turkish Exporters

¹³ ZİMİD's official web site is www.zimid.org.tr.

¹⁴ (<http://www.visad.org.tr/raporlar/pazar-arastirmalari/5>)

Assembly (TIM). OYAK Renault also ranks 9th in the ISO 500 list prepared according to the data of 2021. OMSAN Lojistik, which operates as one of the companies of OYAK operating in the logistics sector, provides leader companies in many sectors, primarily automotive, iron and steel, cement-construction, fuel oil, textile, retail, food and communication sectors, with logistics services within the scope of domestic and international transportation by land, sea, air and railway, storage, distribution, warehouse management, project logistics, finished vehicle logistics, dangerous goods transportation, home and office logistics, customs clearance and insurance services. OYAK ANKER Bank GmbH, a member of the German Banks Association, operates in corporate and retail banking in the German banking sector. Brokerage activities in Turkey are carried out by companies which obtain authorization certificate from the Capital Markets Board, within the framework of capital market regulations. OYAK Yatırım Menkul Değerler A.Ş., an OYAK company operating in this sector, provides Hektaş Ticaret T.A.Ş. with brokerage services regarding capital increase and public offering, brokerage for dividend payment transactions, brokerage for debt instruments issuance and brokerage services for the fulfillment of issuer transactions on the Central Registration System of the Central Securities Depository, E-GKS, E-Manage and E-Company portals. OYAK Yatırım Menkul Değerler A.Ş. Was established on 14 May 1982 and is an investment institution authorized as a “broadly authorized intermediary institution” by the CMB, in order to provide investment services and activities and auxiliary services in accordance with the provisions of the CMB Law and related legislation. OYAK Portföy Yönetimi A.Ş. Was established as a 100% affiliate of OYAK Yatırım on 14 June 2013, within the scope of the regulations made regarding portfolio management activities under the CMB legislation. OYAK Yatırım Ortaklığı A.Ş. Was established on 3 November 2006 in order to meet the changing customer demands affected by the developments experienced in capital markets in Turkey and over the world and its shares were publicly offered and started to be traded on the stock exchange at the end of April 2007. OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş. Was established in 2017 with 100% participation of OYAK Yatırım, in order to engage exclusively in insurance and reinsurance brokerage activities. OYAK and its group companies operate in the production of stabilizers and other additives, which are among the indispensable inputs of the PVC industry, through the Akdeniz Kimya and Chemson Group companies. The additives produced by the group are used in the manufacture of final products in many different industrial areas such as building, construction, electrical-electronics and automotive. They produce stabilizers, which are additives for products such as PVC-based rigid windows and building profiles, pipes, cables and surface coatings in the said sectors. OYAK group companies include OYAK Güvenlik, which operates in the service sector and provides physical and electronic security services, OYAK İnşaat, which develops construction projects and construction works, OYAK Pazarlama, which provides tourism - organization, facility management and technological services, OSİAT in the field of business management and OYAK Sermaye Yatırımları for the utilization of investment opportunities. İSKEN, one of OYAK's companies operating in the electrical energy sector, is one of the largest international investments in our country in this sector, as well as one of the largest thermal power plants in our country with its installed net capacity of 1,210 MW (605x2). The plant met 3.1% of Turkey's electricity needs in 2017 by producing approximately 9 thousand GWh annually. HEKTAŞ, OYAK's company operating in the chemistry, plant and animal health production sectors, sells and markets more than 250 plant protection and plant nutrition products and almost 30 animal health medicines and feed additive products. HEKTAŞ is also the Turkish distributor of some leading companies in the global plant protection products sector. HEKTAŞ ranked 341st in the ISO 500 List prepared according to the year-end data of 2018. While preparing the Issuer Company's consolidated financial statements, the subsidiaries subject to consolidation, their fields of activity and the Company's shareholding in these subsidiaries are as follows.

Title of the Company	Field of Activity	Company's Share in the Capital and Voting Rate (%)	Capital of the Subsidiary Included in the Consolidation	Currency	Country of Establishment of the Subsidiary Included in the Consolidation	Capital Subscription
Takimsan Tarım Kimya Sanayi ve Ticaret A.Ş.	Production, import and marketing of pesticides	99.78%	49891.49	TRY	Turkey	None
Ferbis Tarım Ticaret ve Sanayi A.Ş.	Production, import and marketing of pesticides	100%	3000000	TRY	Turkey	None
Areo Tohumculuk ARGE Sanayi Ve Dış Ticaret A.Ş.	Production and development activities for all kinds of seeds	100%	45750000	TRY	Turkey	None
Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret A.Ş.	Production, import and marketing of pesticides	100%	2000000	TRY	Turkey	None
Arma İlaç Sanayi ve Ticaret A.Ş.	Production of Veterinary Medicines	100%	43000000	TRY	Turkey	None
Agriventis Technologies Pty.Ltd	Seed and Seed Breeding	51%	457375	AUD	Australia	None

9. INFORMATION ABOUT TANGIBLE AND INTANGIBLE FIXED ASSETS

9.1. Information about the tangible fixed assets:

9.1.1. Information about the material tangible fixed assets which are owned by the issuer including those acquired through financial leasing as of the date of the last financial statement which must be included in the prospectus and which are planned to be acquired by the issuer pursuant to a board of directors decision:

The intangible non-current assets of the Company as of financial statement periods that must be included in the prospectus are as follows.

	<i>Type</i>	<i>Year of Acquisition</i>	<i>Location</i>	<i>Net Book Value (TL)</i>	<i>Purpose of Use</i>	<i>If Rented, the Renting Person/Institution</i>	<i>Rental Period</i>	<i>Annual Rent Amount</i>
Land	Gebze Factory Land	1.12.1995	Gebze-Kocaeli	3,163	Usage	-	-	-
	Tarsus Şehit İshak Mah. Land	1.12.1995	Tarsus-Mersin	13,599	Investment Purposes	-	-	-
	Manisa Alaşehir Land	6.11.2014	Alaşehir-Arsa	143,407	Investment Purposes	-	-	-
	Manisa Alaşehir Land Expertise	5.12.2014	Alaşehir-Arsa	820	Investment Purposes	-	-	-
	Prefabricated Reinforced Concrete Carcass System Factory	15.12.2018	Bor-Niğde	480,000	Usage	-	-	-

GAP Region Şanlıurfa Land attached to the main building	1.10.2019	Şanlıurfa	215,923	Investment Purposes	-	-	-
Ankara Sincan Land	6.05.2020	Ankara-Sincan	1,956,350	Usage	-	-	-

2,813,262

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Land Improvements	Miscellaneous		Çukurova-Adana	884,261	Usage	-	-	-
	Miscellaneous		Çukurova-Adana	318,031	Investment Purposes	-	-	-
	Miscellaneous		Bor-Niğde	206,885	Usage	-	-	-
	Miscellaneous		Osmangazi-Bursa	2,050	Usage	-	-	-
	Miscellaneous		Gebze-Kocaeli	8,656,405	Usage	-	-	-
	Miscellaneous		Antalya	894,012	Usage	-	-	-
	Miscellaneous		Ankara-Sincan	805,652	Usage	-	-	-

11,767,296

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Buildings	R&D Center	1992	Gebze-Kocaeli	1,674,775	Usage	-	-	-
	R&D Center	1993	Gebze-Kocaeli	142,190	Usage	-	-	-
	R&D Center	2001	Gebze-Kocaeli	103,424	Usage	-	-	-
	R&D Center	2002	Gebze-Kocaeli	118,316	Usage	-	-	-
	R&D Center	2011	Gebze-Kocaeli	2,077	Usage	-	-	-
	R&D Center	2012	Gebze-Kocaeli	5,459	Usage	-	-	-
	R&D Center	2013	Gebze-Kocaeli	706	Usage	-	-	-
	R&D Center	2018	Gebze-Kocaeli	1,211	Usage	-	-	-
	R&D Center	2020	Gebze-Kocaeli	304,684	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1986	Adana	104,153	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1991	Bornova-İzmir	6,941	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1992	Bornova-İzmir	71,144	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1993	Bornova-İzmir	1,333	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1995	Adana	2,585	Usage	-	-	-
	Regional Sales and Warehouse Buildings	1995	Antalya	129,871	Usage	-	-	-
	Regional Sales and Warehouse	1996	Bornova-	355	Usage	-	-	-

Buildings		İzmir					
Regional Sales and Warehouse Buildings	1997	Antalya	3,844	Usage	-	-	-
Regional Sales and Warehouse Buildings	1997	Orhangazi-Bursa	149,640	Usage	-	-	-
Regional Sales and Warehouse Buildings	1998	Antalya	577	Usage	-	-	-
Regional Sales and Warehouse Buildings	1998	Bornova-İzmir	9,674	Usage	-	-	-
Regional Sales and Warehouse Buildings	1999	Antalya	8,472	Usage	-	-	-
Regional Sales and Warehouse Buildings	2004	Orhangazi-Bursa	134,248	Usage	-	-	-
Regional Sales and Warehouse Buildings	2007	Orhangazi-Bursa	827	Usage	-	-	-
Regional Sales and Warehouse Buildings	2009	Bornova-İzmir	1,397	Usage	-	-	-
Regional Sales and Warehouse Buildings	2010	Antalya	14,753	Usage	-	-	-
Regional Sales and Warehouse Buildings	2012	Adana	73,313	Usage	-	-	-
Regional Sales and Warehouse Buildings	2013	Orhangazi-Bursa	44,688	Usage	-	-	-
Regional Sales and Warehouse Buildings	2018	Bornova-İzmir	1,164,054	Usage	-	-	-
Regional Sales and Warehouse Buildings	2018	Orhangazi-Bursa	40,489	Usage	-	-	-
Regional Sales and Warehouse Buildings	2021	Antalya	81,612	Usage	-	-	-
Regional Sales and Warehouse Buildings	2021	Orhangazi-Bursa	563,912	Usage	-	-	-
Warehouse area	2020	Bor-Niğde	5,261,146	Usage	-	-	-
Factory	1999	Haliliye-Şanlıurfa	1,415,693	Investment Purposes	Cmc İletişim ve Çağrı Merkezi Hizmetleri A.Ş.	2022	189,860
Factory	2020	Adana Merkez	2,637,461	Investment Purposes	Alça Yapı İnşaat San. Ve Tic.Ltd.Şti.	2022	72,000
Administrative Building	2005	Gebze-Kocaeli	1,240,485	Usage	-	-	-
Administrative Building	2010	Gebze-Kocaeli	1,588	Usage	-	-	-
Administrative Building	2012	Gebze-Kocaeli	73,258	Usage	-	-	-
Administrative Building	2013	Gebze-Kocaeli	8,680	Usage	-	-	-
Administrative Building	2015	Gebze-Kocaeli	9,632	Usage	-	-	-
Administrative Building	2017	Gebze-Kocaeli	19,280	Usage	-	-	-
Administrative Building	2018	Gebze-Kocaeli	170,394	Usage	-	-	-
Administrative Building	2019	Gebze-Kocaeli	463,490	Usage	-	-	-
Administrative Building	2020	Bor-Niğde	1,635,237	Usage	-	-	-
Administrative Building	2020	Gebze-Kocaeli	1,007,477	Usage	-	-	-
Administrative Building	2021	Gebze-Kocaeli	985,386	Usage	-	-	-
Common areas of use	1992	Gebze-Kocaeli	30,675	Usage	-	-	-

Common areas of use	1993	Gebze-Kocaeli	3,050	Usage	-	-	-
Common areas of use	2018	Gebze-Kocaeli	97,567	Usage	-	-	-
Social Facility	1992	Gebze-Kocaeli	513,338	Usage	-	-	-
Social Facility	1993	Gebze-Kocaeli	28,160	Usage	-	-	-
Social Facility	2011	Gebze-Kocaeli	3,888	Usage	-	-	-
Social Facility	2018	Gebze-Kocaeli	302,844	Usage	-	-	-
Social Facility	2020	Gebze-Kocaeli	340,968	Usage	-	-	-
Social Facility	2021	Gebze-Kocaeli	808,418	Usage	-	-	-
Production area	1992	Gebze-Kocaeli	2,705,393	Usage	-	-	-
Production area	1993	Gebze-Kocaeli	2,828,480	Usage	-	-	-
Production area	1996	Gebze-Kocaeli	95,320	Usage	-	-	-
Production area	2000	Gebze-Kocaeli	228,945	Usage	-	-	-
Production area	2003	Gebze-Kocaeli	56,379	Usage	-	-	-
Production area	2004	Gebze-Kocaeli	11,759	Usage	-	-	-
Production area	2007	Gebze-Kocaeli	728	Usage	-	-	-
Production area	2010	Gebze-Kocaeli	3,988	Usage	-	-	-
Production area	2011	Gebze-Kocaeli	52,720	Usage	-	-	-
Production area	2012	Gebze-Kocaeli	77,873	Usage	-	-	-
Production area	2013	Gebze-Kocaeli	268,539	Usage	-	-	-
Production area	2014	Gebze-Kocaeli	3,015	Usage	-	-	-
Production area	2015	Bor-Niğde	1,444,976	Usage	-	-	-
Production area	2015	Gebze-Kocaeli	423,482	Usage	-	-	-
Production area	2016	Bor-Niğde	226,772	Usage	-	-	-
Production area	2016	Gebze-Kocaeli	69,778	Usage	-	-	-
Production area	2017	Bor-Niğde	38,877	Usage	-	-	-
Production area	2017	Gebze-Kocaeli	1,180,277	Usage	-	-	-
Production area	2018	Çukurova-Adana	12,758	Usage	-	-	-
Production area	2018	Gebze-Kocaeli	483,305	Usage	-	-	-
Production area	2019	Gebze-Kocaeli	16,381	Usage	-	-	-
Production area	2020	Bor-Niğde	13,036,178	Usage	-	-	-
Production area	2020	Gebze-Kocaeli	623,589	Usage	-	-	-
Production area	2021	Bor-Niğde	379,701	Usage	-	-	-
Production area	2021	Çukurova-Adana	250,863	Usage	-	-	-
Production area	2021	Gebze-Kocaeli	12,572,209	Usage	-	-	-

	Production area	2021	Ankara-Sincan	6,821,413	Usage	-	-	-
	Production area	2022	Bor-Niğde	2,550,736	Usage	-	-	-
	Production area	2022	Gebze-Kocaeli	703,644	Usage	-	-	-
	Production area	2022	Ankara-Sincan	464,056	Usage	-	-	-
	Production area	2008	Ankara-Sincan	2,370,104	Usage	-	-	-

72,021,075

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Facilities Machinery and Equipment	Miscellaneous		Çukurova-Adana	20,290,938	Production	-	-	-
	Miscellaneous		Antalya	10,535,941	Usage	-	-	-
	Miscellaneous		Çankaya- Ankara	67,771,845	Usage	-	-	-
	Miscellaneous		İzmir	288,604	Usage	-	-	-
	Miscellaneous		Bor-Niğde	36,469,406	Production	-	-	-
	Miscellaneous		Gebze-Kocaeli	89,529,515	Production	-	-	-
	Miscellaneous		Ankara-Sincan	16,064,324	Production	-	-	-
	Miscellaneous		Adana-Merkez	32,291	Usage	-	-	-
	Miscellaneous		Orhangazi-Bursa	7,779,410	Usage	-	-	-
	Miscellaneous		Agriventis	3,789,789	Usage	-	-	-

252,552,063

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Vehicles	Miscellaneous		Osmangazi-Bursa	60,095.00	Usage	-	-	-
	Miscellaneous		Gebze-Kocaeli	4,078,958.00	Usage	-	-	-
	Miscellaneous		Bornova-İzmir	11,588.00	Usage	-	-	-
	Miscellaneous		Çukurova-Adana	770,823.00	Usage	-	-	-
	Miscellaneous		Antalya	241,437.00	Usage	-	-	-
	Miscellaneous		Orhangazi-Bursa	832,462.00	Usage	-	-	-
	Miscellaneous		Australia	1,864,578.00	Usage	-	-	-
	Miscellaneous		Ankara-Sincan	136,480.00	Usage	-	-	-

7,996,421.00

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Fixtures	Miscellaneous		Çukurova-Adana	1,808,231	Usage	-	-	-
	Miscellaneous		Çankaya- Ankara	218,228	Usage	-	-	-
	Miscellaneous		Antalya	1,994,239	Usage	-	-	-
	Miscellaneous		Bor-Niğde	6,120,593	Usage	-	-	-
	Miscellaneous		Orhangazi-Bursa	3,085,267	Usage	-	-	-
	Miscellaneous		Osmangazi-Bursa	328,331	Usage	-	-	-
	Miscellaneous		Gebze-Kocaeli	15,354,403	Usage	-	-	-
	Miscellaneous		Bornova-İzmir	141,857	Usage	-	-	-
	Miscellaneous		Adana-Merkez	375,361	Usage	-	-	-

	Miscellaneous		Ankara-Sincan	849,533	Usage	-	-	-
	Miscellaneous		Australia	82,610	Usage	-	-	-

30,358,653

	Type	Year of Acquisition	Location	Net Book Value (TL)	Purpose of Use	If Rented, the Renting Person/Institution	Rental Period	Annual Rent Amount
Investments in Progress	Land Improvements-Miscellaneous		Bor-Niğde	211,019	Usage	-	-	-
	Building-Administrative Building		Bor-Niğde	883,584	Usage	-	-	-
	Building-Production area		Bor-Niğde	23,420,640	Production	-	-	-
	Building-Production area		Adana	270,000	Production	-	-	-
	Advance classification and Financing Capitalization		Bor-Niğde	172,344,695	Production	-	-	-
	Advance classification and Financing Capitalization		Gebze-Kocaeli-Balıkesir	300,414,123	Production	-	-	-
	Facilities Machinery and Equipment-Miscellaneous		Bor-Niğde	32,175,000	Production	-	-	-
	Facilities Machinery and Equipment-Miscellaneous		Gebze-Kocaeli	109,492,257	Production	-	-	-
	Leasehold Improvement-Production area		Ankara	57,200	Production	-	-	-
	Leasehold Improvement-R&D based production and training area		Orhangazi-Bursa	123,151,957	Usage	-	-	-
	Rights-Logo		Gebze-Kocaeli	103	Usage	-	-	-
	Rights-Software		Gebze-Kocaeli	839,105	Usage	-	-	-
	Rights-Drug Licenses		Bor-Niğde	3,654,870	Usage	-	-	-
	Rights-Drug Licenses		Gebze-Kocaeli	16,598,984	Usage	-	-	-
	Rights-Drug Licenses		Adana-Merkez	663,943	Usage	-	-	-
	Development costs-digitalization-artificial intelligence		Gebze-Kocaeli	6,671,878	Usage	-	-	-
	Development costs-Drug-fertilizer-animal health development		Antalya	6,107,403	Usage	-	-	-
	Development costs-Drug-fertilizer-animal health development		Gebze-Kocaeli	16,654,591	Usage	-	-	-

813,611,352

9.1.2. Information about all environmental factors that would affect the use of the issuer's tangible fixed assets:

Environmental impact assessment reports (EIA) were prepared for the Company's Gebze plant protection production facilities and Adana Organomineral production facilities and approved by the Ministry of Environment and Urbanization. Likewise, an environmental impact assessment report was prepared for the plant protection production facilities of Ferbis, which is a 100% subsidiary of the Company, in Niğde and was approved by the relevant ministry.

9.1.3. Information about the restrictions, rights in rem and mortgage amounts on tangible fixed assets:

None.

9.1.4. If the current / fair value of tangible fixed assets is known, information about the fair value and the valuation report on which it is based:

Type of Tangible Fixed Asset	Date of Acquisition	Appraisal Value (TL)	Date and No. of the Appraisal Report	Company Performing the Appraisal	Classification (Whether it is for investment purposes)	TFA Valuation Fund Amount/Impairment Amount (TL)
Manisa Alaşehir Land	6.11.2014	355.000,00	19.01.2022-21.11-188	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Land held for investment	210.773,00
Tarsus Şehit İshak Mah. Land	1.12.1995	160.000,00	19.01.2022-21.11-189	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Land held for investment	146.401,00
Ş. Urfa Facility	1.06.1999	10.764.000,00	19.01.2022-21.11-191	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Building held for investment	9.348.307,00
Adana Merkez	9.06.2020	4.035.000,00	19.01.2022-21.11-183	Yetkin Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Building held for investment	1.397.536,00
Ankara-Sincan	6.05.2020	11.426.825,00	23.11.2021-0010	Asal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Usage	10.003.254,00
Ankara-Sincan	6.05.2020	17.950.000,00	23.11.2021-0009	Asal Gayrimenkul Değerleme ve Danışmanlık A.Ş.	Usage	14.599.031,00
Facilities Machinery and Equipment	27.11.2017	3.310.000	28.05.2018-2018B137	TSKB Gayrimenkul Değerleme AŞ.	Usage	-135.996,16
Fixtures	27.11.2017	68.900,00	28.05.2018-2018B137	TSKB Gayrimenkul Değerleme AŞ.	Usage	-29.743,39
Rights	27.11.2017	169.000,00	28.05.2018-2018B137	TSKB Gayrimenkul Değerleme AŞ.	Usage	24.699,84

9.2. Information about the intangible fixed assets:

9.2.1. Information about the composition of intangible assets owned by the issuer as of the financial statement periods that should be included in the issuer information document

The intangible non-current assets of the Company as of financial statement periods that must be included in the prospectus are as follows.

	Type	Location	Net Book Value (TL)
Rights	Drug Licenses	Gebze-Kocaeli	30.601.583
	License	Gebze-Kocaeli	3.471.887
	Logo	Gebze-Kocaeli	4.181

	Brand	Gebze-Kocaeli	31.078
	Software	Gebze-Kocaeli	7.073.118
	Drug Licenses	Adana-Merkez	19.207.921
	License	Adana-Merkez	3.262
	Software	Adana-Merkez	331.996
	Seed	Antalya	25.585.999
	Drug Licenses	Ankara	4.790.573
	Software	Ankara	4.738
	License	Ankara	9.653
	Seed	Australia	95.217.370
	Software	Bor-Niğde	221.465
	Brand	Bor-Niğde	39.618
	License	Bor-Niğde	159.265
	Drug Licenses	Bor-Niğde	15.737.195
Development costs	Drug-fertilizer-animal health development	Gebze-Kocaeli	8.266.531
	Seed	Antalya	3.074.962
	Digitalization-artificial intelligence	Gebze-Kocaeli	657.736
Other intangible non-current assets	Miscellaneous	Adana	1.483.516
	Miscellaneous	Ankara	184.726
	Miscellaneous	Bursa	36.379
	Miscellaneous	Gebze-Kocaeli	189.375
	Miscellaneous	Australia	1.859.039
	Miscellaneous	Antalya	2.761.282
Goodwill	Ferbis	Bor-Niğde	10.321.922
	Sunset	Adana-Merkez	59.047.335
	Arma	Ankara	36.950.435
			327.324.140

Intangible fixed assets as of 31.12.2021:

	<i>Type</i>	<i>Location</i>	<i>Net Book Value (TL)</i>
Rights	Drug Licenses	Gebze-Kocaeli	23.552.486
	License	Gebze-Kocaeli	1.961.920
	Logo	Gebze-Kocaeli	4.390
	Brand	Gebze-Kocaeli	24.579
	Software	Gebze-Kocaeli	4.159.176
	Drug Licenses	Adana-Merkez	15.984.148
	License	Adana-Merkez	3.368
	Software	Adana-Merkez	342.565
	Seed	Antalya	25.990.280
	Drug Licenses	Ankara	5.208.033

	Software	Ankara	5.190
	License	Ankara	13.790
	Software	Bor-Niğde	270.663
	Brand	Bor-Niğde	41.340
	License	Bor-Niğde	164.690
	Drug Licenses	Bor-Niğde	9.552.704
Development costs	Drug-fertilizer-animal health development	Gebze-Kocaeli	7.434.642
	Seed	Antalya	3.106.717
	Digitalization-artificial intelligence	Gebze-Kocaeli	723.998
Other intangible non-current assets	Miscellaneous	Adana	908.342
	Miscellaneous	Ankara	198.580
	Miscellaneous	Bursa	38.917
	Miscellaneous	Gebze-Kocaeli	202.000
	Miscellaneous	Antalya	2.731.919
Goodwill	Ferbis	Bor-Niğde	10.321.922
	Sunset	Adana-Merkez	59.047.335
	Arma	Ankara	36.950.435

208.944.129

Intangible fixed assets as of 31.12.2020:

	<i>Type</i>	<i>Location</i>	<i>Net Book Value (TL)</i>
Rights	Drug Licenses	Gebze-Kocaeli	9.634.275
	License	Gebze-Kocaeli	394.725
	Logo	Gebze-Kocaeli	5.230
	Brand	Gebze-Kocaeli	10.048
	Software	Gebze-Kocaeli	1.740.205
	Drug Licenses	Adana-Merkez	288.021
	License	Adana-Merkez	3.829
	Drug Licenses	Adana-Merkez	1.065.294
	Software	Adana-Merkez	388.146
	Seed	Antalya	27.308.178
	Software	Bor-Niğde	467.453
	Brand	Bor-Niğde	48.230
	License	Bor-Niğde	186.391

	Drug Licenses	Bor-Niğde	99.573
Development costs	Drug-fertilizer-animal health development	Gebze-Kocaeli	4.183.859
	Digitalization-artificial intelligence	Gebze-Kocaeli	989.047
Other intangible non-current assets	Miscellaneous	Adana	285.311
	Miscellaneous	Ankara	148.488
	Miscellaneous	Bursa	49.069
	Miscellaneous	Antalya	39.806
Goodwill	Ferbis	Bor-Niğde	10.321.922
	Sunset	Adana-Merkez	59.047.335

116.704.435

Intangible fixed assets as of 31.12.2019:

	<i>Type</i>	<i>Location</i>	<i>Net Book Value (TL)</i>
Rights	Drug Licenses	Gebze-Kocaeli	6.608.655,67
	License	Gebze-Kocaeli	652.757,47
	Logo	Gebze-Kocaeli	6.489,31
	Brand	Gebze-Kocaeli	8.042,72
	Development	Antalya	58.490,00
	License	Bor-Niğde	224.727,20
	Brand	Bor-Niğde	59.139,34
	Drug Licenses	Bor-Niğde	113.185,78
Goodwill	Miscellaneous	Antalya	23.264.620,00
	Miscellaneous	Bor-Niğde	10.321.922,00

49.317.083,00

Majority of the intangible fixed assets is comprised of the goodwill arising during the accounting of the subsidiaries acquired by the Company. Detailed explanations about goodwill are provided in the section 9.2.6 of the Prospectus.

Another material item among intangible fixed assets is Drug Licenses. In order for the company to produce and sell fertilizers, animal health products and primarily plant protection products which it produces and sells within the framework of sectoral regulations, it must obtain license from the Ministry of Agriculture and Forestry of the Republic of Turkey. These licenses obtained from the relevant public authority grant the Company the right to perform production and sales. Therefore, these licenses are intangible fixed economic assets for the Company.

A high amount of product development expenses are incurred in order to establish a proper product license. These expenditures constitute the cost of the said economic asset. The economic life of these drug licenses is 15 years, during which they are depreciated.

On the other hand, expenditures incurred later in order to extend the period of the license or increase the quality of the current licenses increase the value and economic life of the said assets.

9.2.2. Information about the role of intangible fixed assets in the issuer’s activity and level of activities’ dependency on intangible fixed assets:

“Licenses” within the intangible fixed assets are important items for the Company’s activities. As mentioned in the section 9.2.1, licenses are rights that are granted to the Company by the Ministry of Agriculture and Forestry of the Republic of Turkey in order to sell and produce its products. The Company cannot sell and market or engage in the production of any products not licensed and not registered by the Ministry of Agriculture and Forestry of the Republic of Turkey.

In this respect, it is important for the Company to develop new products and increase the variety of areas of use of the product. Therefore, the Company attaches importance to new product development and R&D activities. The company carries out the actions of developing intangible assets, acquiring new intangible fixed assets and extending the economic life of existing rights with 3 (three) product directorates (Plant Protection Product Directorate, Animal Health Product Directorate, Plant Nutrition Product Directorate).

9.2.3. If there are intangible fixed assets created within the business, information about the details of the development expenditures incurred for these assets as of financial statement periods which must be included in the prospectus:

Pharmaceutical licenses and product registrations constitute the intangible fixed asset items created within the Company. Information about the intangible fixed assets and development expenses created in the business as of the financial statement periods that must be included in the prospectus is provided below.

Cost value (TL)	Rights	Development costs	Other intangible non-current assets	Total
Opening balance as of 1 January 2022	196.876.546	14.261.465	5.371.398	216.509.409
Currency translation differences	16.895.560	-	325.811	17.221.371
Purchases	23.085.909	-	3.838.108	26.924.017
Transfers from ongoing investments	8.855.699	3.545.932	-	12.401.631
Closing balance as of 30 June 2022	245.713.714	17.807.397	9.535.317	273.056.428
Accumulated Depreciation -				
Opening balance as of 1 January 2022	-24.318.900	-2.996.108	-557.355	-27.872.363
Currency translation differences	-1.321.249	-	-71.864	-1.393.113
Expense of the period	-8.568.621	-1.350.465	-586.867	-10.505.953
Closing balance as of 30 June 2022	-34.208.770	-4.346.573	-1.216.086	-39.771.429
Net book value as of 30 June 2022	211.504.944	13.460.824	8.319.231	233.284.999

Cost value	Rights	Development costs	Other intangible non-current assets	Total
Opening balance as of 1 January 2021	59.146.501	6.494.095	608.561	66.249.157
Purchases	43.090.272	121.678	3.593.952	46.805.902
Output	-54.696	-	-	-54.696
Transfers from ongoing investments	3.532.005	7.645.692	252.500	11.430.197
Closing balance as of 31 December 2021	105.714.082	14.261.465	4.455.013	124.430.560
Accumulated Depreciation	-			
Opening balance as of 1 January 2021	-12.058.346	-1.321.189	-85.887	-13.465.422
Expense of the period	-6.395.517	-1.674.919	-289.368	-8.359.804
Output	19.103	-	-	19.103
Closing balance as of 31 December 2021	-18.434.760	-2.996.108	-375.255	-21.806.123
Net book value as of 31 December 2021	87.279.322	11.265.357	4.079.758	102.624.437

Cost value	Rights	Development costs	Other intangible non-current assets	Total
Opening balance as of 1 January 2020	44.921.829	1.429.086	86.458	46.437.373
Purchases	1.670.812	-	522.103	2.192.915
Effect of the business merger (*)	2.372.513	-	-	2.372.513
Output	-57.509	-	-	-57.509
Transfers from ongoing investments	3.503.977	5.065.009	-	8.568.986
Closing balance as of 31 December 2020	52.411.622	6.494.095	608.561	59.514.278
Accumulated Depreciation	-			
Opening balance as of 1 January 2020	-6.938.415	-469.655	-34.142	-7.442.212
Expense of the period	-3.189.611	-851.534	-51.745	-4.092.890
Effect of the business merger (*)	-657.896	-	-	-657.896
Output	13.898	-	-	13.898
Closing balance as of 31 December 2020	-10.772.024	-1.321.189	-85.887	-
Net book value as of 31 December 2020	41.639.598	5.172.906	522.674	47.335.178

Cost value	Rights	Development costs	Other intangible non-current assets	Total
Opening balance as of 1 January 2019	11.787.957	363.053	24.958	12.175.968
Purchases	1.260.606	-	47.100	1.307.706
Effect of the business merger (*)	30.342.420	-	14.400	30.356.820
Transfers from ongoing investments	1.530.846	1.066.033	-	2.596.879
Closing balance as of 31 December 2019	44.921.829	1.429.086	86.458	46.437.373

Accumulated Depreciation	-			
Opening balance as of 1 January 2019	-4.299.855	-363.053	-24.958	-4.687.866
Expense of the period	-1.121.439	-106.602	-6.295	-1.234.336
Effect of the business merger (*)	-1.517.121	-	-2.889	-1.520.010
Closing balance as of 31 December 2019	-6.938.415	-469.655	-34.142	-7.442.212
Net book value as of 31 December 2019	37.983.414	959.431	52.316	38.995.161

9.2.4. If the current / fair value of intangible fixed assets is known, information about the fair value and the valuation report on which it is based:

None.

9.2.5. Information about agreements restricting the use or sale of intangible fixed assets or other restrictive provisions:

None.

9.2.6. If intangible fixed assets include goodwill items, information about the transactions leading to goodwill acquisition as of the financial statement periods which must be included in the prospectus:

Transactions that led to goodwill acquisition as of the financial statement periods which must be included in the prospectus are as follows.

The Company acquired 100% of Arma İlaç on 28.07.2021 and this transaction was booked by using the method of consolidating rights as per the principle decision of POA on the accounting of mergers of businesses under joint control.

	Main Field of Activity	Purchase Date	Share in the Capital Acquired	Amount Transferred (Cash) (TL)
Arma İlaç	Production of Veterinary Medicines	28.07.2021	100	92,000,000

The Company acquired 100% of the company Sunset on 9.06.2020 and booked this transaction by using the purchase method. When booking a transaction using the purchase method, the purchase value and the actual value of the purchased asset must be compared and the amount exceeding the actual value amount must be defined as goodwill.

	Main Field of Activity	Purchase Date	Share in the Capital Acquired	Amount Transferred (Cash) (TL)
Sunset Kimya	Wholesale and retail trade, production, import and export and domestic and international marketing of all kinds of agricultural pesticides	9.06.2020	100	65,000,000

The Company acquired 100% of the company AREO on 22.02.2019 and booked this transaction by using the purchasing method. When booking a transaction using the purchase method, the purchase value and the actual value of the purchased asset must be compared and the amount exceeding the actual value amount must be defined as goodwill.

	Main Field of Activity	Purchase Date	Share in the Capital Acquired	Amount Transferred (Cash) (TL)
Areo Tohum	all kinds of seed product and development activities and to set up green houses and specially equipped areas for this purpose	22 February 2019	100	25,150,000

10. EVALUATIONS REGARDING THE ACTIVITIES AND FINANCIAL SITUATION

10.1. Financial Situation:

10.1.1. The issuer's financial situation as of the financial statement periods that must be included in the prospectus, changes occurring on yearly basis in its financial situation and reasons for these changes:

The Company's financial statements (balance sheet) for the years 2019, 2020 and 2021 which have been independently audited as of the financial statement periods that must be included in the prospectus and the interim period financial statement covering the dates 01.01.2022- 30.06.2022, which have not been independently audited but which must be included in the prospectus are provided below:

FINANCIAL STATEMENT (BALANCE SHEET) (TL)	Independently Independent Audit 31.12.2019	Independently Independent Audit 31 December 2020	Independently Independent Audit 31.12.2021	Subjected to Limited Independent Audit 30.06.2022
CURRENT ASSETS	938.011.535	1.459.883.213	3.268.942.287	6.351.740.944
<i>Cash and cash equivalents</i>	176.954.772	70.222.264	96.691.275	699.701.878
<i>Financial Instruments</i>	-	-	-	10.789.631
<i>Derivative Instruments</i>	-	48.868.820	169.694.609	184.876.673
<i>Trade Receivables</i>	431.752.861	751.740.136	1.654.538.937	3.236.301.921
<i>Other Receivables</i>	533.428	22.024.438	3.547.176	1.015.422
<i>Inventories</i>	258.163.550	412.652.528	1.146.573.859	1.901.014.309
<i>Prepaid expenses</i>	26.343.723	121.646.087	107.967.422	161.764.267
<i>Current Tax Assets</i>	32.446.470	583.486	1.079.923	6.794

<i>Other Current Assets</i>	11.816.731	32.145.454	88.849.086	156.270.049
NON-CURRENT ASSETS	287.413.243	573.775.431	1.356.873.591	1.877.509.616
<i>Trade Receivables</i>	-	-	8.623.198	5.462.195
<i>Other Receivables</i>	163.162	446.428	836.074	1.445.660
<i>Real estate held for investment</i>	2.170.970	5.221.772	4.775.883	4.713.983
<i>Tangible Non-Current Assets</i>	197.432.408	393.352.539	1.038.724.957	1.327.667.399
<i>Usufruct Assets</i>	36.444.008	28.103.776	43.014.887	46.292.638
<i>Intangible Non-Current Assets</i>	49.317.083	116.704.435	208.944.129	339.604.691
<i>Prepaid expenses</i>	-	-	20.706.311	118.321.316
<i>Deferred Tax Assets</i>	1.885.612	29.946.481	31.248.152	34.001.734
TOTAL ASSETS	1.225.424.778	2.033.658.644	4.625.815.878	8.229.250.560
SHORT-TERM LIABILITIES	357.794.454	1.161.648.716	3.112.170.260	6.204.279.769
<i>Short-term borrowings</i>	249.257.102	894.459.973	2.210.061.295	5.374.770.910
<i>Trade Payables</i>	83.252.957	217.457.232	816.378.438	686.454.523
<i>Benefits Provided to Employees</i>	7.410.691	13.350.691	37.126.829	47.426.927
<i>Other Payables</i>	10.693.256	27.998.315	26.095.202	16.093.251
<i>Derivative Instruments</i>	-	485.728	10.935.886	-
<i>Deferred Incomes</i>	3.872.245	2.997.040	2.817.455	6.304.378
<i>Tax liability on the period's profit</i>	30.801	227.555	2.948.394	63.859.051
<i>Short-term Provisions</i>	3.277.402	4.672.182	5.806.761	9.370.729
LONG-TERM LIABILITIES	360.259.823	174.979.114	101.480.409	190.753.113
<i>Long-term borrowings</i>	344.867.162	157.447.473	61.213.837	65.621.341
<i>Other Payables</i>	-	-	-	63.393.912
<i>Long-term Provisions</i>	9.064.208	11.161.823	21.376.652	32.843.066
<i>Deferred Tax Liabilities</i>	6.328.453	6.369.818	18.889.920	28.894.794
EQUITY	507.370.501	697.030.814	1.412.165.209	1.834.217.678
<i>Paid-in Capital</i>	227.571.100	227.571.100	860.000.000	860.000.000
- Capital Attributable to Equity Holders of the Parent	227.571.100	227.571.100	860.000.000	860.000.000
- Minority Shares	-	-	-	-
<i>Effect of Mergers Involving Enterprises or Businesses under Joint Control</i>	-	-	-8.764.014	-19.852.274
<i>Premiums / Discounts Related to Shares</i>	2.256.362	2.256.362	5.203.762	5.203.762
<i>Other Accumulated, Comprehensive Incomes or Expenses</i>	-2.571.750	-2.871.565	-7.685.734	-14.345.000
<i>Not to be Reclassified under Profit or Loss</i>				
<i>Currency translation differences</i>				11.600.323
<i>Hedging Gains (Losses)</i>	-	8.541.316	16.381.837	13.787.766
<i>Restricted Reserves Set Aside from the Profit</i>	30.759.303	38.087.444	46.485.140	59.011.345
<i>Previous Years' Profits and Losses</i>	103.784.236	235.115.190	174.787.202	479.809.935
<i>Non-controlling Interests</i>	-	-	-	13.599.509
<i>Net profit of the period</i>	145.571.250	188.330.967	325.757.016	425.402.312
TOTAL LIABILITIES	1.225.424.778	2.033.658.644	4.625.815.878	8.229.250.560

Considering the financial statements (balance sheet) of the Company given above, it is observed that the total assets of the Company have increased significantly over the years. The Company's total assets increased by 66% between 2019-2020 and by 127% between 2020-2021.

On the other hand, it is observed that the assets in the interim financial statement prepared as of 30.06.2022 increased by 78% compared to 2021 yearend.

The increase in the Company's net operating capital resulting from the increases in the Company's sales and production over the years and the tangible and intangible fixed asset investments arising from the Company's organic and inorganic growth tendencies constitute the main reasons for this situation.

Cash and Cash Equivalents

It is observed that the company's assets comprised of cash and cash equivalents have been in an upward trend between 2019 and the first half of 2022. Despite the 60% decline in the cash and cash equivalents of 2020 compared to 2019, the cash and cash equivalents increased by 38% in 2021 compared to 2020 and finally, by 624% in the first half of 2022 compared to 2021.

The reason for the dramatic increase in cash and cash equivalents items as of the financial statement periods that must be included in the prospectus is the foreign currency deposits kept by the company in the forward foreign currency deposit accounts of banks against the currency risk. The Company positions itself against exchange rate risk generally through natural hedging methods, while also using derivative instruments at the same time.

Change in Trade Receivables and Inventories:

Trade receivables and inventories constitute a great majority of the Company's total assets. The balance sheet of 2019 demonstrates that 35%, 37%, 36% and 39% of its total assets were comprised of trade receivables in 2019, 2020, 2021 and finally in the first half of 2022 respectively, and 21%, 20%, 25%, 23% of them were comprised of inventories as of the same periods, respectively.

It is observed that the Company's trade receivables and inventories are increasing in an upward trend, in parallel with the increase in the sales and production volume every year. The trade receivables of the company increased by 74% compared to 2019 in 2020, by 120% compared to 2020 in 2021, and by 96% compared to 2021 in the first half of 2022. With respect to the increase in inventories, it is observed that the inventories of the company increased by 60% compared to 2019 in 2020, by 178% compared to 2020 in 2021, and by 66% compared to 2021 in the first half of 2022.

(i) Dramatic rise of the company's net sales

Upon reviewing the income statements provided in the section (10.2.1) of this Prospectus, it would be observed that the sales revenue of 2020 increased by 38% compared to the previous year, while the sales revenue of 2021 increased by 99% compared to 2020.

(ii) Distribution of the company's net sales homogeneously over all months of the year

As the company's product portfolio began to enrich and organomineral and slow release fertilizer products began to be produced and sold, in other words, the development of new business lines and products, resulted in the Company being capable of performing sales not just in certain periods, but in all periods of the year.

The active sales period used to be first half of the year before the final quarter of 2016; however, all periods of the year became an active sales period from the last quarter of 2016 to date. Therefore, although the company did not make any changes in sales maturities in terms of an increase, the trade receivable amount has been in an upward tendency due to the homogeneous distribution of its sales to the periods of the year.

(iii) Downsizing of supply sources of active ingredients and auxiliary substances

While the increase in the company's revenue brought along an increase in inventories as well, we could state that the nature of the sector where the Company is active particularly resulted in such a tendency.

The Company supplies the raw materials and auxiliary materials that it uses in the production of the products it produces from Far Eastern countries such as China and India. In these countries, supply sources may downsize due to various reasons, primarily regulations and there may even be the risk of unavailability of the raw material and auxiliary materials to be used in production.

In order to prevent the risks of missing the market demand due to inability to import raw materials and produce products on time as a result of supply shrinkage, the minimum stock level of key raw materials and auxiliary materials used in the production of many products is determined at a high level due to the increased sales and production volume.

(iv) Natural hedging against the increase in exchange rates and international commodity prices

Most of the raw material and auxiliary material stocks used in production are imported from abroad. In this regard, the Company faces exchange rate risk. Although certain derivative instruments are used for protection against exchange rate risk as mentioned in the section 5.1 of this prospectus, working with stocks is an option to provide natural hedging in the purchase of certain raw materials and auxiliary materials.

The decision to work with inventories is taken by comparing the cost of working with inventories and the negative impacts of the potential currency and price risks.

Change in Prepaid Expenses:

It is observed that the prepaid expenses item in the Company's current assets increased by 362% between 2019-2020, declined by 11% compared to 2020 in 2021 and finally increased by 50% in the first half of 2022. The prepaid expenses item includes the advance amounts paid to foreign suppliers for imported raw materials and auxiliary materials to be used in production operations and is transferred to the inventories item upon nationalization of the imported commodity.

Change in Tangible and Intangible Fixed Assets:

The tangible and intangible fixed asset investments of the company indicate that the tangible fixed assets increased by 100% between 2019-2021, by 136% between 2020-2021 and finally by 38% in the first half of 2022 compared to 2021 yearend.

The increase in the Company's tangible fixed assets results from the capacity-increasing maintenance and modernization investments made by the Company in all production facilities, as well as the investments made in the Bursa province, Orhangazi district.

The intangible non-current assets of the Company, on the other hand, increased by 137% between 2019-2020, 79% between 2020-2021 and 63% between 2021 and the first half of 2022. The increase in the intangible fixed assets on the other hand results from the booking of the rights resulting from new product licenses and registrations as intangible fixed assets and classification of the goodwill arising from the consolidation Ferbis, which is a 100% subsidiary of the Company, Areo Tohumculuk, which is a 100% subsidiary of the Company, Sunset Kimya, which is a 100% subsidiary of the Company, and Arma İlaç, which is a 100% subsidiary of the Company, under intangible fixed assets.

The company started to apply TFRS 16 Leases standard as of January 1, 2019. In addition, certain standard changes became effective as of 1 January 2019. However, these changes do not have a significant impact on the Group's financial statements. TFRS 16 introduces a single leasing accounting for lessees. As a lessee, the Group included the usufruct assets representing its right to

use the base asset and the leasing payables representing the rent payments the Company is liable to pay in its financial statements.

Change in Short and Long Term Liabilities:

The increase in the sales and production volumes of the company as of the financial statement periods that must be included in the Prospectus' brought along the increase in trade receivables and inventory items. In other words, as a result of the change in sales and production volume, the working capital requirement of the Company has increased. The Company's short and long term liabilities increased as a result of its need for working capital which increased over the years and the financing of its financial fixed asset investments and fixed asset investments made for purposes of capacity increase and modernization, with foreign resources.

It is observed that the Company's short-term liabilities increased by 225% between 2019-2020, 168% between 2020-2021, and finally by 99% compared to the 2021 yearend in the first half of 2022.

Change in Equity:

It is observed that the Company's equity is in a dramatic upward trend between 2019 and the first half of 2022. It is observed that the Company's equity increased by 37% between 2019-2020, 103% between 2020-2021, and finally by 30% compared to the 2021 yearend in the first half of 2022. The increase in the Company's equity results from the increase in the net profit of the period, thus the previous years' profits, and the capital increase in the amount of TL 400.000.000 made in 2021.

10.2. Operating results:

10.2.1. Information about the issuer's operating results as of financial statements which must be included in the prospectus:

The Company's financial statements for the years 2019, 2020 and 2021 which have been independently audited as of the financial statement periods that must be included in the prospectus and the interim period financial statements covering the dates 01.01.2021-30.06.2021 and 01.01.2022-30.06.2022, which must be included in the prospectus are provided below

INCOME STATEMENT (TL)	Subjected to Independent Audit 31.12.2019	Subjected to Independent Audit 31.12.2020	Subjected to Independent Audit 31.12.2021
<i>Revenue</i>	732.677.504	1.013.719.129	2.020.718.336
<i>Cost of Sales</i>	-419.081.256	-662.405.526	-1.312.393.367
GROSS PROFIT (LOSS)	313.596.248	351.313.603	708.324.969
<i>General Management Expenses</i>	-22.735.517	-40.972.229	-79.282.890
<i>Marketing Expenses</i>	-37.609.511	-50.758.497	-87.330.503
<i>Research and Development Expenses</i>	-11.528.751	-18.269.154	-31.274.904
<i>Other Incomes from Main Activities</i>	7.821.238	3.607.456	5.016.538
<i>Other Expenses from Main Activities</i>	-4.273.201	-5.854.150	-86.011.169
MAIN OPERATING PROFIT (LOSS)	245.270.506	239.067.029	429.442.041
<i>Incomes from Investment activities</i>	516.000	1.979.252	2.578.830
<i>Expenses from Investment activities</i>	-63.760	-386.217	-181.144
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	245.722.746	240.660.064	431.839.727
<i>Financing Incomes</i>	2.720.379	12.300.346	126.884.880
<i>Financing Expenses</i>	-103.056.817	-94.092.410	-224.394.384

PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	145.386.308	158.868.000	334.330.223
<i>Tax (Expense) Income from Continuing Operations</i>	<i>184.942</i>	<i>29.462.967</i>	<i>-8.573.207</i>
<i>Tax (Expense) Income of the Period</i>	<i>-171.539</i>	<i>-227.555</i>	<i>-4.438.104</i>
<i>Deferred Tax (Expense) Income</i>	<i>356.481</i>	<i>29.690.522</i>	<i>-4.135.103</i>
PROFIT (LOSS) OF THE PERIOD	145.571.250	188.330.967	325.757.016

INCOME STATEMENT (TL)	Subjected to Limited Independent Audit 30.06.2021	Subjected to Limited Independent Audit 30.06.2022
<i>Revenue</i>	897.721.406	2.530.419.764
<i>Cost of Sales</i>	-618.943.034	-1.491.777.249
GROSS PROFIT (LOSS)	278.778.372	1.038.642.515
<i>General Management Expenses</i>	-37.501.561	-74.406.614
<i>Marketing Expenses</i>	-36.171.388	-84.931.466
<i>Research and Development Expenses</i>	-14.770.277	-28.911.144
<i>Other Incomes from Main Activities</i>	3.389.990	21.476.003
<i>Other Expenses from Main Activities</i>	-35.770.450	-163.017.537
MAIN OPERATING PROFIT (LOSS)	157.954.686	708.851.757
<i>Incomes from Investment activities</i>	991.737	4.041.807
<i>Expenses from Investment activities</i>	-70.302	-435.758
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOMES (EXPENSES)	158.876.121	712.457.806
<i>Financing Incomes</i>	43.235.468	135.625.658
<i>Financing Expenses</i>	-102.508.912	-338.756.954
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	99.602.677	509.326.510
<i>Tax (Expense) Income from Continuing Operations</i>	<i>-1.140.509</i>	<i>-89.899.434</i>
<i>Tax (Expense) Income of the Period</i>	<i>-837.200</i>	<i>-100.025.210</i>
<i>Deferred Tax (Expense) Income</i>	<i>-303.309</i>	<i>10.125.776</i>
PROFIT (LOSS) OF THE PERIOD	98.462.168	419.427.076

It is observed that the sales revenue of 2020 increased by 38% compared to the previous year, while the sales revenue of 2021 increased by 99% compared to 2020. With respect to interim periods, it is observed that the sales revenue increased by 182% compared to the same period of the previous year in the first half of 2022.

As for gross sales profitability, the Company operated with gross profit margin of 43% in 2019, 35% in 2020 and 2021 and 41% in the first half of 2022. The gross sales profitability was 31% in the same period of the previous year.

The declining trend of the gross sales profitability and its return to the levels in 20219 in the first half of 2022 are parallel with the social and economic facts in the world and in our country. This transformation is mainly caused by the adverse situations created by the pandemic conditions that emerged in China in the last period of 2019 and affected the whole world. Our company supplies

most of the raw materials of the products it produces from China. The supply restrictions imposed in China and the supply problems that arose due to the pandemic have resulted in the necessity to supply these raw materials at high prices from some alternative countries. This naturally increased the cost of goods sold. In addition, special sales discounts were applied in order to ensure the continuity of agricultural supply under pandemic conditions, reduce the input costs of agricultural producers and due to aggressive competition conditions. On the other hand, globally increasing logistics costs have also increased the severity of this situation.

On the other hand, the Company's income statement of the first half of 2022 indicates that the company operates with a gross sales profitability of 41%. It would be observed that the gross sales profitability was realized as 31% due to the reasons mentioned above, in the same period of the previous year.

However, thanks to the decrease in the negative impact of the pandemic on commodity and logistics costs in 2022, the cost of goods sold began to decrease. In addition, the increasing sales volume and the increase in product prices in the domestic market resulted in 41% gross sales profitability in the first half of 2022.

In the light of the Company's operating expenses, the Company's general management expenses increased by 80% between 2019-2020 and by 94% between 2020-2021. With respect to interim periods, it is observed that the general management expenses increased by 98% compared to the same period of the previous year in the first half of 2022.

Marketing, sales and distribution expenses, on the other hand, increased by 35% between 2019 and 2020 and 72% between 2020 and 2021. With respect to interim periods, it is observed that the marketing, sales and distribution expenses increased by 135% compared to the same period of the previous year in the first half of 2022.

Marketing expenses increased as a result of the enrichment of the sales team, trade marketing activities and loyalty¹⁵ applications, as well as other miscellaneous marketing activities, due to the increase in the sales volume. On the other hand, there has also been an increase in the central purchasing and accounting operations, new head office staff allocations and general management expenses, as the business volume increased. Additionally, the improvements made in personnel remuneration are also among the significant reasons increasing the operating expenses.

In terms of operating profitability, it is observed that the operating profit of 2020 declined by 3% compared to the previous year, whereas the operating profit of 2021 increased by 80% compared to the previous period. With respect to interim periods, it is observed that the operating profit increased by 349% compared to the same period of the previous year in the first half of 2022. This situation results from the 182% increase in the sales revenue in the first half of 2022 compared to the same period of the previous year, while the gross sales profitability rate reached 42%.

In terms of financing expenses, on the other hand, it is observed that the Company's financing expenses declined by 9% between 2019 and 2020, whereas they increased by 138% between 2020 and 2021. With respect to interim periods, it is observed that the financing expenses increased by 243% compared to the same period of the previous year in the first half of 2022. The need for net operating capital and the need for high financing caused by inorganic growths also had an increasing impact on financing expenses as of periods.

¹⁵ Loyalty applications are activities conducted in order to enhance the Company's brand perception for the channel or directly for end consumers and to ensure the sustainability of the demand for products, within the scope of its commercial marketing activities. It includes activities such as points and gifts program, client club, and travel organizations.

It is observed that the net period profit of the company increased by 29% between the years 2019-2020 and the net period profit increased by 73% between the years 2020-2021. On the other hand, with respect to interim periods, it is observed that the net profit of the period increased by 326% compared to the same period of the previous year in the first half of 2022. The gross profitability rate that increased in the first half of 2022 and the effectiveness of the operational activities are the main reasons for the increase in the net profit of the period.

10.2.2. Explanations about significant changes occurring in net sales or incomes and reasons for these changes

As the company's product portfolio began to enrich and organomineral and slow release fertilizer products began to be produced and sold, in other words, the development of new business lines and products, resulted in the Company being capable of performing sales not just in certain periods, but in all periods of the year.

The active sales period used to be first half of the year before the final quarter of 2016; however, all periods of the year became an active sales period from the last quarter of 2016 to date. Therefore, although the company did not make any changes in sales maturities in terms of an increase, the trade receivable amount has been in an upward tendency due to the homogeneous distribution of its sales to the periods of the year.

10.2.3. Information about the public, economic, financial or monetary policies which have significantly affected or may affect the issuer's activities directly or indirectly as of the financial statement period that must be included in the prospectus:

The price of raw material and other technical materials used in the Company's production activities increased due to the extreme volatility of foreign exchange rates. Almost 90% of the Company's production costs are comprised of raw material and auxiliary material costs and the increase in exchange rates affected the Company's production cost. However, as we stated in this Prospectus, thanks to the natural hedge and working with inventory methods used as protection against changes in the foreign exchange rates as well as shrinkage of supply resources, the effect of the increase in commodity prices on the costs was limited.

On the other hand, the public banks imposed particularly on active ingredient usages gave rise to the risk of removing products from the product portfolio. However, this situation was prevented through new product development and equivalent product discovery efforts.

10.3. Issuer's indebtedness status

The Company's indebtedness status for the interim period 30.06.2022, which is the last financial statement period that must be included in the prospectus, is as follows.

Indebtedness Status (30.06.2022)	Amount (TL)
Short-term Liabilities	6.204.279.769
Long-term liabilities (excluding short-term parts of long-term liabilities)	190.753.113
Guaranteed	-
Secured	-
Not Guaranteed/Secured	-
Total Short- and Long-Term Liabilities	6.395.032.882
Equity	1.834.217.678

Paid-in/issued capital	860.000.000
Legal Reserves	59.011.345
Other reserves	0
TOTAL LIABILITIES	8.229.250.560
Net indebtedness status	Tutar (TL)
A. Cash	699.701.878
B. Cash Equivalents	
C. Financial Assets Held For Trading	10.789.631
D. Liquidity (a+b+ c)	710.491.509
E. Short-term Financial Receivables	0
F. Short-term Bank Loans	5.374.770.910
G. Short-term Part of Long-term Bank Loans	0
H. Other Short-term Financial Payables	0
I. Short-term Financial Payables (F+G+H)	5.374.770.910
J. Short-term Net Financial Indebtedness (I-E-D)	4.664.279.401
K. Long-term Bank Loans	65.621.341
L. Bonds	0
M. Other Long-term Loans	0
N. Long-term Financial Indebtedness (K+L+M)	65.621.341
O. Net Financial Indebtedness (J+N)	4.729.900.742

There is no change in the information in question after the date of the last financial statement.

11. FUND RESOURCES OF THE ISSUER

11.1. Working capital statement:

The Company's gross and net working capital is shown in the following table for each year. The Company does not have working capital deficit and has sufficient working capital for a period of at least 12 months. In this respect, there is no risk of failure of the enterprise to fulfill its due obligations.

(TL)	31.12.2019	31 December 2020	31.12.2021	30.06.2022
Current Assets	938.011.535	1.459.883.213	3.268.942.287	6.351.740.944
Short-term Liabilities	357.794.454	1.161.648.716	3.112.170.260	6.204.279.769
Net Working Capital	580.217.081	298.234.497	156.772.027	147.461.175

**Net working capital (Current Assets - Short Term Liabilities)*

12. TREND INFORMATION

12.1. Information on the latest important trends in production, sales, inventories, costs and selling prices:

Production activities

The company carries out its production activities in plant protection production facilities in Kocaeli and in Organomineral production facilities in Adana. Furthermore, plant protection products are produced in the plant protection production facilities in Niğde by Ferbis, which is a 100% subsidiary. In addition, veterinary medicines are produced in the production facilities in Ankara/Sincan of Arma İlaç, which is a 100% subsidiary of the Company and is engaged in the production of veterinary medicines.

Gebze Production Facility

Plant protection products, plant nutrition products, disinfectants and biocidal products are produced at the Company's production facility located in Gebze/Kocaeli. It has a total area of around 75.000 m², approximately 45.000 m² of which is open and 30.000 m² of which is closed. The company's production facility carries out production activities at the Industry 4.016 standard. The production facility has ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 27001:2013 certificates, and all legal regulations are followed and accredited within the framework of respective standards.

The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the Prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Gebze	63%	77%	136%

Gebze Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Technical Substance	3.644.146	4.741.714	4.889.992
Liquid Form	4.972.148	6.419.964	6.430.690
Herbicide Liquid Form	1.474.478	1.741.758	2.747.142
Powder Form	4.308.511	4.896.329	6.791.735
Grand Total	14.399.282	17.799.764	20.859.559

The table above indicates the annual production quantities at the company's production facility in Gebze in 2019, 2020 and 2021. The total production quantity in the Company's Gebze production facilities in 2020 was 17.799.764 kg and the production quantity increased by 24% compared to the same period of the previous year. The production quantity in 2021 was 20.859.559 kg and the production quantity increased by 17% compared to the same period of the previous year. The following table shows the production quantities Gebze production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Gebze Production Facility	Realized Production (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Technical Substance	1.568.704	2.106.092	3.061.050
Liquid Form	3.165.197	3.827.370	3.773.453
Herbicide Liquid Form	838.137	1.518.488	1.660.355

¹⁶ Industry 4.0: Industry 4.0, which is synonymous with smart production, is a collective system that includes many contemporary automation systems, data exchanges and production technologies.

Solid Form	2.034.434	3.059.264	3.798.233
Grand Total	7.606.472	10.511.214	12.293.091

The total production quantity in the Company's Gebze production facilities in the first half of 2021 was 10.511.214 kg and the production quantity increased by 38% compared to the same period of the previous year. The production quantity in 2022 was 12.293.091 kg and the production quantity increased by 17% compared to the same period of the previous year.

Ferbis Production Facility

Ferbis Production Facility is located at the address Organize Sanayi Bölgesi Mah. 2 B No' lu Yol Cad. No:6 Bor / Niğde and is engaged in the production of plant protection and plant nutrition products. It has a total area of around 25.000 m², approximately 14.000 m² of which is open and 11.000 m² of which is closed. The production facility has ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates and all legal regulations are adhered to and accreditation is received in line with the standards. The Company's capacity utilization rates and production quantities as of the periods of financial statements that must be included in the Prospectus are provided in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Niğde	86%	104%	112%

Niğde Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Technical Substance	1.366.690	1.389.701	2.636.320
Liquid Form	642.629	1.518.061	2.276.908
Herbicide Liquid Form	2.352.681	2.367.272	3.874.718
Powder Form	161.001	205.966	0
Grand Total	4.523.001	5.481.000	8.787.946

The table above indicates the annual production quantities at the company's production facility in Niğde in 2019, 2020 and 2021. The production quantity in the Company's Niğde production facilities in 2020 was 5.481.000 kg and the production quantity increased by 21% compared to the same period of the previous year. The production quantity in 2021 was 8.787.946 kg and the production quantity increased by 60% compared to the same period of the previous year. The following table shows the production quantities in the Niğde production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Niğde Production Facility	Realized Production (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Technical Substance	681.025	1.145.060	1.335.166
Liquid Form	673.018	1.305.476	1.249.644
Herbicide Liquid Form	1.167.652	1.905.603	1.890.101
Solid Form	112.779	13.800	204.488
Grand Total	2.634.474	4.369.939	4.679.399

The production quantity in the Company's Niğde production facilities in the first half of 2021 was 4.369.939 kg and the production quantity increased by 66% compared to the same period of the previous year. The production quantity in the first half of 2022 was 4.369.399 kg and the production quantity increased by 7% compared to the same period of the previous year.

Adana Production Facility

The Company has been operating in the field of organomineral fertilizer production at the address Acıdere OSB Mahallesi 5 Ocak Caddesi No:6 Sarıçam / Adana since 2017. It has a total area of around 53.000 m², approximately 23.000 m² of which is open and 30.000 m² of which is closed.

The organomineral fertilizer, which is known as the new generation fertilizer, is a type of fertilizer developed to enrich the agricultural lands whose productivity has decreased due to unconscious agricultural practices and to return the minerals needed by the products grown to the soil. The production facility has ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certificates, and all legal regulations are followed and accredited within the framework of respective standards. The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Adana	87%	93%	74%

Adana Production Facility	Production Quantities (Kg/Liter) - ANNUAL		
Nature of Production	2019	2020	2021
Organomineral Fertilizer Semi-finished	5.225.125	12.966.819	1.858.632
Organomineral Fertilizer Finished	26.065.175	65.123.067	71.790.150
Grand Total	31.290.300	78.089.886	73.648.782

The table above indicates the annual production quantities at the company's production facility in Adana in 2019, 2020 and 2021. The production quantity in the Company's Adana production facilities in 2020 was 78.089.886 kg and the production quantity increased by 150% compared to the same period of the previous year. The production quantity in 2021 was 73.648.782 kg and the production quantity declined by 6% compared to the same period of the previous year. As it can be seen in the table, the decline results from the production quantity of Organomineral Semi-finished Products. Due to the use of the semi-finished product inventories of the previous period (2020), the production of semi-finished products of 2021 was less than the production in the same period of the previous year. The following table shows the production quantities of Adana production facilities for 01 January - 30 June in 2020, 2021 and 2022.

Adana Production Facility	Production Quantities (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Organomineral Fertilizer	32.941.600	46.170.518	40.645.925

The production quantity in the Company's Adana production facilities in the first half of 2021 was 46.170.518 kg and the production quantity increased by 40% compared to the same period of the previous year. The production quantity in the first half of 2022 was 40.645.925 kg and the production quantity declined by 12% compared to the same period of the previous year.

Arma Production Facility

Arma production facility is located at the address Malıköy Başkent O.S.B. Mahallesi, Atatürk Bulvarı, No: 69 P.K. 06909, Sincan/ANKARA and operates in the field of production of veterinary medicines. It has a total area of around 3,600 m2, approximately 1,600 m2 of which is open and 2,000 m2 of which is closed.

It is one of the 30 facilities that received GMP certificate from the Ministry of Agriculture and Forestry in Turkey. In the modernized production facility, there are 3 GMP certified lines and 28 GMP certified drug types. The production facility has ISO 9001:2015, ISO 14001:2015 and GMP certificates, and all legal regulations are followed and accredited within the framework of respective standards. The Company's capacity utilization rates and production quantities as of the financial statement periods that must be included in the Prospectus are shown in the following tables.

Capacity Utilization Rate			
Production Facility	2019	2020	2021
Ankara	-	-	22%

As stated in the section 6.2.1 of the prospectus, no production activities were carried out in 2019 and 2020, since Arma İlaç was acquired in 2021. Since production was carried out in the last quarter of 2021, the capacity utilization rate does not cover the whole year.

Arma Production Facility	Production Quantity (BOX/PIECE) - ANNUA		
Nature of Production	2019	2020	2021
Betalactam Vial	-	-	160.674
Betalactam Powder	-	-	319.110
Sterile Vial	-	-	1.435.120
Tablet	-	-	376.624
Grand Total	-	-	2.291.528

Ankara Production Facility	Production Quantity (Number) (01 January-30 June)		
Nature of Production	2020	2021	2022
Betalactam Vial	-	-	267.231
Betalactam Powder	-	-	14.940
Sterile Vial	-	-	598.001
Tablet	-	-	413.682
Grand Total	-	-	1.293.854

Sales activities

The Company's sales by product category in each financial statement period that must be included in the prospectus are as follows.

Annual comparison of sales by product category

Fields of Activity (Net Sales)-TL	2019	%	2020	%	2021	%
Plant Protection	609.113.381	83,14%	808.215.242	79,73%	1.274.992.534	63,10%
Plant Nutrition (Fertilizer)	103.350.317	14,11%	177.333.151	17,49%	692.952.914	34,29%
Animal Health	17.869.537	2,44%	26.057.779	2,57%	51.707.050	2,56%
Seed	2.344.268	0,32%	2.112.958	0,21%	1.065.838	0,05%
Grand Total	732.677.504	100,00%	1.013.719.129	100,00%	2.020.718.336	100,00%

Comparison of sales by product category as of six-month interim periods

Fields of Activity (Net Sales)-TL	2021/6	%	2022/6	%
Plant Protection	625.532.276	69,68%	1.625.541.656	64,24%
Plant Nutrition (Fertilizer)	258.633.537	28,81%	831.242.892	32,85%
Animal Health	12.119.239	1,35%	72.623.047	2,87%
Seed	1.436.354	0,16%	759.126	0,03%
Grand Total	897.721.406	100,00%	2.530.166.722	100,00%

Inventories

The Company's inventories pertaining to the period ending 31.12.2021 and the last interim period are provided in the following table. Particularly the increase in the raw materials and supplies inventories is a natural protection implemented by the Company against the high volatility in exchange rates, as specified in the section (5.1) of the Prospectus. Since the Company purchases more than 80% of its raw materials in foreign currency, it ensures a natural protection for itself through early purchases against the volatility in exchange rates.

On the other hand, as mentioned in the section (5.1) of the Prospectus, the Company operates with high level of inventories regarding raw materials in order to maintain raw materials ready for production at all times in accordance with its sales plans despite reductions in supply and international price fluctuations.

Gross profitability and costs

As mentioned in the section (10.2.1) of the Prospectus, the Company operated with gross profit margin of 43% in 2019, 35% in 2020 and 2021 and 41% in the first half of 2022. The gross sales profitability was 31% in the same period of the previous year.

The declining trend of the gross sales profitability and its return to the levels in 20219 in the first half of 2022 are parallel with the social and economic facts in the world and in our country. This transformation is mainly caused by the adverse situations created by the pandemic conditions that emerged in China in the last period of 2019 and affected the whole world. Our company supplies most of the raw materials of the products it produces from China. The supply restrictions imposed in China and the supply problems that arose due to the pandemic have resulted in the necessity to supply these raw materials at high prices from some alternative countries. This naturally increased the cost of goods sold. In addition, special sales discounts were applied in order to ensure the continuity of agricultural supply under pandemic conditions, reduce the input costs of agricultural

producers and due to aggressive competition conditions. On the other hand, globally increasing logistics costs have also increased the severity of this situation.

On the other hand, the Company's income statement of the first half of 2022 indicates that the company operates with a gross sales profitability of 41%. It would be observed that the gross sales profitability was realized as 31% due to the reasons mentioned above, in the same period of the previous year.

However, thanks to the decrease in the negative impact of the pandemic on commodity and logistics costs in 2022, the cost of goods sold began to decrease. In addition, the increasing sales volume and the increase in product prices in the domestic market resulted in 41% gross sales profitability in the first half of 2022.

12.2. Information about trends, uncertainties, demands, commitments or events that could significantly affect the issuer's expectations:

Agricultural production data:

Agricultural Products Producer Price Index (PPI) increased 12.51 percent in December 2021 compared to the previous month and increased by 36.39 percent compared to the same month of the previous year.

Those demonstrating an decrease in production compared to the previous year:

In terms of production quantities, grains and other herbal products decreased by 13.4% in 2021 compared to the previous year;

Those demonstrating an increase in production compared to the previous year:

An increase of 1.8% was observed in vegetables and 5.4% in fruits, beverage and spice plants. Accordingly, the realized production quantities were approximately 61.7 million tons for grains and other crops, 31.8 million tons for vegetables and 24.9 million tons for fruits, beverages and spice crops in 2021.

Those whose production amount decreased compared to the previous year:

Cereal production volumes decreased by 14.3% in 2021 compared to the previous year and amounted to approximately 31.9 million tons.

Compared to the previous year, wheat production decreased by 13.9% to approximately 17.7 million tons, barley production decreased by 30.7% to approximately 5.8 million tons, rye production decreased by 32.4% to 200 thousand tons, oat production decreased by 12% to 276 thousand tons, while grain corn increased by 3.8% to approximately 6.8 million tons.

The production quantity of vegetable products increased by 1.8% in 2021 compared to the previous year, reaching approximately 31.8 million tons.

Tuber and root vegetables, one of the subgroups of vegetable products, increased by 6.9%. Onion production in this group increased by 9.6% while dried garlic production increased by 13.5%.

Production amount of fruits, beverage and spice plants increased by 5.4% in 2021 compared to the previous year and amounted to approximately 24.9 million tons. Considering the production amounts of important products among fruits, apricots, grapes and cherries decreased by 4%, 12.8% and 4.8% respectively, while apples, strawberries and olives increased by 4.5%, 22.4% and 32.1% respectively. The amount of ornamental plants production increased by 2.9% in 2021 compared to the previous year.

The annual GDP obtained with the total of four periods by production method increased by 11.0% in 2021 compared to the previous year, in terms of chained volume index (2009=100). The GDP at current prices by production method reached 7 trillion 209 billion 40 million TL in 2021 with an increase of 42.8% compared to the previous year. Considering the activities constituting the GDP, the agricultural sector as chained volume index decreased by 2.2% in 2021 compared to the previous year.

Exports of herbal products:

According to the Digital Data Panel prepared by Agrimetre¹⁷, based on the Foreign Trade Data announced by the Turkish Statistical Institute; 2 billion USD exports and 1.7 billion USD imports were realized in January 2022, in the agriculture, food and beverage sector. Prominent products in exportation in the first month of 2022 are;

Hazelnuts (0.12 billion USD), Flour (0.11 billion USD) and Refined Sunflower Oil (0.07 billion USD). These products constitute approximately 14.6% of total exports.

According to the foreign trade data of January 2022 by sector, Fresh Fruits (197 million USD), Sugar and Sugary Products (182 million USD), Vegetable Oil (165 million USD) and Fisheries and Aquaculture (140 million USD) sectors are listed as the sectors that export the most products. The most imported products in January 2022 are wheat (0.22 billion USD), Soybean (0.17 billion USD) and Crude Sunflower Oil (0.17 billion USD) respectively.

Supports:

The Presidency announced that in 2021, 24 billion TL support was provided to the agricultural sector in order to strengthen agricultural production, 2.3 billion TL was given to 4,850 projects within the scope of the IPARD EU Rural Development Grant Program, thus 3.3 billion TL investment and 8.750 employment were provided, and 2,460 projects were provided with a grant of 645 million TL, while employment was provided to 12 thousand 500 people to support rural development.

According to the decree published in the Official Gazette, for 2021, support payment including fuel and fertilizer support will be made in the amount of 42 TL for wheat, barley, rye, oats and triticale; 76 TL for paddy, seed cotton; 32 TL for chickpeas, white beans and lentils; 28 TL for canola and safflower, 38 TL for potato and soybean, 37 TL for oil sunflower, 35 TL for grain corn, 27 TL for onion and fodder plants, 26 TL for fresh tea and hazelnuts, 25 TL for olives and other products, and 8 TL for fallow. In 2021, 860 thousand tons of fresh tea was purchased and 3.4 billion TL was paid to the producers. Within the scope of drought support, 2.6 billion TL drought support was given to farmers by the state. 50% grant support began to be provided to a group of more than 74 machinery and equipment.

In addition, it was announced that the support to beet farmers was increased in the 2022 production period. In this respect, the advance price of 16 polar beets was determined as 1000 TL/Ton with an increase of 138% compared to the previous year, and for each ton of beets, pulp fee of 50 TL/Ton, quota completion premium of 50 TL/ton, 4 cash advances in the production and harvest period, cash advances of

50 TL/Ton with a 178% increase compared to the previous year and wet beet pulp of 20% has been determined with an increase of 3%.

¹⁷ Agrimetre, an internet-backed database reporting the production, trade and market data in the field of food and agriculture: www.agrimetre.com

According to the decree published in the Official Gazette, the support for 2022 certified seed use, which was 16 TL per decare for barley, wheat, rye, triticale, oats and paddy, has been determined as 24 TL with an increase of 50%. With the latest regulation, the payment of certified seed support in 2022 has also been ensured.

Thus, wheat, barley, rye, oat and triticale producers will be paid a total of 116 TL per decare, with diesel fuel, fertilizer, certified seeds and an additional 50 TL input support in 2022.

Agricultural support payments for the year 2022 have been deposited into the accounts of the farmers within the scope of agricultural support payments made to farmers every year. Accordingly,

- 188 million 486 thousand 279 TL was paid for tea premium support,
 - Approximately 89 million 90 thousand TL was paid as cereals, legumes and grain corn support,
 - 11 million 722 thousand TL was paid to beneficiaries for biological control support,
 - 1 million 921 thousand 955 TL was paid for animal gene rights support.
- Irrigation facilities in agricultural areas with completed dams and ponds will be completed rapidly and contributed to the national economy.
- It is aimed to irrigate 830 thousand hectares of land with modern systems and to provide an annual income increase of 41 billion TL for producers.
- It is aimed to rapidly increase the share of electricity obtained from the sun in irrigation activities with financing facilities.

Climate and its impacts:

Precipitation in the first quarter of 2022 was above the normal and above the precipitation of the same period last year. It was observed that precipitation increased by more than 40% throughout Northern Aegean and Thrace regions and the regions surrounding Izmir, whereas it decreased by more than 40% in places around Konya, Eskişehir, Çankırı, Çorum, Amasya, Kastamonu, Gümüşhane, Bayburt, Şanlıurfa, Mardin and Artvin. In the first three months of 2022, Antalya received the most precipitation with 621 mm, while Iğdır received the least precipitation with 50 mm. The highest decrease in precipitation compared to normals occurred in Mardin with 47%.

232.9 mm of precipitation was recorded across the country in the first three months. In winter, precipitation increased by 13% compared to normals (1991-2020 normal precipitation was 205.3 mm), and by 36% compared to the precipitation of the same period last year (the precipitation of winter 2021 was 171.4 mm). There was an increase in regional precipitation in all regions, except for the Eastern and Southeastern Anatolia regions. The highest decrease has been observed in the Southeastern Anatolia Region with 34%.

Marmara Region: The region's precipitation in the first three months of 2022 is 299.6 mm, while its normal precipitation is 237.8 mm and precipitation of the same period last year was 281.8 mm. There was an increase of 26% in precipitation compared to the seasonal normals and 6% compared to the seasonal precipitation last year. The province with the highest rainfall in the Marmara Region was Kocaeli with 344.5 mm, and the province with the least precipitation was Bilecik with 188.9 mm. While the average temperatures were above the seasonal normals in the Thrace part of the region, they were around the seasonal normals in other parts of the region. The lowest temperature of the region was -9.3 °C in Bilecik and the highest temperature was 24.5 °C in Kocaeli.

Aegean Region: The region's precipitation in the first three months of 2022 is 285.3 mm, while its normal precipitation is 257.5 mm and precipitation of the same period last year was 241.4 mm. There

was an 11% increase in precipitation compared to the seasonal normal and an 18% increase compared to the seasonal precipitation last year. The province with the highest precipitation in the Aegean Region was Muğla with 616.2 mm, while the province with the least precipitation was Afyonkarahisar with 162.5 mm.

Mediterranean Region: The region's precipitation in winter 2022 is 430.0 mm, while its normal precipitation is 317.9 mm and precipitation of the same period last year was 262.9 mm. There was an 35% increase in precipitation compared to the seasonal normal and an 64% increase compared to the seasonal precipitation last year. The province with the highest precipitation in the Mediterranean Region was Antalya with 621.1 mm, while the province with the least precipitation was Kahramanmaraş with 250.6 mm.

Central Anatolia Region: The region's water/agricultural year average precipitation for the first three months was 46.53 mm, the normal precipitation is 39.9 mm, and precipitation of the 2021 water/agricultural year period is 29.1 mm. There was a 16% increase in precipitation compared to normal, an increase of 59% compared to the 2021 water/agricultural year precipitation. The average temperature of the first three months of 2022 is 0,03 degrees while the normal temperature is 1.93 degrees.

Black Sea Region: The region's water/agricultural year average precipitation for the first three months was 85.3 mm, the normal precipitation is 60.8 mm, and precipitation of the 2021 water/agricultural year period is 80.4 mm. There was a 40% increase in precipitation compared to normal, and an increase of 6% compared to the 2021 water/agricultural year precipitation. In the last 3 months of 2021, the temperatures in the Black Sea part of the region were at seasonal normals,, while the temperatures in the rest of the region were dry and above seasonal normals. Precipitation in the form of snow and rain, which were locally effective in the last month of the year, contributed positively to agricultural production, albeit to some extent. The precipitation continued in the first 3 months of 2022 as well. The average temperature of the first three months of 2022 is 11,2 degrees while the normal temperature is 4.6 degrees.

Southeast and East Anatolia Regions: The Southeast region's precipitation in the first three months of 2022 is 162.4 mm, while its normal precipitation is 246.1 mm and precipitation of the same period last year was 179.0 mm. There was an 34% decrease in precipitation compared to the seasonal normal and a 9% decrease compared to the seasonal precipitation last year. The province with the highest precipitation in the Southeast Anatolia Region was Adıyaman with 257.8 mm, while the province with the least precipitation was Şanlıurfa with 113.5 mm.

Çukurova Region: In the first 3 months of 2022, the temperature in the region was well below the seasonal norms, and the frost, hail and day and night temperature differences experienced in the last week of March damaged some crops planted in the land.

Developments in agriculture:

The IPARD III Program to be implemented between 2021 and 2027 has been accepted pursuant to the decision taken by the European Commission. The IPARD III Program, prepared by the Ministry of Agriculture and Forestry General Directorate of Agricultural Reform as the Managing Authority, will remain in effect for the next 7 (+3) years. In the IPARD III Program, for which a fund of 430 million Euros has been allocated by the European Commission, the amount of grant to be distributed to the beneficiaries in return for the project will be approximately 555 million Euros, with the addition of the national contribution. It is expected that the total amount of investment to be brought to the economy will exceed 1 billion Euros.

Regional Developments In Terms of Crops

Mediterranean Region:

Product prices in January are as follows: one tomato: 4-5 TL, cherry tomatoes 6-7 TL, banana pepper: 13-15 TL, green pepper: 13-16 TL, red pepper: 12 TL, bell pepper 15 TL, cucumbers: 10-12 TL, eggplants: 15 TL. Warehouse sales prices were between 5-6 TL. In January, banana prices on the Gazipaşa-Alanya-Manavgat line were lower than in previous years. Banana prices were around 4-5 kg/TL. Aubergine price was 13-15 Kg/TL and cucumber price was 6-8 Kg/TL.

It was observed that crop prices on the Antalya Coastal line continued their high course throughout February. Tomato prices increased to 12 – 16 TL / Kg, pepper prices increased to 16 – 20 TL / Kg, and eggplants' average price climbed to 15 – 25 TL / Kg. Banana prices in Gazipaşa and Alanya Districts of Antalya varied between 4.50- 5.00 TL/Kg in February. Vegetable harvests continued on the Antalya coastline in March. Market conditions changed between 18-20 TL for tomatoes and between 20-40 TL for pepper groups depending on the variety. The price of cucumbers and almonds was 7-8 TL, the price of regular cucumbers was 9 TL, and the price of eggplants reached 18-20 TL. With respect to fruits, the price of bananas increased by 5-6 TL at the beginning of March and by 8-9 TL in the last part of the month. The reason for this increase in bananas is that the harvest rate has now reached 75-80%. As for citrus fruits, the price of high quality oranges was around 3.5-4 TL on the days when the harvest was almost complete.

Southeast Anatolia Region:

For cereals, prices are 5.75 - 6,25 TL/kg for hard wheat, 5- 5,5 TL/kg for bread wheat, 13 - 15 TL/kg for lentils, 13.52 TL/kg for chickpeas, 4,75- 5,20 TL/kg for barley and 5- 5,25 TL/kg for corn. Product prices for cotton remaining in stocks were realized in the range of 20- 22 TL/kg depending on the yield. The prices of dried apricots remaining in stocks in Malatya ranged between 40-55 TL/kg. The figures stand for the lowest and highest levels in the last 3-month period.

Çukurova Region:

Prices of products are as follows: peppers: 12 TL/kg, tomatoes: 9 TL/kg, tangerines: 3TL/kg, lettuce: 6TL/each, cucumbers: 6 TL/ kg, eggplants: 9TL/kg, onions: 2 TL /kg, Enter lemons: 2,5 TL/kg.

Marmara Region:

Prices of products are as follows: wheat: between 3.88 and 5.35 TL/kg, Barley: between 3 and 4.53 TL/kg, Sunflower: between 9.1– 16.47 TL/kg. The tomato purchase contract prices of the tomato paste factories in the region ranged between 1600-1650 TL/Tons.

13. PROFIT FORECAST AND EXPECTATIONS

13.1. Issuer's profit expectations and profit forecasts for the current or following fiscal periods:

None.

13.2. Assumptions constituting the basis of the issuer's profit forecasts and expectations:

None.

13.3. Independent assurance report on profit forecasts and expectations:

None.

13.4. Statement regarding the preparation of profit forecast or expectations in a manner comparable with previous financial information:

None.

Name Surname/ Trade Name	Position	Beginning of the Term of Office/Remaining Term	Positions Held in the Company in the Last 5 Years	Capital	
				TL	Rate%
OMSAN LOJİSTİK ANONİM ŞİRKETİ (<i>Represented by: MUSA LEVENT ORTAKÇIER</i>)	Chairman of the Board of Directors	08.04.2020 - 10 Months	Chairman of the Board of Directors/Deputy Chairman of the Board of Directors	-	-
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by: BARAN ÇELİK</i>)	Vice Chairman of the Board of Directors	08.04.2020 - 10 Months	Chairman of the Board of Directors/Deputy Chairman of the Board of Directors	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	Board of Directors Member	08.04.2020 - 10 Months	Chairman of the Board of Directors/Member of the Board of Directors	-	-
OYAK PAZARLAMA HİZMET VE TURİZM ANONİM ŞİRKETİ (<i>Represented by: ARİF ÇETİNKAYA</i>)	Board of Directors Member	08.04.2020 - 10 Months	Board of Directors Member	-	-
OYAK DENİZCİLİK VE LIMAN İŞLETMELERİ ANONİM ŞİRKETİ (<i>Represented by: Okan SİVRİ</i>)	Board of Directors Member	08.04.2020 - 10 Months	Board of Directors Member	-	-
KADRİ ÖZGÜNEŞ	Independent Member	06.04.2022 - 10 Months	Independent Board of Directors Member	-	-
KAMİL DERECE	Independent Member	06.04.2022 - 10 Months	Independent Board of Directors Member	-	-
BÜLENT ŞAMİL YETİŞ	Independent Member	06.04.2022 - 10 Months	Independent Board of Directors Member	-	-

In the article 12 titled “Duration of the Board of Directors” of the Company’s articles of association, it is stated that ***“Independent board of directors members are elected for one year, while other board members are elected for three years.”***

During the Ordinary General Assembly Meeting of the Company held on 31 March 2020, the Board of Directors Members specified above were elected by majority of the votes for 3 years to hold office until the General Assembly of 2022 to be held in 2023.

On the other hand, during the Ordinary General Assembly Meeting of 2021 held on 01.04.2022, the aforementioned Independent Board of Directors Membership were elected by majority of the votes for a 1-year period.

14.2.2. Information about the personnel who have authority in the Company's management:

Name Surname	Position	Positions Held in the Company in the Last 5 Years	Capital	
			TL	Rate%
HAKKI ZAFER TERZİOĞLU	General Manager	General Manager, Strategy and Marketing Director	-	-
ENİS EMRE TERZİ	Finance Director	-	-	-
CELAL MADAZLI	Technical Director	Technical Director, Technical Assistant General Manager	-	-
ÇİĞDEM KARAKUŞ	Human Resources Director	Human Resources Director, Human Resources Manager	-	-
MURAT SONAY AKARSU	Sales Director	Sales Director, Central Anatolia Regional Manager	-	-
HÜSEYİN ÇİMEN	Strategy and Corporate Monitoring Director	Strategy and Corporate Monitoring Director, Budget and Corporate Monitoring Director, Internal Audit Manager	-	-
MEHMET DERİN	R&D Director	R&D Director, Strategy and Marketing Consultant	-	-
SELDA KILIÇ	Marketing Director	Marketing Director, Commercial Marketing Manager	-	-
ÜNAL UYSAL	Information Technologies Director	Information Technologies Director, Information Technologies Manager	-	-

14.2.3. Information about the issuer's founders, if the issuer was founded in the last 5 years:

None.

14.2.4. Information about the current board of directors members of the issuer and personnel with management authority, and relationships among the founders, if the issuer was founded in the last 5 years:

None.

14.3. Information about the management and specialty experience of the issuer's board of directors members and personnel with management authorities:**Musa Levent ORTAKÇIER:**

Musa Levent ORTAKÇIER, who has been serving on the Board of Directors as the Legal Person Representative of Omsan Lojistik Anonim Şirketi since 01 June 2021, was born in 1971 and completed his undergraduate education in 1997 at Atatürk University, Department of Agricultural Structures and Irrigation.

Having started his professional career in 1995, Mr.ORTAKÇIER worked as Sales Manager at CADBURY between 1995- 2006, Sales Director at ÜLKER Gıda Sanayi A.Ş. between 2006-2008, Assistant Trade General Manager at TAYAŞ Gıda A.Ş. between 2008- 2013, between 2007-2008, General Manager at ARSAL Gıda A.Ş. between 2013-2016, and General Manager at HEKTAŞ

Ticaret T.A.Ş. Between 2016-2020. He has been working as the OYAK Group Head of the Food, Agriculture and Livestock Sector since 2020. He speaks English and Arabic.

Baran ÇELİK:

Baran ÇELİK, who has been assigned to the Board of Directors of Oytaş İç ve Dış Ticaret Anonim Şirketi as a legal entity representative and as a Member of the Board of Directors since 30/01/2019, was born on July 05, 1981 and completed his undergraduate education at Boğaziçi University, International Trade Department in 2004. He speaks English.

He worked in following companies and positions in the last 10 years respectively: *Audit Manager* of Ernst & Young independent audit firm between 2004-2010; *Turkey Beverages Internal Audit Manager* of Pepsico Southeast Europe Region between 2010-2011; *Budget and Finance Manager, Finance Director, Deputy General Manager* respectively at Çimsa firm between 2011 and 2017, and between 2017 and 2019 as the *Vice President of Financial Affairs* at Oyak Cement Company and as *Vice President of Financial Management and Financial Affairs* at the General Directorate of Turkish Armed Forces Assistance and Pension Fund (OYAK).

Aslıhan DÖĞER:

Aslıhan DÖĞER, who has been assigned to the Board of Directors of Akdeniz Chemson Kimya Sanayi ve Ticaret Anonim Şirketi as a legal entity representative and as member of the Board of Directors since 30/01/2019, was born on May 05, 1977 and completed her undergraduate education at Middle East Technical University(METU), Industrial Engineering Department in 1999 and her MBA master's degree at Bilkent University. She speaks English, French and German.

She worked in following companies and positions in the last 10 years respectively: Between March 2007-February 2012 Performance Manager at Cimpor Yibitaş firm, Performance and Business Development Manager at Votorantim Cement Factory between July 2012-February 2017, Strategic Planning Director at OYAK Cement Factory between February 2017 and June 2018, Office Coordinator at General Directorate of Turkish Armed Forces Assistance and Pension Fund (OYAK) between June 2018 and January 2019 and Strategic Planning and Corporate Monitoring Deputy General Manager at General Directorate of Oyak since January 2019.

Arif ÇETİNKAYA:

Arif ÇETİNKAYA, who has been assigned to the Board of Directors of Oyak Pazarlama Hizmet ve Turizm Anonim Şirketi as a legal entity representative and as member of the Board of Directors since 06.04.2022, was born on May 24, 1961 and completed his undergraduate education at the Turkish Military Academy in 1992 and his master's degree in the field of War History at the Armed Forces Academy. He speaks English.

He served in various positions within the Armed Forces.

Okan SİVRİ:

Okan SİVRİ, who has been serving on the Board of Directors since 24 June 2021 as the legal entity representative of Oyak Denizcilik ve Liman İşletmeleri Anonim Şirketi, was born in 1969 and completed his undergraduate education in Selcuk University, Department of Human Resources Management in 2005. He served as the Guard Battalion Commander at the Office of the Commander in Chief between 2008 and 2012, as the SPECIAL FORCES Headquarters Support Group Commander between 2012 and 2018, and as the Şanlıurfa Border Regiment Commander in 2018. He speaks English.

Kadri ÖZGÜNEŞ:

Kadri ÖZGÜNES, who has been working on the Board of Directors of the Company since 06.04.2022 as an Independent Member of the Board of Directors, was born in 1973. He completed his undergraduate education in Management Engineering at Istanbul Technical University in 1993 and his doctorate in Finance at Boğaziçi University in 2006. He speaks English.

Kadri ÖZGÜNES, who is still a faculty member at İstinye University and an independent board member at OYAK Yatırım Menkul Değerler A.Ş., has worked as a manager and consultant in various fields in the private sector.

Kamil DERECE:

Kamil DERECE, who has been assigned to the Board of Directors of the Company as independent member of Board of Directors since 06.04.2020, was born on September 11, 1976 and completed his undergraduate education at Middle East Technical University(METU), Chemistry Department of Faculty of Arts and Science in 1999 and his master's degree at Business Administration, Ankara University, Faculty of Political Sciences in 2000. He speaks English.

He worked in **Sales, Marketing and Promotion Directorate** at İşbir Elektrik Sanayi Anonim Şirketi between 2007-2009, *Procurement Directorate* between 2009-2012 at İşbir Elektrik Sanayi Anonim Şirketi, as *Supply Chain Coordinator* between 2012-2015 at Zülfikarlar Group KTM Polimer ve Kimyevi Maddeler Anonim Şirketi, and has been working since 2015 as a *Domestic and Foreign Supply Chain Management Consultant*.

Bülent Şamil YETİŞ:

Bülent Şamil YETİŞ, who has been assigned to the Board of Directors of the Company as independent member of Board of Directors since 06.04.2020, was born on October 14, 1973 and completed his undergraduate education at Doğu Akdeniz University(METU), Business Administration (English) in 1997 and his master's degree at Business Administration, University of Essex in 1998. He speaks English.

He worked as an Independent Accountant and Financial Advisor between 2004 and 2015 and he has been working as CPA since 2016 and assigned as independent member of Board of Directors of Ünye Çimento Sanayi ve Ticaret Anonim Şirketi since 2017.

Information about the personnel who have authority in the Company's management:

Senior Management	Position	Position Starting Date*	School of Education	Professional Experience Years
Hakkı Zafer TERZİOĞLU	General Manager	1.06.2021	Ankara University – Faculty of Political Science	27
Uğur AKBAŞ	Finance Director	12.06.2020	Istanbul University Faculty of Business Administration (Undergraduate)	30
			Istanbul University International Business (Master's)	
Celal MADAZLI	Technical Director,	12.06.2020	Hacettepe University - Business Administration	32
	Arma İlaç Sanayi ve Ticaret A.Ş. General Manager (by Proxy)			
Çiğdem KARAKUŞ	Human Resources Director	07.09.2021	Anadolu University – Business Administration (Undergraduate)	18
			Ufuk University – Business	

			Management (Master's)	
Murat Sonay AKARSU	Sales Director	07.09.2021	Trakya University Field Crops (Undergraduate)	26
			Trakya University Field Crops (Master's)	
Hüseyin ÇİMEN	Strategy and Corporate Monitoring Director	07.09.2021	Dumlupınar University Faculty of Business Administration (Undergraduate)	13
			Marmara University Accounting and Finance (Master's)	
Mehmet DERİN	R&D Director	17.11.2021	Çukurova University Agriculture Engineering (Undergraduate)	19
Selda KILIÇ	Marketing Director	07.09.2021	Anadolu University – Business Administration (Undergraduate)	17
Ünal UYSAL	Information Technologies Director	07.09.2021	Marmara University – Technical Education Faculty – Computer and Control Teaching (English)	26
			Anadolu University – Business Administration (Remote education)	

14.4. Information about the titles of all companies where the board of directors members and personnel with management authorities were shareholders or a part of boards of directors and supervisory boards in the last five years including the current situation, their capital shares in these companies and whether the membership in the said boards or shareholding is still ongoing:

Titles of the Companies whose boards of directors and supervisory boards were occupied or whose shares were held by the Company's Board of Directors Members in the last 5 years and whether their positions are still ongoing are shown in the following table. There are no companies whose boards of directors and supervisory boards were occupied or whose shares were held by the other personnel with management authorities.

Board of Directors Members:

Name Surname/ Trade Name	Companies where they had a position or share in the last 5 years	Position Assumed and Shareholding Status	Whether the Position or Shareholding is Still Ongoing	Capital	
				TL	Rate%
OMSAN LOJİSTİK ANONİM ŞİRKETİ (<i>Represented by: MUSA LEVENT ORTAKÇIER</i>)	OYAK Head Office	Head of Group, Agriculture and Livestock	Ongoing	-	-
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by: BARAN ÇELİK</i>)	OYAK Head Office	Financial Affairs and Finance Head of the Group	Ongoing	-	-

OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by:</i> BARAN ÇELİK)	OYAK Portföy A.Ş.	Chairman of the Board of Directors	Ongoing	-	-
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by:</i> BARAN ÇELİK)	Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	Board of Directors Member	Ongoing	-	-
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by:</i> BARAN ÇELİK)	İskenderun Demir ve Çelik A.Ş.	Board of Directors Member	Ongoing	-	-
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ (<i>Represented by:</i> BARAN ÇELİK)	OYAK Çimento A.Ş.	Financial Affairs Vice President	Ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	Vice Chairman of the Board of Directors	Ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	İskenderun Demir ve Çelik A.Ş.	Vice Chairman of the Board of Directors	Ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	OYAK Head Office	Head of the Strategy and Business Development Group	Ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	OYAK Head Office	Strategic Planning and Corporate Monitoring Assistant General Manager	Not ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	OYAK Head Office	General Manager Office Coordinator	Not ongoing	-	-
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. (<i>Represented by: ASLIHAN DÖĞER</i>)	OYAK Çimento A.Ş.	Cement Strategic Planning Director	Not ongoing	-	-

14.5. Information on whether there is imprisonment sentence for five years or more due to a crime willfully committed or criminal proceedings imposed due to embezzlement, corruption, bribery, theft, fraud, forgery, abuse of trust, fraudulent bankruptcy, bid rigging, destruction or alteration of data, misuse of bank or credit cards, smuggling, tax evasion or unjustified benefit and legal dispute in litigation and/or final judgement regarding partnership businesses of member of board of directors and personnel, authorized for management, of exporter on related persons within last 5 years or not, even periods mentioned under capital markets legislation, Banking Law numbered 5411 and article 53 of Turkish Penal Code have expired:

None.

14.6. Information about the lawsuits/criminal complaints and sanctions announced to the public by judicial authorities, public authorities or professional institutions with respect to the issuer's current board of directors members and personnel with management authorities in the last 5 years.

None.

14.7. Detailed information about the bankruptcy, trustee takeover and liquidation of the companies where the partnership's current board of directors members and personnel with management authorities were members of board of directors and supervisory board or had management authorities in the last 5 years:

None.

14.8. Detailed information about whether the board of directors and supervisory board membership or other management positions in the issuer held by the partnership's current board of directors members and personnel with management authorities were terminated by courts or public authorities in the last 5 years:

None.

14.9. Information about conflicts of interest between the personal interests of the board of directors members, personnel with management authorities and the founders (if the issuer was founded in the last 5 years) and their duties to the issuer.

None.

14.9.1. Information about the agreements concluded with main shareholders, customers, suppliers or other parties in order to assign the board of directors members, personnel with management authorities and the founders (if the issuer was founded in the last 5 years) to the board of directors or executive management:

None.

14.9.2. Detailed information about the restrictions imposed on the board of directors members, personnel with management authorities and the founders (if the issuer was founded in the last 5 years) for a certain period of time regarding the sale of capital market instruments which are issued by the issuer and owned by the aforementioned parties:

None.

15. REMUNERATION AND SIMILAR BENEFITS

15.1. The remunerations paid (including contingent or deferred payments) and similar benefits provided to the issuer's board of directors members and personnel with management authorities for all kinds of services they provide to the issuer and its subsidiaries as of the last annual fiscal period:

During the Company Ordinary General Assembly Meeting of 2020 held on 24.03.2021, it was accepted to pay monthly net remuneration of TL 8.100 to the Independent Board of Directors members effective from the beginning of the month following the month when the General Assembly was held, and not to pay any remuneration to other Board of Directors Members.

On the other hand, during the Company's Ordinary General Assembly Meeting held on 01.04.2022, it was accepted to pay monthly net remuneration of TL 11.000 to the Independent Board of Directors members, and not to pay any remuneration to other Board of Directors Members.

Personal accident insurance and life insurance are purchased for the Board of Directors Members. During the period, no amounts were lent to any board of directors members and executives; no loans were granted in the name of personal loan directly or through a third party or no guarantees such as surety in their favor were provided.

Total remunerations and similar benefits provided to the Company's board of directors members and senior executives as of the last annual fiscal period and interim periods are as follows:

(TL)	1 January- 31 December 2021	1 January- 31 December 2020
Remunerations and Other Short-term Benefits	14,861,528	8,871,631

(TL)	1 January- 30 June 2022	1 January- 30 June 2021
Remunerations and Other Short-term Benefits	18,293,512	11,293,410

15.2. Total amounts set aside or accrued by the issuer or its subsidiaries in order to pay retirement pension, severance pay or similar benefits to the issuer's board of directors members and personnel with management authorities as of the last annual fiscal period:

Under the Effective Labor Law provisions, employees whose employment contract is terminated with eligibility for severance pay must be paid the statutory severance pays for which they are eligible. Furthermore, under the provision of the article 60 of the Social Security Law no. 506 which is still effective, amended by the laws no. 2422 dated 6 March 1981 and no. 4447 dated 25 August 1999, statutory severance pay must also be paid to those who are eligible for resigning with severance pay.

The severance pay liability is calculated according to the estimation of the current value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Benefits Provided to Employees") stipulates the development of the Group's liabilities by using actuarial valuation methods within the scope of defined benefit plans. The severance pay liability was calculated by an independent actuary and the Projected Unit Credit Method was used in the calculation. The actuarial assumptions used in the calculation of the current value of the liabilities are specified below.

	31 December 2021	31 December 2020
Discount rate	19.00%	12.80%
Inflation rate	15.00%	8.50%
Remuneration increases	1.5% in real terms	1.5% in real terms
Severance pay cap increase	15.00%	8.5%

The Company provides a benefit in the name of "Seniority Incentive Bonus" to its employees with a certain seniority. In this respect, the Group pays one salary equivalent of seniority incentive bonus for each work period of 10 years. In the current year, the current value of the seniority incentive bonus liability is calculated by an independent actuary.

There are no provisions set aside for the Company's Board of Directors Members.

16. BOARD OF DIRECTORS APPLICATIONS

16.1. Information about the term of office of the issuer's board of directors members and personnel with management authorities and the period during which they are in office:

Name Surname/ Trade Name	Positions Held in the Company in the Last 5 Years	Term of Office/Remaining Term of Office
OMSAN LOJİSTİK ANONİM ŞİRKETİ <i>(Represented by: MUSA LEVENT ORTAKÇIER)</i>	Chairman of the Board of Directors/Deputy Chairman of the Board of Directors	3 Years - 10 Months
OYTAŞ İÇ VE DIŞ TİCARET ANONİM ŞİRKETİ <i>(Represented by: BARAN ÇELİK)</i>	Chairman of the Board of Directors/Deputy Chairman of the Board of Directors	3 Years - 10 Months
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET A.Ş. <i>(Represented by: ASLIHAN DÖĞER)</i>	Chairman of the Board of Directors/Member of the Board of Directors	3 Years - 10 Months
OYAK PAZARLAMA HİZMET VE TURİZM ANONİM ŞİRKETİ <i>(Represented by: ARİF ÇETİNKAYA)</i>	Board of Directors Member	3 Years - 10 Months
OYAK DENİZCİLİK VE LİMAN İŞLETMELERİ ANONİM ŞİRKETİ <i>(Represented by: Okan SİVRİ)</i>	Board of Directors Member	3 Years - 10 Months
KADRI ÖZGÜNEŞ	Independent Board of Directors Member	1 Years - 10 Months
KAMİL DERECE	Independent Board of Directors Member	1 Years - 10 Months
BÜLENT ŞAMİL YETİŞ	Independent Board of Directors Member	1 Years - 10 Months
Hakkı Zafer TERZİOĞLU	General Manager, Strategy and Marketing Director	1.06.2021- Ongoing
Uğur AKBAŞ	Financial Affairs Director, Deputy General Manager of Financial and Administrative Affairs by Proxy	12.06.2020-Ongoing
Celal MADAZLI	Technical Affairs Director, Technical Affairs Deputy General Manager by Proxy	12.06.2020-Ongoing
Çiğdem KARAKUŞ	Human Resources Director, Human Resources Manager	7.09.2021-Ongoing
Murat Sonay AKARSU	Sales Director, Central Anatolia Regional Manager	7.09.2021-Ongoing
Hüseyin ÇİMEN	Strategy and Corporate Monitoring Director, Budget and Corporate Monitoring Director, Internal Audit Manager	7.09.2021-Ongoing
Mehmet DERİN	R&D Director, Strategy and Marketing Consultant	17.11.2021-Ongoing
Selda KILIÇ	Marketing Director, Commercial Marketing Manager	7.09.2021-Ongoing
Ünal UYSAL	Information Technologies Director, Information Technologies Manager	7.09.2021-Ongoing

16.2. Information about the agreements pertaining to the payments to be made/benefits to be provided to the board of directors members and personnel with management authorities by

the issuer and its subsidiaries upon the termination of the business relationship, as of the last financial statement period completed, or a statement that no such agreements exist:

Except the Members of the Board of Directors, the Executive Management does not have any receivables arising from any other law or agreement, without prejudice to their rights arising within the framework of the Labor Law no. 4857.

16.3. Names and surnames of the committee members in charge of auditing the issuer and other committee members; definition of work of these committees:

Audit Committee

The duties and powers of the audit committee are as follows:

They oversee the Company's accounting system, public disclosure of financial information, independent audit, and the functioning and efficiency of the internal control system. The selection of the independent audit firm, the preparation of independent audit contracts and the initiation of the independent audit process, and the works of the independent audit firm at all stages are carried out under the supervision of the Committee.

The independent audit firm from which the company will receive services and the services to be received from these organizations are determined by the Committee and submitted to the Board of Directors for approval.

The committee in charge of audit determine the methods and criteria applicable in the review and conclusion of the complaints communicated to the Company regarding the Company's accounting and internal control system and independent auditing, as well as the evaluation of the Company's employees notifications about accounting and independent audit matters within the framework of the confidentiality principle.

The Committee receives the opinions of the responsible managers and independent auditors of the Company regarding the accuracy of the annual and interim financial statements to be disclosed to the public and their compliance with the actual situation as well as the accounting principles followed by the Company, and submits them to the Board of Directors in writing, together with their own assessments.

The Committee immediately notifies the Board of Directors in writing of its findings and suggestions regarding its task and area of responsibility.

The duty and responsibility of the Committee does not eliminate the responsibility of the Board of Directors arising from the Turkish Commercial Code.

The audit committee consists of the following members.

Supervisory Committee Members:

Name Surname	Committee	Job Description / Title
Kamil Derece	Chairman	Independent Board of Directors Member
Kadri ÖZGÜNEŞ	Member	Independent Board of Directors Member

Corporate Governance Committee

The duties and powers of the corporate governance committee are as follows:

To contribute to the process of developing and implementing the corporate governance principles of the Company and to offer solutions to the Board of Directors in this context and to determine whether the corporate governance principles are applied in the company; if not, the reason for the lack of compliance and the conflicts of interest that arise due to the failure to fully comply with these principles and to advise the Board of Directors on improving the corporate governance practices,

To oversee the activities of the relations with shareholders unit,

To work on establishing a transparent system for determining, evaluating and training candidates suitable for the Board of Directors and determining policies and strategies in this regard,

To make regular evaluations about the structure and efficiency of the Board of Directors and to present its recommendations regarding the changes that can be made in these matters to the Board of Directors,

To determine and oversee the approaches, principles and applications regarding the performance assessment and career planning of the Board of Directors members and senior executives,
To determine the recommendations of the Board of Directors members and senior executives regarding remuneration principles, taking the Company's long-term goals into account,

The corporate governance committee shall be comprised of the following members.

Corporate Governance Committee

Members:

Name Surname	Committee	Job Description / Title
Bülent Şamil Yetiş	Chairman	Independent Board of Directors Member
Kamil Derece	Member	Independent Board of Directors Member
Tuba Bektaş	Member	Investor Relations Manager

Early Detection of Risk Committee

The purpose of the Early Detection of Risk Committee (the Committee) is to achieve early detection of the risks which may endanger the Company's presence, development and continuity within the framework of the legal legislation and this regulation, as well as the application of the necessary measures for the risks detected and risk management.

The Committee evaluates the matters in respect of the detection of all kinds of strategic, operational, financial and other risks, their assessment, calculation of their impacts and potential, management of the risks in accordance with the Company's corporate risk taking profile, taking them into account in decision mechanisms and creating and integrating effective internal control systems in this regard and reports them to the Board of Directors, for the purpose of early detection of the factors that endanger the Company's presence, development and continuity, implementing the necessary measures and remedies in this regard and managing the risk, in accordance with the Capital Market Legislation and the principles in this regulation.

Members of the Early Detection of Risk Committee:

Name Surname	Committee	Job Description / Title
Kadri Özgüneş	Chairman	Independent Board of Directors Member
Bülent Şamil Yetiş	Member	Independent Board of Directors Member

16.4. Explanation regarding the evaluation of the issuer's situation in terms of the Board's corporate governance principles:

The issuer performed the necessary changes in the Articles of Association and structuring of the Board of Directors and establishment of the Committees, within the framework of the "Corporate Governance Communiqué" no. II-17.1 of the Capital Market Board. The implementation of the Corporate Governance Principles published by the Capital Markets Board is of decisive and increasing importance for our Company. In this context, it continues its works by adopting to comply with the Corporate Governance Principles and to make improvements and arrangements in the matters to be adapted with depending on the developing conditions.

The Company is among the 1st Group companies for 2022 within the framework of the provisions of the Corporate Governance Communiqué of the Capital Market Board and the required principles in this regard have been satisfied. Some of the non-obligatory issues have been complied with, while avoiding excessive personnel employment, structures which increase operating expenses, thus reduce the dividend incomes of the Company and its shareholders.

The Corporate Governance Principles that were not applied will not result in any conflicts of interest.

The Issuer's Report and Declaration on the Compliance with Corporate Governance Principles are available in the "Annual Operating Report" published for the years 2021, 2020 and 2019.

The said reports are available on the web sites <https://hektas.com.tr/kurumsal-yonetim-ilkeleri/> and <https://www.kap.org.tr/sirket-bilgileri/ozet/978-hektas-ticaret-t-a-s>.

16.5. Information about the activities of the shareholder relations unit of the issuer, which must be established as per the Board regulations, and the director of this unit:

Shareholder relations unit is the unit that operates in the exercise of the rights of our shareholders, reports to the board of directors and provides communication between the board of directors and shareholders.

The main duties of the unit are;

- To ensure that the correspondence between the investors and the partnership and the records of other information and documents are kept in a reliable, secure and up-to-date manner.
- Responding to the written information requests of the partnership's shareholders regarding the partnership.
- To prepare the documents required to be submitted for the information and review of the shareholders regarding the general assembly meeting and to take the necessary measures to ensure that the general assembly meeting is held in accordance with the relevant legislation, articles of association and other intra-partnership regulations.

d) To observe and monitor the fulfillment of obligations arising from the capital market legislation, including all kinds of issues related to corporate governance and public disclosure.

Names and contact details of the department employees are as follows:

Name/Surname	Title	License	E-mail	Telephone
Tuba BEKTAŞ	Investor Relations Department Manager	CMB Level 3 License, Corporate Governance Rating License, Derivative Instruments License, Credit Rating License	tuba.bektas@hektas.com.tr	0 262 751 14 12
Fusun DÖNERTAŞ	Investor Relations Department Manager		fusun.donertas@hektas.com.tr	0 262 751 14 12
Investor Relations E-mail Address			investorrelations@hektas.com.tr	

17. INFORMATION ABOUT THE PERSONNEL

17.1. The average number of personnel for each financial statement period included in the prospectus or as of the end of each period; important changes observed in this number and the distribution of the personnel by geographical region and primary fields of activity, if possible and important:

The number of employees working in the Company's Headquarters, Regional Directorates, production facilities and subsidiaries as of the financial statement periods that must be included in the Prospectus is provided below on consolidated basis.

	30.06.2022	31 December 2021	31 December 2020	31 December 2019
HEKTAŞ	561	515	444	371
a)General Directorate and Gebze Production Facility	294	270	253	228
1.White collar	215	194	183	161
1.Blue collar	79	76	70	67
b)Mediterranean Regional Directorate	24	25	22	20
c)Marmara Regional Directorate	21	17	17	14
ç. Central Anatolia Regional Directorate	28	27	24	24
d)GAP Regional Directorate	18	16	15	11
e)Çukurova Regional Directorate	22	19	18	15
f)Aegean Regional Directorate	19	15	15	10
g) Orhangazi Agricultural Innovation Training and Experience Center	11	9	-	-
h)Adana Organomineral Fertilizer Production Facility	124	117	80	49
1.White collar	22	20	17	12
1.Blue collar	102	97	63	37
TAKİMSAN	5	5	5	5

SUNSET	5	5	3	-
FERBİS	89	72	54	44
a)General Directorate and Ferbis Production Facility	67	63	54	44
<i>1.White collar</i>	29	27	28	18
<i>1.Blue collar</i>	38	36	26	26
b)Mediterranean Regional Directorate	4	-	-	
c)Marmara Regional Directorate	6	3	-	-
ç. Central Anatolia Regional Directorate	2	1	-	-
D) Çukurova Regional Directorate	8	4	-	-
E)Aegean Regional Directorate	2	1	-	-
AREO	41	35	23	12
<i>1.White collar</i>	27	20	16	7
<i>1.Blue collar</i>	14	15	7	5
ARMA	36	33	-	-
<i>1.White collar</i>	20	17	-	-
<i>1.Blue collar</i>	16	16	-	-
TOTAL NUMBER OF PERSONNEL	737	665	529	432

17.2. Share ownership and share options:

17.2.1. Information about the options held by the members of the board of directors for the shares of the issuer:

None.

17.2.2. Information about the options held by the personnel with management authorities for the shares of the issuer:

None.

17.2.3. Information on all types of agreements that enable the personnel to provide funds to the issuer:

None.

18. MAIN SHAREHOLDERS

18.1. The issuer's shareholding structure, by separately indicating the real and legal persons directly or indirectly having 5% and more shares in the capital or total voting rights according to the latest situation and the last general assembly meeting as known by the issuer, or a statement regarding their absence, if no there are no such persons:

The latest Extraordinary General Assembly Meeting of the Company was held on 03.06.2022 and the decisions taken after the meeting were announced on the Public Disclosure Platform and the website. Real and legal persons who have 5% or more shares in the capital or in the total voting rights, directly or indirectly, according to the latest situation are listed in the table below.

Information about Direct Shareholding				
Shareholder's	Capital Share / Voting Right			
Trade/Name	03.06.2022		30.06.2022	
Name Surname	(TL)	(%)	(TL)	(%)
Turkish Armed Forces Pension Fund (OYAK)	505,843,050.97	58.82%	505,843,050.97	58.82%
Other Shareholders	354,156,949.03	41.18%	354,156,949.03	41.18%
TOTAL	860,000,000	100%	860,000,000	100%

18.2. Information about the different voting rights of the real and legal person shareholders with 5% or more direct share in the capital or total voting rights, or statement about their absence:

None.

18.3. Information about the shares representing the capital

Group	Registered/ Bearer's	Type of Privilege (Its owner)	Nominal Value Of One Share (TL)	Total (TL)	Ratio to the Capital (%)
-	Registered	No Privilege	0.01	860,000,000	100
			TOTAL	860,000,000	100

On the other hand, the Company has 300 founders' shares given to its founders. These shares do not represent the Company's capital. The Company's founders' shares grant the right to participate in the net profit (5% dividends)

18.4. Names and surnames of parties who have direct or indirect management power of the issuer or who control the issuer according to the knowledge of the issuer; their trade names, source of the management power and measures taken to prevent the abuse of this power:

The Turkish Armed Forces Pension Fund (OYAK) has management power and control over the Company with its 58.82% shareholding.

There are no measures other than TCL, CMB regulations and Corporate Governance Principles in order to prevent the abuse of the power resulting from the management control.

18.5. Information about the agreements / regulations that may lead to a change in the management power of the issuer:

None.

18.6. The kinship relations of the real person shareholders who have 5% or more of their direct shares in the capital or in the total voting right with each other:

None.

19. INFORMATION ABOUT RELATED PARTIES AND TRANSACTIONS CONDUCTED WITH RELATED PARTIES

19.1. Detailed explanation within the framework of IAS 24 regarding the transactions conducted with related periods as of the fiscal periods in the prospectus and the latest situation:

Purchase-Sale Transactions Conducted with Related Parties:

The transactions conducted by the Company with related parties and their balances as of 30.06.2022 are as follows.

Transactions with related parties	1 January - 30 June 2022		1 January - 30 June 2021	
	Purchases	Sales	Purchases	Sales
Oyak İnşaat A.Ş. (*)	77,917,247	5,084	3,169,417	15,037
Omsan Lojistik A.Ş. (*)	19,736,063	-	5,955,422	3,315
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	11,069,845	5,044	5,504,822	20,623
OYAK Güvenlik ve Savunma Hiz. A.Ş. (*)	5,295,957	"	3,105,040	-
Güzel Enerji Akaryakıt A.Ş. (*)	5,604,191	6,924	1,304,626	24,476
Oyak Biyoteknoloji Sanayi ve Tic.A.Ş. (*)	25,759,670	999	45,666	29,520
Tamek Grup Gıda Üretim A.Ş. (*)	1,260,981	2,771,753	-	308,613
Doco Petrol ve Danışmanlık A.Ş. (*)	1,554,023	4,851	-	81,454
OYAK Yatırım Menkul Değerler A.Ş. (*)	2,377,043	-	963,365	-
Oyak Elektrik Enerjisi Tопtan Satış A.Ş. (*)	8,507,306	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş. (*)	5,961	6,660	20,862	21,775
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	-	140,111	-	507,311
İskenderun Demir Ve Çelik A.Ş. (*)	-	29,180	-	203,770
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	-	9,715	-	42,240
Ordu Yardımlaşma Kurumu (**)	-	7,809	-	78,014
Likitegaz Dağıtım Ve Endüstri A.Ş. (*)	-	32,567	-	31,570
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	-	10,213	-	22,469
Oyak Çimento Fabrikaları A.Ş. (*)	-	6,164	-	15,602
Erdemir Madencilik San Ve Tic. A.Ş. (*)	-	-	-	9,150
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (*)	-	12,441	-	13,251
Other (*)	25,006	20,724	-	72,107
	159,113,293	3,070,239	20,069,220	1,500,297

(*) Companies managed by the parent

(**) Parent of the Company

Balances with related parties	30 June 2022		31 December 2021	
	Trade		Trade	
	Receivables	Payables	Receivables	Payables
Oyak Biyoteknoloji San.ve Ticaret A.Ş. (*)	-	15,399,495	-	2,392,365
Omsan Lojistik A.Ş. (*)	-	4,706,388	-	2,173,785
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	-	2,780,036	-	2,532,511
Güzel Enerji Akaryakıt A.Ş. (*)	-	1,824,737	-	483,594
OYAK Savunma ve Güvenlik Hiz. A.Ş.	-	1,191,148	-	1,653,161
Oyak Grup Sigorta ve Reasürans Brokerliği A.Ş. (*)	-	847,714	-	3,489,466
Oyak Yatırım Menkul Değerler A.Ş. (*)	-	444,150	-	-
Tamek Grup Gıda Üretim A.Ş. (*)	-	288,263	-	353,017
Doco Petrol Ve Danışmanlık A.Ş. (*)	-	232,116	-	16,318
OYAK (**)	-	217,221	-	2,395,840
Oyak Akaryakıt ve LPG Yatırımları A.Ş. (*)	-	82,295	2,965	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. (*)	-	2,180	-	127,021
Mais Motorlu Araçlar İmal ve Satış A.Ş. (*)	-	-	-	582
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	60,317	-	181,529	-
İskenderun Demir Ve Çelik A.Ş. (*)	-	-	-	-
Oyak Gıda Ve Tarım Holding Anonim Şirketi (*)	25,331	-	28,661	-
Likitegaz Dağıtım Ve Endüstri A.Ş. (*)	-	-	20,527	-
Sagra Grup Gıda Üretim ve Ticaret A.Ş. (*)	-	-	220,975	-
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (*)	-	-	3,388	-
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	-	-	-	-
Oyak Çimento Fabrikaları A.Ş. (*)	-	-	6,580	-
Oyak Elektrik Enerjisi Tüptan Satış A.Ş. (*)	-	-	-	78,623
Kümaş Manyezit San.A.Ş. (*)	-	-	31,522	-
Kaan Akaryakıt Sanayi ve Tic. A.Ş. (*)	-	-	14,806	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	-	-	9,322	-
Petrol Petrol Ür.Taş.Araç.Ve Dış Tic.A.Ş. (*)	-	-	3,615	-
	85,648	28,015,743	523,890	15,696,283

(*) Companies managed by the parent

(**) Main partner of the Company

Trade receivables from related parties arise from sales of goods and services and their average maturity is 2 months. The aforementioned receivables are unsecured and no interest is charged.

Trade payables to related parties generally arise from purchase of goods and services and their average maturity is 1 month. No interest is charged for these payables.

The transactions conducted by the Company with related parties and their balances as of 31.12.2021 and 31.12.2020 are as follows.

	1 January - 31 December 2021		1 January - 31 December 2020	
Transactions with related parties	Purchases	Sales	Purchases	Sales
Oyak İnşaat A.Ş. (*)	30,885,057	21,895	22,938,636	22,696
Omsan Lojistik A.Ş. (*)	12,530,085	6,268	8,326,111	6,551
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	11,777,208	56,177	8,068,733	55,420
OYAK Güvenlik ve Savunma Hiz. A.Ş. (*)	7,799,493	130,626	5,976,675	-
Güzel Enerji Akaryakıt A.Ş. (*)	3,070,286	43,770	1,162,204	46,452
Oyak Biyoteknoloji Sanayi ve Tic.A.Ş. (*)	2,387,200	59,790	-	-
Tamek Grup Gıda Üretim A.Ş.	577,497	174,453	-	-
Doco Petrol ve Danışmanlık A.Ş. (*)	540,830	117,207	2,138	156,048
OYAK Yatırım Menkul Değerler A.Ş. (*)	518,450	-	541,100	8,522
Oyak Elektrik Enerjisi Toptan Satış A.Ş.	391,025	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş. (*)	34,212	32,651	151,278	60,924
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	-	732,653	-	730,225
İskenderun Demir Ve Çelik A.Ş. (*)	-	271,695	-	274,833
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	-	86,722	-	61,536
Ordu Yardımlaşma Kurumu (**)	-	67,315	618,914	107,558
Likitgaz Dağıtım Ve Endüstri A.Ş. (*)	-	64,369	-	49,025
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	-	31,569	-	53,447
Oyak Çimento Fabrikaları A.Ş. (*)	-	26,790	-	46,512
Erdemir Madencilik San Ve Tic. A.Ş. (*)	-	26,101	-	35,968
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (*)	-	20,428	-	15,993
Kaan Akaryakıt Sanayi ve Ticaret A.Ş. (*)	-	19,756	-	109,982
Other (*)	-	103,756	101	47,162
	70,511,343	2,093,991	47,785,890	1,888,854

(*) Companies managed by the parent

(**) Parent of the Company

	31 December 2021		31 December 2020	
	Trade		Trade	
Balances with related parties	Receivables	Payables	Receivables	Payables
Oyak Grup Sigorta ve Reasürans Brokerliği A.Ş. (*)	-	3,489,466	-	495,958
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	-	2,532,511	1,377	1,114,633
OYAK (**)	-	2,395,840	-	1,354,661
Oyak Biyoteknoloji San.ve Ticaret A.Ş. (*)	-	2,392,365	-	-
Omsan Lojistik A.Ş. (*)	-	2,173,785	-	1,577,647
OYAK Savunma Güvenlik Sistemleri A.Ş. (*)	-	1,653,161	-	768,626
Güzel Enerji Akaryakıt A.Ş. (*)	-	483,594	4,696	-
Tamek Grup Gıda Üretim A.Ş. (*)	-	353,017	-	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. (*)	-	127,021	-	-
Oyak Elektrik Enerjisi Toptan Satış A.Ş. (*)	-	78,623	-	-
Doco Petrol Ve Danışmanlık A.Ş. (*)	-	16,318	97,614	-
Mais Motorlu Araçlar İmal ve Satış A.Ş. (*)	-	582	8,349	50
Sagra Grup Gıda Üretim ve Ticaret A.Ş. (*)	220,975	-	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	181,529	-	259,401	-
Kümaş Manyezit San.A.Ş. (*)	31,522	-	-	-
Oyak Gıda Ve Taram Holding Anonim Şirketi (*)	28,661	-	-	-
Likitgaz Dağıtım Ve Endüstri A.Ş. (*)	20,527	-	35,382	-
Kaan Akaryakıt Sanayi ve Tic. A.Ş. (*)	14,806	-	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	9,322	-	31,902	-
Oyak Çimento Fabrikaları A.Ş. (*)	6,580	-	16,587	-
Petrol Petrol Ür.Taş.Araç.Ve Dış Tic.A.Ş. (*)	3,615	-	-	-
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (*)	3,388	-	4,003	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş. (*)	2,965	-	-	-
Oyak İnşaat A.Ş. (*)	-	-	4,304	721,507
Armada Petrol Ürünleri Sanayi ve Ticaret Ltd. Şti. (*)	-	-	1,275	-
Berkim Petrol Denizcilik Ve Nakliyat A.Ş. (*)	-	-	1,042	-
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	-	-	8,006	-
İskenderun Demir Ve Çelik A.Ş. (*)	-	-	192,339	-
	523,890	15,696,283	666,277	6,033,082

(*) Companies managed by the parent

(**) Parent of the Company

Trade receivables from related parties arise from sales of goods and services and their average maturity is 2 months. The aforementioned receivables are unsecured and no interest is charged.

Trade payables to related parties generally arise from purchase of goods and services and their average maturity is 1 month. No interest is charged for these payables.

The transactions conducted by the Company with related parties and their balances as of 31.12.2020 and 31.12.2019 are as follows.

İlişkili taraflarla olan işlemler	1 Ocak - 31 Aralık 2020		1 Ocak - 31 Aralık 2019	
	Alımlar	Satışlar	Alımlar	Satışlar
Oyak İnşaat A.Ş. (*)	22.938.636	22.696	10.872.438	-
Omsan Lojistik A.Ş. (**)	8.326.111	6.551	4.896.053	-
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	8.068.733	55.420	5.725.944	151.913
OYAK Güvenlik ve Savunma Hiz. A.Ş. (*)	5.976.675	-	2.183.062	60
Güzel Enerji Akaryakıt A.Ş. (*)	1.162.204	46.452	-	-
Ordu Yardımlaşma Kurumu (**)	618.914	107.558	4.248.484	1.346
OYAK Yatırım Menkul Değerler A.Ş. (*)	541.100	8.522	972.720	-
Maıs Motorlu Araçlar İmal ve Satış A.Ş. (*)	151.278	60.924	127.663	-
Arma İlaç Sanayi ve Ticaret A.Ş. (*)	95.000	300.048	-	-
Doco Petrol ve Danışmanlık A.Ş. (*)	2.138	156.048	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	-	730.225	-	-
İskenderun Demir Ve Çelik A.Ş. (*)	-	274.833	-	-
Kaın Akaryakıt Sanayi ve Ticaret A.Ş. (*)	-	109.982	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	-	61.536	150	-
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	-	53.447	-	-
Likitegaz Dağıtım Ve Endüstri A.Ş. (*)	-	49.025	-	-
Oyak Çimento Fabrikaları A.Ş. (*)	-	46.512	-	-
Erdemir Madencilik San Ve Tic. A.Ş. (*)	-	35.968	-	-
Oyak Denizcilik ve Liman İşlemleri A.Ş. (*)	-	15.993	-	-
Diğer (*)	101	47.162	25.454	-
	<u>47.880.890</u>	<u>2.188.902</u>	<u>29.051.968</u>	<u>153.319</u>

(*) Ana ortaklık tarafından yönetilen şirketler

(**) Şirket'in Ana ortağı

İlişkili taraflarla olan bakiyeler	31 Aralık 2020		31 Aralık 2019	
	Tutarı	Tutarı	Tutarı	Tutarı
	Alacaklar	Borçlar	Alacaklar	Borçlar
Omsan Lojistik A.Ş. (*)	-	1.577.647	-	780.963
OYAK (**)	-	1.354.661	-	857.204
OYAK Pazarlama Hizmet Turizm A.Ş. (*)	1.377	1.114.633	-	1.183.515
OYAK Savunma Güvenlik Sistemleri A.Ş. (*)	-	768.626	228.047	179.709
Oyak İnşaat A.Ş. (*)	4.304	721.507	-	6.245.395
Oyak Grup Sigorta ve Reasürans Brokerliği A.Ş. (*)	-	495.958	-	804.167
Arma İlaç Sanayi ve Ticaret A.Ş. (*)	339.234	-	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	259.401	-	-	-
İskenderun Demir Ve Çelik A.Ş. (*)	192.339	-	-	-
Doco Petrol Ve Danışmanlık A.Ş. (*)	97.614	-	-	-
Likitegaz Dağıtım Ve Endüstri A.Ş. (*)	35.382	-	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (*)	31.902	-	-	10.139
Oyak Çimento Fabrikaları A.Ş. (*)	16.587	-	-	-
Maıs Motorlu Araçlar İmal ve Satış A.Ş. (*)	8.349	50	-	-
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (*)	8.006	-	-	-
Güzel Enerji Akaryakıt A.Ş. (*)	4.696	-	-	-
Oyak Denizcilik ve Liman İşlemleri A.Ş. (*)	4.003	-	-	-
Arma Petrol Ürünleri Sanayi ve Ticaret Ltd. Şti. (*)	1.275	-	-	-
Berkim Petrol Denizcilik Ve Nakliyat A.Ş. (*)	1.042	-	-	-
	<u>1.005.511</u>	<u>6.033.082</u>	<u>228.047</u>	<u>10.061.092</u>

(*) Ana ortaklık tarafından yönetilen şirketler

(**) Şirket'in Ana ortağı

Trade receivables from related parties arise from sales of goods and services and their average maturity is 2 months. The aforementioned receivables are unsecured and no interest is charged.

Trade payables to related parties generally arise from purchase of goods and services and their average maturity is 1 month. No interest is charged for these payables.

19.2. Information about the share of the transactions conducted with related parties to the issuer's net sales revenue:

The revenue derived due to the sales of goods and services to subsidiaries included in the consolidation is not booked as income by the Company.

On the other hand, the transactions conducted with companies within whom there is no subsidiary relation, which are not within the scope of consolidation and which have the title of related party due to being affiliates of OYAK Group are immaterial and these transactions do not arise from the sales of goods and services.

20. OTHER INFORMATION

20.1. Information about the Capital:

The issued capital of the company is TL 860.000.000. This capital is divided into 86.000.000.000 shares, each with a nominal value of 1 Kuruş. The company's capital is wholly paid without collusion.

20.2. Authorized Capital Cap:

The Company's authorized capital cap is TL 3.000.000.000 as stated in the article 7 of the articles of association.

20.3. Reconciliation of the amount of shares in actual circulation at the beginning and end of the period and information about the matter, if more than 10% of the capital was paid in kind as of the financial statement periods that must be included in the prospectus.

The amounts and rates of shares in actual circulation as of the financial statement periods which must be included in the prospectus are provided in following tables both for period opening and closing.

Date	Capital Share Amount (TL)	Amount of Shares in Actual Circulation (TL)	Ratio of Shares in Actual Circulation (%)
Beginning of the Period (01.01.2019)	75.857.033,38	32.038.409,27	42,23
End of the Period (31.12.2019)	227.571.100,14	96.251.989,21	42,29
Date	Capital Share Amount (TL)	Amount of Shares in Actual Circulation (TL)	Ratio of Shares in Actual Circulation (%)
Beginning of the Period (01.01.2020)	227.571.100,14	96.251.989,21	42,29
End of the Period (31.12.2020)	227.571.100,14	96.166.162,51	42,25
Date	Capital Share Amount (TL)	Amount of Shares in Actual Circulation (TL)	Ratio of Shares in Actual Circulation (%)
Beginning of the Period (01.01.2021)	227.571.100,14	96.166.162,51	42,25
End of the Period (31.12.2021)	860.000.000,00	320.496.278,61	37,26

Date	Capital Share Amount (TL)	Amount of Shares in Actual Circulation (TL)	Ratio of Shares in Actual Circulation (%)
Beginning of the Period (01.01.2022)	860.000.000,00	320.496.278,61	37,26
End of the Period (30.06.2022)	860.000.000,00	320.492.577,9	37,26

The capital was not paid in kind as of the financial statement periods which must be included in the prospectus.

20.4. Information about the number and nature of the founders' shares, dividend shares, etc. which do not represent the capital:

The Company has 300 founders' shares. These shares do not represent the capital and grant the right to participate in the net profit specified in the article 34 of the Articles of Association (5% dividend) Founder's shares are also explained in the 8th article of the Company's Articles of Association.

Accordingly,

Three hundred registered and unpaid founding shares will be issued by the Board of Directors. These certificates will be distributed among the founders who paid the initial capital and the persons who replace them partially or wholly, in proportion to the amount of shares. However, if the amount to be obtained with this ratio corresponds to only half of the value of a share, it will not be taken into account; but if it exceeds the half, it will be completed to the value of a share, no more than fifty shareholders will be given founders' shares exceeding this amount.

The founders' shares which will increase as a result of this distribution to be made in proportion to the amount of shares will be distributed to the persons who have visible efforts in founding, developing and sustaining the Company, at the discretion of the Board of Directors.

20.5. Information about the amount of capital market instruments such as warrant capital market instruments, convertible bonds, exchangeable bonds, etc. and principles of conversion, exchange or demand:

None.

20.6. Information about the group companies' capital market instruments which are subject to an option or decided to be subject to an option under a conditional or unconditional agreement and information about the option including related parties:

None.

20.7. Capital increases and resources and capital reductions applied, share groups created/canceled and other transactions that change the number of shares as of the financial statement periods that must be included in the prospectus:

The Company applied capital increase in the years 2019 and 2021. In 2019, the Company increased its capital by 200%, wholly in cash. Before the capital increase applied in 2019, the Company's paid-in capital was in the amount of TL 75.857.033,38. With the 200% paid capital increase, the new issued capital of the Company is in the amount of TL 227.571.100,14. The total number of shares reached 22.757.110.014 as a result of this capital increase. As we stated above, the whole capital increase is paid and was carried out by having the new share acquisition rights exercised by the current shareholders.

In 2021, the Company increased its capital by TL 632.428.899,86, 175,76924% of which was paid and 102,13462% of which was unpaid. The paid-in capital of the Company was in the amount of

TL 227.571.100,14 before the capital increase applied in 2021, whereas its issued capital reached the amount of TL 860.000.000 with the paid capital increase at the rate of 175,76924% and unpaid capital increase at the rate of 102,13462%. The total number of shares reached 86.000.000.000 as a result of this capital increase. As we stated above, 175,76924% of this capital increase was paid and was carried out through the exercise of new share acquisition rights by the current shareholders, while 102,13462% was carried out through the addition of internal resources to the capital and granting unpaid shares to existing shareholders.

20.8. If the issuer issued shares through public offering, allocation or sales to qualified investors in the last twelve months, explanations regarding the nature of these transactions, the amount and qualifications of the shares subject to these transactions:

None.

20.9. If the issuer's shares are traded on the stock exchange in the current situation, information on which shares are traded on the stock exchange or whether the issuer has an application regarding these matters:

Shares with nominal value of TL 320.492.577,90, which is the share amount in actual circulation corresponding to 37,26% (as of 30.06.2022) of the Company's capital in the amount of TL 860.000.000 are currently traded on Borsa İstanbul A.Ş. Star Market with the code HEKTS. The shares to be issued within the scope of this prospectus will also be traded on Borsa İstanbul A.Ş. Star Market.

The shares to be issued by partnerships with shares listed on the Stock Exchange due to their paid and/or unpaid capital increases are listed on the Stock Exchange following the registration of the new capital after the capital increase at the Trade Registry, without taking any other decision or carrying out another procedure. (Borsa İstanbul A.Ş. Listing Directive Article 41)

20.10. Information about the acquisition offers made by third parties on the issuer's shares, if the issuer was already a publicly listed partnership in the year of preparation of the prospectus and the preceding year, as well as the prices and results of the offers:

None.

20.11. Material information about the articles of association and internal directive:

The Issuer's Articles of Association is available on the web site www.kap.org.tr at the link <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/978-hektas-ticaret-t-a-s> and the Company's corporate web site at the link <https://hektas.com.tr/yatirimci-iliskileri/kurum-kimligi-ve-yonetimi/anasozlesme/>.

The Internal Directive of the Company is provided in the Annex 2.

20.12. Purpose and activities of the issuer in reference to the relevant article of the articles of association:

The purpose and subject of the company are regulated in the 4th article of the Company's Articles of Association. Accordingly,

The purpose and fields of operation of the company are as follows:

A- Engaging in the production, import, export and distribution of all kinds of medical, veterinary, pharmaceutical, bacteriological food and chemical preparations and their raw materials,

B-Preparations and raw materials of all kinds of chemicals and pesticides used in agriculture,

C- All kinds of hygienic and cosmetic materials and raw materials,

D- Dentistry preparations and raw materials,

E- All machinery, tools and installations related to the subjects listed in the above articles;

On its own, or through local or foreign companies which it will establish or in whose capital it will participate, as well as acting as representatives of domestic or foreign companies in these branches and performing storage activities of the substances and tools in these branches,

F- Assuming and performing all kinds of commercial and industrial works both in its own name and account and on behalf of domestic and foreign real or legal persons,

G- Without prejudice to the article 21/1 of the Capital Market Law, establishing or participating in companies in Turkey and abroad regarding the matters mentioned above or purchasing and selling their shares and bonds, on the condition that these transactions do not constitute investment services,

H- Provided that the principles specified within the framework of the capital market legislation are complied with, purchasing, selling and performing all kinds of legal disposal on all kinds of movable and immovable goods of commercial and industrial nature, concluding lease agreements, acting as surety, accepting surety, establishing pledges and mortgages, releasing the pledges and mortgages established, concluding pledge agreements for fulfilling the Company's purpose of establishment.

I- Acquiring, transferring, pledging, and performing all kinds of legal disposal on patents, trademarks, industrial designs, geographical indications, utility models and all kinds of industrial and / or intellectual property rights, licenses, privileges, models, pictures, trade names, know-how and other similar intangible rights for the transactions concerning the company.

J- Conducting research on agriculture and animal husbandry; establishing and operating facilities such as improvement, testing, breeding, product processing, stations, institutions, laboratories and similar facilities required by these researches.

K- Establishing agricultural irrigation systems, manufacturing and building the necessary pipes and all kinds of installations and structures related to water distribution and transmission lines,

L- Operating in the application fields regarding the matters specified above (such as agricultural control, opening and operating animal hospitals, establishing and operating clinics, etc.), providing consultancy.

M- Carrying out agricultural activities for the production of agricultural, , animal and aquatic products or to do all kinds of trade in addition to agricultural activities, such as purchase, sale, marketing, storage, packaging, processing and related imports and exports, as well as cooperating with companies operating in these fields.

N- Cooperating with organizations that operate for increasing the value of the country's crops and performing the imports and exports of these crops,

O- Engaging in all kinds of activities directly or indirectly related with the company's purpose and field of activity specified above.

P- Carrying out transactions regarding its own shares within the framework of the articles 379 and 382 of the Turkish Commercial Law and other relevant legislation, provided that the capital market legislation is complied with and the necessary material disclosures are made.

R-Making all kinds of grants and donations without disrupting its own purpose and subject, provided that they do not conflict with the regulations of the Capital Market Law concerning disguised profit distribution and other related legislation, the necessary material disclosures are

made and the shareholders are informed about the donations made within the year in the general assembly.

The company may also engage in activities other than those listed here, which are relevant or beneficial for its subject, provided that it fulfills the requirements stipulated in the legislation and does not contradict the legislation.

20.13. Summaries of important provisions regarding the board of directors and committees:

Explanations regarding the Board of Directors are provided in the article 11 of the Company's articles of association. Accordingly:

The affairs and administration of the Company shall be carried out by the Board of Directors.

The Board of Directors shall be comprised of at least 5 and maximum 9 members in total, who will be elected in accordance with the provisions of TCL and CMB by the General Assembly.

The number and qualifications of the independent members who will be assigned to the board of directors shall be determined according to the regulations of the Capital Market Board regarding corporate governance.

The General Assembly shall determine the number of Board of Directors members so that it will be possible for them to carry out efficient and constructive works, take quick and rational decisions and effectively organize the establishment and works of committees.

Explanations regarding the term of the Board of Directors are provided in the article 12 of the Company's articles of association. Accordingly:

Independent members of the board of directors shall be elected for one year, while the other members shall be elected for three years. Board of Directors members whose election term has expired can be elected again. If a membership becomes vacant for any reason, the Board of Directors shall temporarily appoint an individual who fulfills the conditions specified in the capital market legislation and this Articles of Association to this membership and submit this appointment to the first General Assembly for approval. The member selected in this way shall complete the term of office of the former member.

If deemed necessary, the General Assembly may always replace Board of Directors members.

Explanations regarding Meetings are provided in the article 13 of the Company's articles of association. Accordingly:

The Board of Directors shall convene at the headquarters of the Company or at another location pursuant to a Board of Directors decision, at least six times in a year or whenever required by the Company's business. The Board of Directors shall appoint a chairman among the members and at least one deputy chairman as deputy in the chairman's absence during the first meeting every year. The manner of convention, meetings and decision quorum, voting, duties, rights and authorities of the Board of Directors are subject to the provisions of TCL and related legislation.

Decisions of the Board of Directors shall be entered in the decision book. They shall be signed by the chairman and members.

The Corporate Governance Principles required by the Capital Market Board shall be complied with. Transactions conducted and board of directors decisions taken without complying with the mandatory principles shall be invalid and shall be deemed to conflict with the articles of association.

In terms of application of Corporate Governance Principles, regulations of the Capital Market Law concerning corporate governance shall be complied with in the transactions deemed material,

material related party transactions of the company and transactions concerning the issuance of guarantee, bail and mortgage in favor of third parties.

The Board of Directors may delegate all or some of the representation and management authorities of the Company to one or more executive members among the Board members other than independent board members and the provisions of the article 367 of the TCL shall be reserved in this matter.

If none of the members requests a meeting, the board of directors decisions can also be taken by obtaining written approval of at least the majority of the total number of members for the proposal made by one of the board members in a certain matter and written in the form of a decision. The decision to be taken in this way shall be valid on the condition that the same proposal is made to all members of the board of directors. Approvals do not have to be on the same paper; however, in order for the decision to be valid, all papers containing the approval signatures must be affixed to the board of directors decision book or must be entered in the decision book after being transformed to a decision containing the signatures of the members who accept it.

Decisions shall be valid on the condition that they are written and signed.

Board of directors members may not vote in representation of each other; nor may they attend meetings through proxies.

If the votes are equal, that issue shall be addressed in the next meeting. If they are equal in the second meeting as well, the proposal in question shall be deemed to be rejected.

Explanations regarding the Authorities of the Board of Directors are provided in the article 14 of the Company's articles of association. Accordingly:

Except for the administrative and representation powers determined pursuant to Board of Directors Decisions regarding the appointment of executive directors or members pursuant to paragraph 5 of Article 13 of the Articles of Association, in order for all documents and contracts to be made by the company to be valid, they must bear the Company's title and signatures of at least two individuals authorized to represent the Company.

The terms of office and authority of the general manager, deputy general managers, managers and other signatories of the Company are not limited with the terms of office of the Board of Directors members.

The persons who will be authorized to sign on behalf of the company and how they will sign on behalf of the Company shall be determined, registered and announced by the Board of Directors.

Except the inalienable duties and powers defined in the article 375 of the Turkish Commercial Law, the Board of Directors is authorized to transfer the management partially or wholly to one or more than one board of directors members or to a third person as per an internal directive that it will draw up under the article 367 of the Turkish Commercial Law. Furthermore, the board of directors may assign the representation authority to one or more executive directors or a third person as manager. At least one member of the board of directors must be authorized to represent the company.

Acquisition, pledge, etc. transactions concerning the own shares of the Company shall be carried out by the Board of Directors. Provisions of TCL and the related legislation shall be complied with in this regard.

Explanations regarding the Duties of the Board of Directors are provided in the article 15 of the Company's articles of association. Accordingly:

The primary duties of the Board of Directors are fulfilling the General Assembly decisions, inviting the General Assembly to meeting within the framework of the provisions of the law and the Articles

of Association, executing all kinds of savings deemed necessary and beneficial on behalf of the Company, buying and acquiring immovables and other real rights on behalf of the Company; restricting the immovables of the company with a real right or performing a sale transaction, renting and leasing all kinds of movable and immovable property to be deemed necessary for the Company, borrowing and lending money in the name and on account of the Company, establishing mortgage on the Company's immovable property in cases where necessary, accepting and approving mortgages from real or legal persons on behalf of the company, releasing these mortgages and all kinds of restrictions and installments, and making the necessary release statements.

The principles determined within the framework of the capital market legislation shall be complied with in the provision of guarantee, surety, security or pledge including mortgage on behalf of the Company and in favor of third parties.

The Board of Directors is authorized to take decisions regarding all transactions other than those that must be exclusively decided by the General Assembly as per Laws and the Articles of Association.

Under the article 20 of the Company's Articles of Association,

the provisions of the relevant legislation shall be applied regarding the formation, duties and working principles of the committees that the Board of Directors is obliged to establish within the scope of the relevant legislation, including the early determination of risk committee within the scope of the Capital Market legislation and article 378 of the Turkish Commercial Code, and their relations with the Board of Directors.

20.14. Information about the privileges, context and limitations of each share group:

There are no privileges attributed to shares representing the capital. However, the Company also has founding shares in addition to these, and the said shares grant rights to participate in the net profit (5% dividend).

20.15. Principles regarding changing the rights and privileges of shareholders:

None.

20.16. Information about procedures for holding the ordinary and extraordinary general assembly meetings and conditions for attending the meetings:

Explanations and regulations for holding extraordinary and ordinary general assembly meetings are provided in the articles 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 of the Company's articles of association.

Accordingly,

General Assembly Meetings:

Article 21 - The Ordinary General Assembly convenes within three months from the end of the Company's operating period and at least once a year, discussing and taking decisions on the issues on the agenda. The Extraordinary General Assembly meets in accordance with the provisions in the law and this Articles of Association and takes the necessary decisions when required by the Company's business.

Voting Rights and Representation:

Article 22 - Stakeholders or their proxies present at the Ordinary and Extraordinary General Assembly meetings exercise their voting rights in proportion to the total nominal value of the shares. Each share has one voting right. In the General Assembly meetings, stakeholders may be

represented by other stakeholders or an external proxy to be appointed. Proxies who are shareholders of the company are authorized to cast the votes of the shareholders they represent, in addition to their own votes.

The method of running general assembly meetings is regulated by an internal directive. General assembly meetings are carried in accordance with the provisions of TCL, the capital market legislation and the internal directive.

Participation in the general assembly meeting in electronically;

Shareholders who are entitled to attend the company's general assembly meetings may also attend these meetings electronically, pursuant to Article 1527 of the Turkish Commercial Law. Under the provisions of the Regulation on General Assemblies to be Held Electronically in Joint Stock Companies, the Company may establish an electronic general assembly system that will allow the right holders to attend the general assembly meetings, express their opinions, make suggestions and vote electronically, or may also purchase services from the systems established for this purpose.

In all general assembly meetings to be held, it is ensured that the right holders and their representatives can exercise their rights specified in the provisions of the aforementioned Regulation, through the established system, in accordance with this provision of the articles of association.

The regulations of the Capital Markets Board on voting by proxy shall be reserved.

Quorum:

Article - The provisions of the Turkish Commercial Code, the provisions of the capital market legislation and the regulations on corporate governance principles of the Capital Markets Board are complied with in the general assembly meetings and the decision quorum in these meetings.

Meeting Location:

Article 24 - General Assemblies convene in the province where the headquarters of the company is located or at a place deemed appropriate by the Board of Directors in Gebze. If the meeting is to be held at a location other than the headquarters of the company, the meeting place shall be clearly stated in the announcement regarding the general assembly meetings.

Meeting Chairman

Article 25 - General Assembly meetings are chaired by the Chairman of the Board of Directors. In the absence of the chairman, this task shall be performed by the deputy chairman. If the deputy chairman is also absent, the person to chair the meeting shall be elected by the General Assembly.

Authorities of the General Assembly:

Article 26 - Authorities of the General Assembly,

Discussing and resolving matters that are not within the authorities of the Board of Directors,

b) Giving special permissions to the Board of Directors and setting their conditions, determining the method of managing the company's business

c) Deciding on the acceptance or rejection of the balance sheet profit and loss accounts, based on the reports to be drawn up regarding the company's business by the Board of Directors and auditors, or deciding on their rearrangement through discussions; deciding on the release from liability and responsibility of the Board of Directors, determining the method of distributing the profits to be designated, electing the Board of Directors members and auditors, except the exceptions stipulated in the law, to remove them if necessary and to appoint others to replace them, to determine the amount of remuneration to be paid to the members of the Board of Directors.

Other Authorities:

Article 27 - The authorities listed in the article above are not limited. Taking decisions in all matters which directly and indirectly concern the Company, such as management of the Company's business and amendment of the Articles of Association are within the authorities of the General Assembly under the provisions of TCL and CMB.

Release:

Article 28 - The decision of the general assembly regarding the approval of the balance sheet results in the release of the members of the board of directors, managers and auditors, unless otherwise stated in the decision. However, if some issues are not specified in the balance sheet at all or as required, or if the balance sheet contains some issues that will conceal the actual situation of the company and deliberate action was taken in this regard, approval shall not result in release.

Ministry's Representative:

Article 29 - The principles and procedures for assignment of representatives for general assembly meetings and the situations in which the Ministry representative shall attend the general assembly, as well as the provisions of the related regulations about their duties and authorities shall be complied with.

Declarations:

Article 30 - Declarations of the Company shall be made in accordance with the regulations of the Turkish Commercial Law and Capital Market Board and the related provisions of the legislation.

20.17. Information about the provisions which may cause delay, postponement and prevention of the issuer's change of management power:

None.

20.18. Principles for the transfer of shares:

There are no restrictions regarding the transfer of the Company's shares within the scope of the Articles of Association. Share transfers of the Company are made within the framework of TCL and CMB regulations.

20.19. If the conditions required in the articles of association for increasing and reducing the capital are stricter than those required by law, information about such provisions:

As mentioned in the article 9 of the Company's Articles of Association, the Company's capital can be increased or reduced within the framework of the provisions of the Turkish Commercial Law and Capital Market Legislation when necessary.

21. MATERIAL AGREEMENTS

None.

22. INFORMATION ABOUT THE ISSUER'S FINANCIAL SITUATION AND OPERATING RESULTS

22.1. The Issuer's financial statements which are prepared according to the accounting/financial reporting standards of the Board and which must be included in the prospectus and the related independent audit reports:

The Company's consolidated financial statements and footnotes for the first half of 2022 and the years 2021, 2020 and 2019 which are prepared in accordance with TAS and TFRS published by POA within the scope of the CMB Communiqué no. II-14.1; and in accordance with the financial statement and footnote formats that are determined under the CMB Decision dated 07.06.2013 no.

20/670 and announced with the CMB's Weekly Bulletin dated 07.06.2013 no. 2013/19, as well as the independent audit reports containing qualified opinion regarding the financial statements are provided on the web site www.kap.org.tr and the Company's web site www.hektas.com.tr.

Our Company's financial statements pertaining to the annual fiscal periods ending on the dates 31.12.2021, 31.12.2020 and 31.12.2019 and the independent audit reports relating to them, as well as the financial statements of the interim period 30.06.2022 are published on the address www.kap.org.tr as of the following dates:

30.06.2022 interim period : 05.08.2022

FY 2021 : 11.02.2022

FY 2020 : 04.02.2021

FY 2019 : 12.02.2020

These financial reports are also available on the Company's web site www.hektas.com.tr.

22.2. Information about the titles of the organization which conducted the independent audit in the financial statement periods that must be included in the prospectus, independent audit opinion and reasons for the change of the independent audit institution/responsible partner lead auditor, if any:

Information about the institutions which provided independent audit services as of the financial statement periods that must be included in the prospectus is provided in the following table.

Period	Independent Audit Firm	Auditor	Independent Audit Opinion
30.06.2022	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	NAZLI IVAK	Qualified
31.12.2021	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	NAZLI IVAK	Qualified
31 December 2020	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	HAKKI ÖZGÜR SIVACI	Qualified
31.12.2019	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.	HAKKI ÖZGÜR SIVACI	Qualified

For the fiscal periods 2019 and 2020, independent audit services were received from KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş., with Hakkı Özgür Sıvacı as the auditor as mentioned in the table above.

For the fiscal year 2021, independent audit services were received from DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. The Company works with the same independent audit firm for the fiscal year 2022 as well. The Auditor is Nazlı Ivak as specified in the table above.

22.3. Significant changes which occurred after the date of the last financial statement and which may affect the issuer's and/or group's financial position or commercial position (must

also include developments regarding production, sales, inventories, costs and sales prices) or a statement that no such changes occurred:

None.

22.4. Pro forma financial information:

None.

22.5. Independent assurance report on pro forma financial information:

None.

22.6. Information regarding the dividend distribution principles of the issuer in the articles of association and other information and documents disclosed to the public and the decisions taken by the issuer regarding profit distribution as of the financial statement periods that must be included in the prospectus:

The article 34 of the Company's articles of association explains "Distribution and Determination of the Profit". Accordingly:

The General Assembly is authorized to take decisions on not distributing or partially or wholly distributing the profits, within the framework of profit distribution policies. Applications concerning general reserves and dividend calculation are carried out in accordance with the provisions of TCL, CMB and related legislation.

The period of the profit which remains after deducting the amounts that must be paid or set aside by the company such as the Company's overheads and miscellaneous depreciation as well as the taxes payable by the company's legal personality from the Company's incomes determined at the end of the operating period and which is shown in the annual balance sheet shall be allocated as follows and in the following order, after deducting previous years' losses, if any:

(a) 5% shall be set aside as reserves.

(b) Primary dividends shall be set aside in accordance with the Turkish Commercial Law and the Capital Market Legislation, over the amount to be calculated by adding the donation amount made within the year, if any, to the remaining amount.

(c) 5% dividend shall be set aside for founding shareholders from the amount remaining after the amounts specified in the clause a and b are deducted from the Annual Profit.

(d) The General Assembly is authorized to distribute the part remaining after the deduction of the amounts specified in the clauses (a), (b) and (c) from the net profit of the period as secondary dividends partially or wholly or to set it aside as optional reserves under the article 521 of the Turkish Commercial Law.

(e) One tenth of the amount calculated by deducting 5% dividends from the part decides to be distributed to the shareholders and other individuals participating in the profit shall be added to the general reserves as per the 2nd paragraph of the article 519 of TCL.

Unless the dividends determined for the shareholders and the reserves which must be set aside according to the laws are set aside, it cannot be decided to set aside other reserves, transfer profits to the following year and distribute shares from the profit to the members of the board of directors and employees of the partnership; nor shall it be possible to distribute shares from the profit to these individuals, unless the dividends determined are paid. Furthermore, within the framework of the provisions of TCL, CMB Law and the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.

Profits distributed in accordance with the provisions of the Articles of Association cannot be withdrawn. Recalling the profits in case of advance dividend distribution is an exception.

Dividends shall be equally distributed to all shares existing as of the date of the distribution, without taking the dates of issue and acquisition of these shares into account.

The manner and timing of distributing the profits decided to be distributed shall be decided by the general assembly upon the proposal of the board of directors regarding the issue.

The Company's explanations on the profit distribution policy published on KAP are as follows:

The Company has adopted the policy of distributing the entire distributable profit of the period in cash to the extent permitted by the prospective free cash generation expectation, including investment / financing needs and market projections, and financial leverage ratios, within the framework of the applicable legislation and the provisions of the Company's Articles of Association. The profit distribution policy is reviewed annually by the Board of Directors, in the light of the national and global economic circumstances, the projects on the company's agenda and the status of its funds.

Dividends are paid by December 15 of the related calendar year in instalments with equal or different amounts within the framework of the legislative provisions, by authorizing the Board of Directors in the general assembly meeting where the distribution is decided.

Within the framework of the provisions of the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.

In the Company's Ordinary General Assembly Meeting held on 01.04.2022, it was decided to carry out the profit distribution in accordance with the issues specified in the Company's profit distribution policy.

The profit distribution statement of the company for the operating year 2021 is as follows. As it can be seen, the Company did not make any profit distribution from the profit derived in 2021 or previous years' profits.

The profit distribution statement for the year 2021 is provided in the table below. Furthermore, the profit distribution statement of the operating period 2021 and the General Assembly's decision in this matter are available at the link <https://www.kap.org.tr/tr/Bildirim/1015245>.

HEKTAŞ TİCARET T. A.Ş. DIVIDANT DISTRIBUTION TABLE FOR THE YEAR 2021 (TL)			
1.	Paid-in/issued capital	860,000,000.00	
2.	Total Legal Reserves (According to Legal Records)	46,229,090.60	
If there is a privilege in profit distribution in accordance with the articles of association, information on the said privilege			
		According to CMB	According to Legal Records (LR)
3.	Current Period Profit	334,330,223.00	241,654,900.48
4.	Taxes Payable (-)	8,573,207.00	0.00
5.	Net Current Period Profit (=)	325,757,016.00	241,654,900.48
6.	Losses in Previous Years (-)	0.00	0.00
7.	Primary Legal Reserve (-)	12,082,745.02	12,082,745.02
8.	NET DISTRIBUTABLE CURRENT PERIOD PROFIT (=)	313,674,270.98	229,572,155.46
9.	Donations made within the year (+)	0.00	112,733.00
10.	Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated		229,684,888.46
11.	First Dividend to Shareholders		
	-Cash		
	-Stock		
	- Total		
12.	Dividend Distributed to Owners of Privileged Shares		
13.	Other Dividend Distributed		
	-To Members of the Board of Directors		
	- To Employees		
	- To Non-Shareholders		
14.	Dividend to Owners of Redeemed Shares		
15.	Second Dividend to Shareholders		
16.	Secondary Legal Reserves		
17.	Statutory Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	313,674,270.98	229,572,155.46
20.	Other Distributable Resources	0	0
	- Previous Years' Profit	0	0
	- Extraordinary Reserves	0	0
	- Other Reserves Distributable as per Laws and the Articles of Association	0	0

Pay Grubu	TOPLAM DAĞITILAN KAR PAYI - NAKİT (TL) - NET	TOPLAM DAĞITILAN KAR PAYI - BEDELSİZ (TL)	TOPLAM DAĞITILAN KAR PAYI / NET DAĞITILABİLİR DÖNEM KARI (%)	1 TL NÖMİNAL DEĞERLİ PAYA İSABET EDEN KAR PAYI - TUTARI(TL) - NET	1 TL NÖMİNAL DEĞERLİ PAYA İSABET EDEN KAR PAYI - ORANI(%) - NET
---	0	0	0	0	0
TOPLAM	0	0	0	0	0

In the Company's Ordinary General Assembly Meeting of 2020 held on 24.03.2021, it was decided to carry out the profit distribution in accordance with the issues specified in the Company's profit distribution policy.

The profit distribution statement of the company for the operating year 2020 is as follows. As it can be seen, the Company did not make any profit distribution from the profit derived in 2020 or previous years' profits.

The profit distribution statement for the year 2020 is provided in the table below. Furthermore, the profit distribution statement of the operating period 2021 and the General Assembly's decision in this matter are available at the link <https://www.kap.org.tr/tr/Bildirim/920244>.

HEKTAŞ TİCARET T. A.Ş. PROFIT DISTRIBUTION STATEMENT FOR THE YEAR 2020 (TL)

1.	Paid-in/issued capital		227,571,100.14
2.	General Reserves (According to Statutory Records)		38,087,444.41
	If there is a privilege in profit distribution in accordance with the articles of association, information on the said privilege		
		According to CMB	According to Legal Records (LR)
3.	Profit of the Period	158.868.000,00	162.832.923,71
4.	Taxes (-)	-29.462.967,00	0.00
5.	Net profit of the period(=)	188.330.967,00	162.832.923,71
6.	Previous Years' Losses (-)	0.00	0.00
7.	General Reserves (-)	8.141.646,19	8.141.646,19
8.	NET DISTRIBUTABLE PROFIT OF THE PERIOD	180.189.320,55	154.691.277,52
9.	Donations made within the year (+)	1.094.006,55	1.094.006,55
10.	Net Distributable Profit of the Period Plus Donations	181,283,327.36	155.785.284,07
11.	Primary Dividends to Shareholders		
	-Cash		0,00
	-Unpaid		0
	-Total		0
12.	Dividend Distributed to Privileged Shareholders	3,057,855.66	
13.	Other Dividends Distributed		0
	-To Members of the Board of Directors		0
	-To Employees		0
	-To Persons Other than Shareholders		0
14.	Dividend Distributed to Redeemed Shareholders		0
15.	Secondary Dividends to Shareholders		0,00
16.	General Reserves		0,00
17.	Status Reserves		0.00
18.	Special Reserves		0.00
19.	EXTRAORDINARY RESERVES	177,131,465.15	154,691,277.52
20.	Other Resources Planned to be Distributed	0	0
	-Previous Years' Profit	0	0
	-Extraordinary Reserves	0	0
	-Other Reserves Distributable as per Laws and the Articles of Association	0	0

(*)The Concept of Subsidiary used here includes the parent's affiliate, subsidiary and joint venture partnerships.

INFORMATION ON THE RATE OF DIVIDENDS DISTRIBUTED

Information on Dividends per Share

	GROUP	TOTAL DIVIDENDS DISTRIBUTED		TOTAL DIVIDENDS DISTRIBUTED/ NET DISTRIBUTABLE PROFIT OF THE PERIOD	DIVIDENDS CORRESPONDING TO SHARE WITH NOMINAL VALUE OF 1 TL	
					Amount (TL)	Rate (%)
		Cash (TL)	Unpaid (TL)	Ratio (%)	Amount (TL)	Ratio (%)
GROSS	A	0.00	0.00	0.00	0.0000000	0.0000
	B	0.00	0.00			
	TOTAL	0.00	0.00	0.00	0.0000000	0.0000

NET	A	0.00	0.00	0.00	0.0000000	0.0000
	B	0.00	0.00			
	TOTAL	0.00	0.00	0.00	0.0000000	0.0000

In the Company's Ordinary General Assembly Meeting of 2019 held on 31.03.2020, it was decided to carry out the profit distribution in accordance with the issues specified in the Company's profit distribution policy.

The profit distribution statement of the company for the operating year 2019 is as follows. As it can be seen, the Company did not make any profit distribution from the profit derived in 2019 or previous years' profits.

The profit distribution statement for the year 2019 is provided in the table below. Furthermore, the profit distribution statement of the operating period 2021 and the General Assembly's decision in this matter are available at the link <https://www.kap.org.tr/tr/Bildirim/833565>.

HEKTAŞ TİCARET T. A.Ş. PROFIT DISTRIBUTION STATEMENT FOR THE YEAR 2019 (TL)

1.	Paid-in/issued capital	227,571,100.14	
2.	General Reserves (According to Statutory Records)	30,759,303.22	
	If there is a privilege in profit distribution in accordance with the articles of association, information on the said privilege		
		According to CMB	According to Legal Records (LR)
3.	Profit of the Period	145,386,308.00	146,562,823.76
4.	Taxes (-)	-184,942.00	0.00
5.	Net profit of the period(=)	145,571,250.00	146,562,823.76
6.	Previous Years' Losses (-)	0.00	0.00
7.	General Reserves (-)	7,328,141.19	7,328,141.19
8.	NET DISTRIBUTABLE PROFIT OF THE PERIOD	138,243,108.81	139,234,682.57
9.	Donations made within the year (+)	0.00	0.00
10.	Net Distributable Profit of the Period Plus Donations	138,243,108.81	
11.	Primary Dividends to Shareholders	0.00	
	Cash	0.00	
	Unpaid	0.00	
	Total	0.00	
12.	Dividend Distributed to Privileged Shareholders	6,912,155.44	
13.	Other Dividends Distributed	0.00	
	To Members of the Board of Directors	0.00	
	To Employees	0.00	
	To Persons Other than Shareholders	0.00	
14.	Dividend Distributed to Redeemed Shareholders	0.00	
15.	Secondary Dividends to Shareholders	0.00	
16.	General Reserves	0.00	
17.	Status Reserves	0.00	0.00
18.	Special Reserves	0.00	0.00
19.	EXTRAORDINARY RESERVES	131,330,953.37	132,322,527.13
20.	Other Resources Planned to be Distributed	0.00	0.00

	Previous Years' Profit	0.00	0.00
	Extraordinary Reserves	0.00	0.00
	Other Reserves Distributable as per Laws and the Articles of Association		
	General Reserves Calculated on Other Resources	0.00	0.00
	Cash Dividend to be Distributed to Shareholders (Other Resources)	0.00	0.00
(*)	The Concept of Subsidiary used here includes the parent's affiliate, subsidiary and joint venture partnerships.		

INFORMATION ON THE RATE OF DIVIDENDS DISTRIBUTED						
Information on Dividends per Share						
	GROUP	TOTAL DIVIDENDS DISTRIBUTED		TOTAL DIVIDENDS DISTRIBUTED/ NET DISTRIBUTABLE PROFIT OF THE PERIOD	DIVIDENDS CORRESPONDING TO SHARE WITH NOMINAL VALUE OF 1 TL	
					Amount (TL)	Rate (%)
		Cash (TL)	Unpaid (TL)	Ratio (%)	Amount (TL)	Ratio (%)
GROSS	A	0.00	0.00	0	0.0000000	0.0000
	B	0.00	0.00			
	TOTAL	0.00	0.00	0	0.0000000	0.0000
NET	A	0.00	0.00	0	0.0000000	0.0000
	B	0.00	0.00			
	TOTAL	0.00	0.00	0	0.0000000	0.0000

22.7. Lawsuits, legal proceedings and arbitration proceedings which have significantly affected or may significantly affect the issuer's and/or group's financial position or profitability in the last 12 months or statement regarding their absence:

Lawsuits

There are no lawsuits, legal proceedings and arbitration proceedings which have significantly affected or may significantly affect our Company's financial position or profitability in the last 12 months.

Administrative-Judicial Sanctions

There are no administrative sanctions or penalties imposed on our Company and the our Board of Directors Members due to practices against legislative provisions.

22.8. Other audited information included in the prospectus:

None.

23. INFORMATION ABOUT THE SHARES TO BE ISSUED AND OFFERED TO THE PUBLIC

23.1. Information about the types and groups of the shares to be issued and/or traded on the stock exchange including ISIN (International security identification number) or another similar definition code information:

Group	Registered / Bearer's	Privileges	Number of Shares	Ratio of the Number of Shares to the Group Number of Shares (%)	Nominal Value of One Share (TL)	Total (TL)	Ratio to the Capital (%)
---	Registered	None.	167,000,000,000	100	0.01	1,670,000,000	194.19
					TOTAL		

The Company's authorized capital cap is 3.000.000.000 Turkish Lira. The issued capital of the company is TL 860.000.000. This capital is divided into 86.000.000.000 shares, each with a nominal value of 1 Kuruş. There is no group distinction in the share certificates of the Company, and there are no privileged shares. The rights to acquire new shares will be granted at 1 Kuruş for a share with a nominal value of 1 Kuruş.

The issued capital of TL 860.000.000 within the authorized capital cap of TL 3.000.000.000 will be increased to TL 2.530.000.000 with an increase of TL 1.670.000.000, TL 1.290.000.000 (150%) of which will be supplied in cash (paid), and TL 380.000.000 (44,18604%) of which will be supplied from internal resources.

TL 1.290.000.000 of the capital increase amounting to TL 1.670.000.000 will be made in cash (paid) and the current shareholders' rights to purchase new shares (pre-emptive rights) will not be restricted. In this capital increase (ISIN: TRAHEKTS91E4) shareholders will be granted pre-emptive rights.

As it can be seen in the article 7 of the Articles of Association titled Capital, each share of the Company has equal voting power. There are no privileged shares in terms of voting rights.

a) Information about the sources of the capital increase made from internal sources:

The capital increase in the total amount of TL 380.000.000 which is made from internal resources will be wholly supplied from previous years' profits.

The equity section of the interim financial statement dated 30.06.2022 is as follows.

	Subjected to Limited Independent Audit Audit 30.06.2022
EQUITY (CONSOLIDATED CMB)	
EQUITY	1.834.217.678
Paid-in Capital	860.000.000
- Capital Attributable to Equity Holders of the Parent	860.000.000
- Minority Shares	
Effect of Mergers Involving Enterprises or Businesses under Joint Control	-19.852.274
Premiums / Discounts Related to Shares	5.203.762

Other Accumulated Comprehensive Incomes or Expenses that Will Not Be Reclassified In Profit Or Loss	25.388.089
- <i>Hedging Gains (Losses)</i>	13.787.766
- <i>Currency translation differences</i>	11.600.323
Other Accumulated Comprehensive Incomes or Expenses that Will Not Be Reclassified In Profit Or Loss	-14.345.000
- <i>Defined Utility Plans Remeasurement Losses</i>	-14.345.000
Restricted Reserves Set Aside from the Profit	59.011.345
Previous Years' Profits and Losses	479.809.935
Net profit of the period	425.402.312

As it can be seen in the equity section of the Company's interim financial statement dated 30.06.2022 prepared as per the CMB legislation, the Company has previous years' profits in the amount of TL 479.809.935.

As it can be seen in the equity section of the Company's balance sheet dated 30.06.2022 prepared in accordance with statutory records in the following table, the previous years' profits are in the amount of TL 241.654.900, while the extraordinary reserves are in the amount of TL 159.986.687.

ACCORDING TO STATUTORY RECORDS	
EQUITY DATED 30.06.2022	
EQUITY	1.635.199.451,00
A- Paid-in Capital	866.559.136,00
Capital	860.000.000,00
Unpaid Capital (-)	0,00
Capital Adjustment Positive Differences	6.559.136,00
B-Capital Reserves	5.203.762,00
Share Premiums	5.203.762,00
MDV Revaluation Increases	0,00
Affiliates Revaluation Increases	0,00
Cost Increase Fund	0,00
C-Profit Reserves	206.753.344,00
Legal Reserves	46.229.091,00
Status Reserves	0,00
Extraordinary Reserves	159.986.686,88
Real Estate Sales Profits to be Added to the Capital	0,00
Special Funds	537.567,00
D- Retained Earnings	241.654.900,00
E- Previous Year's Losses (-)	0,00
F- Net Profit (Loss) of the Period	315.028.308,00

b) Information about the shares to be distributed to current shareholders free of charge with the increase from internal sources:

The Company's paid-in capital in the amount of TL 860.000.000 will be increased to TL 2.530.000.000 TL 1.290.000.000 of which will be paid and TL 380.000.000 of which will be unpaid. The whole amount of the unpaid capital increase in the amount of TL 380.000.000 will be supplied from the internal resources mentioned in the section 23.1/a of the prospectus. The ratio of share acquisition of the unpaid part of the capital increase in the amount of TL 380.000.000 is specified below.

Share Group Information	Amount of Unpaid Shares Received from Internal Resources (TL)	Ratio of Unpaid Shares Received from Internal Resources (%)	Group of Shares to be Given
None	380,000,000	44.18604	None

c)Principles for distribution of the shares to be granted free of charge:

i) Ratio of receiving unpaid shares according to the shareholders' current shares in the paid-in/issued capital:

The ratio of receiving unpaid shares from internal sources is 44,18604 %.

ii) Application method:

The shares of our company are kept in dematerialized form by the Central Registry Agency, within the framework of the principles on materialization. Shareholders will receive their unpaid shares in dematerialized form within the framework of the Capital Market Legislation. There is no time restriction for the acquisition of unpaid shares.

23.2. The legislation as per which the shares are created:

The shares have been created within the scope of the Capital Market legislation.

23.3. Information about whether the shares are dematerialized:

The shares of our partnership are kept in dematerialized form by the Central Registry Agency, within the framework of the principles on materialization.

23.4. Information about the currency in which the shares are issued:

The shares will be offered for sale in Turkish Lira.

23.5. Information about the rights relating to the shares including restrictions and the procedure for exercising these rights:

The shares to be issued grant the following rights to the shareholders as per the relevant legislation:

Dividend rights (CMB Law article 19); Refers to the right to receive share from the profit distributed in the framework of the profit distribution policies to be determined by the Company's general assembly and in accordance with the provisions of the related

legislation.

Date of entitlement; In publicly-held corporations, dividends shall be distributed equally to all existing shares as of the date of distribution without taking into account the issue or acquisition dates of such shares. Statute of limitations; The statute of limitations of dividend amounts not collected by the shareholders and other individuals participating in the profit and the advance dividends not collected on time by the shareholders shall be 5 years as of the date of distribution.

There is no restriction for the exercise of the rights. The procedure for exercise of the rights is the same of shareholders resident in Turkey and abroad. Dividend payments of the shareholders whose shares are kept in dematerialized form at MKK and investor accounts in Investment Institutions are transferred to the investors' accounts through MKK. Tax-resident and non-resident legal persons are obliged to submit their tax liability information in the application they will make for the receipt of dividends. The time frames determined in the Capital Market Legislation must be followed in the profit distribution. Under the Dividend Communiqué no. II-19.1 of the Board, dividend distribution

transactions must be commenced as of the end of the fiscal period of the General Assembly meeting where distribution decision was taken at the latest.

The General Assembly is authorized to decide not to distribute or to partially or wholly distribute the profits within the framework of profit distribution policies. Applications regarding general statutory reserves and dividend calculation are carried out within the framework of TCL and related legislation.

The period of the profit which remains after deducting the amounts that must be paid or set aside by the company such as the Company's overheads and miscellaneous depreciation as well as the taxes payable by the company's legal personality from the Company's incomes determined at the end of the operating period and which is shown in the annual balance sheet shall be allocated as follows and in the following order, after deducting previous years' losses, if any:

- a) 5% shall be set aside as reserves.
- b) Primary dividends shall be set aside in accordance with the Turkish Commercial Law and the Capital Market Legislation, over the amount to be calculated by adding the donation amount made within the year, if any, to the remaining amount.
- c) 5% dividend shall be set aside for founding shareholders from the amount remaining after the amounts specified in the clause a and b are deducted from the Annual Profit.
- d) The General Assembly is authorized to distribute the part remaining after the deduction of the amounts specified in the clauses (a), (b) and (c) from the net profit of the period as secondary dividends partially or wholly or to set it aside as optional reserves under the article 521 of the Turkish Commercial Law.
- e) One tenth of the amount calculated by deducting 5% dividends from the part decides to be distributed to the shareholders and other individuals participating in the profit shall be added to the general reserves as per the 2nd paragraph of the article 519 of TCL.

Unless the dividends determined for the shareholders and the reserves which must be set aside according to the laws are set aside, it cannot be decided to set aside other reserves, transfer profits to the following year and distribute shares from the profit to the members of the board of directors and employees of the partnership; nor shall it be possible to distribute shares from the profit to these individuals, unless the dividends determined are paid.

Furthermore, within the framework of the provisions of TCL, CMB Law and the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.

The profits distributed in accordance with the provisions of the Articles of Association cannot be withdrawn. Recalling the profits in case of advance dividend distribution is an exception.

Dividends shall be equally distributed to all shares existing as of the date of the distribution, without taking the dates of issue and acquisition of these shares into account.

The manner and timing of distributing the profits decided to be distributed shall be decided by the general assembly upon the proposal of the board of directors regarding the issue.

Voting rights (CMB Law article 30); Each shareholder holds at least one voting right even if they have only one share. Shareholders exercise their voting rights commensurately with the total nominal value of their shares in the general assembly.

As stated in the article 7 titled Capital of the Company's Articles of Association, each share grants 1 voting right.

Right to Acquire New Shares (For partnerships in the authorized capital system CMB Law Article 18); Each shareholder has the right to acquire new shares issued, according to the ratio of their current shares to the capital. In the authorized capital system, new shares cannot be issued, unless the issued shares are wholly sold and paid or the shares that could not be sold are canceled.

As stated in the article 7 of the Company's Articles of Association titled Capital, the Board of Directors is authorized to issue shares exceeding the nominal value or restrict the shareholders' rights to acquire new shares, provided that the provisions of the Turkish Commercial Law and Capital Market Law are not violated.

The authority to restrict new share acquisition cannot be exercised by creating inequality among shareholders.

Right to participate in the liquidation balance in case of liquidation (TCL art. 507); If the Company is terminated, each shareholder shall participate in the amount remaining at the end of the liquidation commensurately with their shares, unless the articles of association contain any other provisions concerning the use of the terminated company's assets.

Right to Sell (CMB Law Article 27); In the event that shares acquired as a result of takeover bid or in a different way, including

acting in concert with others reach or surpass a ratio of the voting rights of the publicly-held corporation which is determined by the Board, the persons holding these shares shall gain the right to squeeze out the shareholders who have become a minority. These persons may request, within the period to be determined by the Board, the cancellation of the

shares of shareholders who became a minority and the sale of the new shares to be issued corresponding to these shares to themselves.

Retirement right (CMB Law Article 24); Shareholders who have attended the general assembly meeting regarding the significant

transactions mentioned in Article 23 and who had a negative vote and had their dissention recorded in the minutes shall have retirement right by selling their shares to the publicly-held corporation

Right to acquire gratis shares (CMB Law Article 19); In the capital increases of corporations, gratis shares shall be distributed to the shares existing

as of the date of increase.

Right to Invitation to and Participation in the General Assembly (CMB Law Article 29,30); The rights to participate and to vote in the general assembly of publicly-held corporations

can not be made conditional upon depositing of the shares of shareholders at any institution. The shareholders whose names take place in the list of attendees prepared by considering the shareholders

list that the board of directors has provided from CRA can participate in general assembly meetings of publicly-held corporations the shares of which are dematerialised. The right holders whose names are in this list shall participate in the general assembly by showing an identity card.

Right to Obtain and Review Information (CMB Law Article 14, TCL Article 437); The financial statements, the annual report of the board of directors, the audit reports and the dividend distribution proposal of the board of directors are kept available for the examination of the

shareholders at the headquarters and branches of the company at least 3 weeks before the general assembly meeting. The financial statements are kept available for shareholders to obtain information at headquarters and branches for a period of one year. Each shareholder may demand one copy of the financial statements at the expense of the company. Shareholders may demand information about the company's business from the board of directors and the method of conducting and results of the audit from the auditors at the general assembly. The liability to provide information also covers the company's subsidiaries. The information to be provided must be meticulous and in line with the actual situation in terms of the principles of accountability and integrity.

Right to File Annulment Lawsuit (CMB Law Article 18/6,20/2, TCL article 445- 451); To the extent that the losses are personally attributed to them according to their fault and requirements of the situation, the board of directors members and those conducting independent audits with restriction to the reports they prepare, are responsible for the losses arising from inaccuracy of the advance dividends distributed due to failure to issue the interim financial statements in accordance with the legislation and accounting rules and principles or these statements' failure to reflect the actual situation with integrity, to the partnership, shareholders, partnership's creditors, as well as the persons who acquired shares in the fiscal period when the advance dividends were decided or paid directly. In case of presence of situations where legal liability arises, the shareholders and board of directors members may file annulment lawsuit in 30 days as of the date of declaration of the decision. Shareholders who were present in the general assembly meeting and voted against the decision, having their opposition recorded in the minutes, and shareholders who, regardless of whether they were present in the meeting and whether they voted against the decision, argue that the call was not duly made, the agenda was not declared as required, individuals not authorized to attend the general assembly or their representatives participated in the meeting and voted, their participation and voting in the general assembly was unjustly not allowed and the conflicts listed above were effective in the taking of the general assembly decision can file annulment lawsuit against the general assembly decisions, which are against the provisions of the law or articles of association, as well as the principle of integrity in particular, within 3 months as of the date of the decision.

Minority rights (TCL Article 411, 412, 439); Shareholders account for at least one-twentieth of the capital, may ask the board of directors to call the general assembly to a meeting by determining the necessary reasons and agenda in writing or, if the general assembly is to be convened, to put on the agenda the matters they want to be resolved. If the requests of the shareholders regarding the invitation and the inclusion of an item on the agenda are rejected by the board of directors or if the request is not answered positively within 7 working days, the commercial court of first instance where the headquarters of the company is located may decide on the invitation of the general assembly to the meeting.

Right to request special audit (TCL Article 438); Each shareholder may request the general assembly to clarify certain events with a special audit, even if it is not included in the agenda, if it is necessary for the exercise of shareholder rights and if the right to obtain information or review was exercised before. If the general assembly approves the request, the company or each shareholder may request the appointment of a special auditor within 30 days from the commercial court of first instance where the company headquarters is located.

23.6. Decisions of the competent body regarding the issuance of shares:

As per the decision dated 19/08/2022 no. 50 of the Board of Directors, the following issues were decided unanimously by the participants of the meeting,

- 1.) Based on the authority in the article 7 of the Company's Articles of Association, the issued capital of TL 860.000.000 within the authorized capital cap of TL 3.000.000.000 will be increased to TL 2.530.000.000 with an increase of TL 1.670.000.000, TL 1.290.000.000 (150%) of which will be supplied in cash (paid), and TL 380.000.000 (44,18604%) of which will be supplied from internal resources (previous years' profits and extraordinary reserves).
- 2.) For the amount of TL 380.000.000, which will be covered from internal resources, the extraordinary reserves in the amount of TL 159.986.686,88 and the previous years' profits in the amount of TL 220.013.313,12 included in the statutory books and records and corresponding to the previous years profits in the amount of TL 380.000.000 in the financial statements prepared as per the capital market legislation shall be used,
- 3.) The capital increase of TL 1.290.000.000 which is made on paid basis will be made with payment, over the nominal value (1 TL) of 1 lot (100) share certificates, without restricting the current shareholders' rights to acquire new shares (preemptive rights),
- 4.) The period of exercising the rights to acquire new shares (preemptive rights) should be designated as 15 days and share certificates will be granted over their nominal value; if the last day of this period is a public holiday, the period allowed for exercising the right to acquire new shares should end on the evening of the following business day,
- 5.) The shares remaining after exercising the rights to acquire new shares (preemptive rights) will be sold on the Stock Exchange at the price to be established on Borsa İstanbul A.Ş., which will not be lower than the nominal value, for 2 (two) business days,
- 6.) Within the scope of this decision, the intermediary institution to work with in the process of selling the part remaining after the exercise of the rights to purchase new shares on the stock exchange and throughout the period of exercising the rights to acquire new shares will be determined and the necessary applications to the Capital Market Board, Borsa İstanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş. and İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank) as well as all other public and private institutions and organizations will be made,
- 7.) The Headquarters will be authorized regarding the conduct of all kinds of transactions for the capital increase.

23.7. Information about whether there are any records restricting the transfer and circulation of the shares or preventing the shareholder from exercising his/her rights on the shares to be offered to the public.

None.

24. CONSIDERATIONS REGARDING THE PUBLIC OFFERING

24.1. Conditions for the public offering, information about the public offering, estimated public offering calendar and actions that should be taken to participate in the public offering

24.1.1. Conditions applicable to the public offering:

There are no authorities whose approval must be obtained before the public offering other than the Capital Market Board.

24.1.2. The nominal value of the shares offered to the public:

The issued capital of TL 860.000.000 within the authorized capital cap of TL 3.000.000.000 will be increased to TL 2.530.000.000 with an increase of TL 1.670.000.000, TL 1.290.000.000 (150%) of which will be supplied in cash (paid), and TL 380.000.000 (44,18604%) of which will be supplied from internal resources.

TL 1.290.000.000 of the capital increase amounting to TL 1.670.000.000 will be made in cash (paid) and the current shareholders' rights to purchase new shares (pre-emptive rights) will not be restricted. In this capital increase, 129.000.000.000 shares with the nominal value of TL 1.290.000.000 and amounting to 1 Kurus each will be offered to the public.

24.1.3. Information about the public offering period and participation in the public offering

24.1.3.1. Public offering period and estimated public offering calendar:

The rights to acquire new shares will begin to be exercised in 10 business days following the declaration of the Prospectus at the latest and the period allowed for exercising the right to acquire new shares is determined as 15 (fifteen) days for the existing shareholders. If the last day of this period is public holiday, the period of exercising the right to acquire new shares will end on the evening of the following business day.

Shares remaining from the exercise of the right to acquire new shares will be offered to the public on the Stock Exchange Primary Market and the duration of the offering has been determined as 2 business days. The nominal amount and public offering dates of the remaining shares to be offered for sale will be announced on the Company's corporate web site www.hektas.com.tr), on KAP (www.kap.org.tr) and the web site of OYAK Yatırım Menkul Değerler A.Ş. (www.oyakyatirim.com.tr) through a sales announcement to investors.

24.1.3.2. Public offering application process

a) Sale method and application method:

The shares to be issued will be sold on the Stock Exchange at the nominal value in the exercise of the right to acquire new shares (the nominal value of one share is 1 Kurus, and 1 lot (100) share will be offered for sale at 1 TL). For the shares remaining after the rights to acquire new shares is exercised, sales will be performed at the price to be established on Borsa İstanbul A.Ş., which will not be lower than the nominal value.

In the sales to investors, the method of "Sale on the Stock Exchange" stipulated in the CMB's Communiqué on the Sale of Capital Market Instruments no. II-5.2 will be used.

Investors who would like to have shares in this capital increase must apply to one of the stock exchange members comprised of institutions authorized to trade on BIST. They may purchase shares within the channels provided by the aforementioned authorized institutions.

b) Place, method and timing of payment of the share prices.

The share prices will be deposited to the TL account no. **TR710003200000000098978704** which is opened in the Company's name exclusively to be used in the capital increase at **Türkiye Ekonomi Bankası A.Ş.**

Shareholders who wish to exercise their rights to purchase new shares and shareholders whose shares are kept and recognized in the investment accounts at investment institutions on CSD system shall deposit the new share amounts to the accounts at investment institutions fully and in cash within the period allowed for exercising the right to acquire new shares, to be transferred by CSD to the account opened at the bank branch specified above.

Our shareholders who do not wish to exercise their rights to acquire new shares in this capital increase may sell these rights within the period allowed for exercising the right to acquire new shares. If there are shares remaining after exercising the preemptive rights, these shares shall be offered for sale at the price established on BIST Primary Market, which will not be lower than the nominal value, for 2 business days.

Savers who would like to become shareholders by acquiring shares in the capital increase must apply to one of the banks or intermediary institutions who are members of BİAŞ, within the sales period. The share prices shall be deposited to the TL account with the IBAN no. **TR710003200000000098978704** at **Türk Ekonomi Bankası A.Ş., upon their collection by OYAK Yatırım Menkul Değerler A.Ş., Stock Exchange Member which carries out the sales transactions of the shares.**

c) Application locations:

The list of intermediary institutions authorized to conduct transactions on Borsa İstanbul A.Ş. is provided in the monthly bulletin of Borsa İstanbul A.Ş., in the section titled members of the web site www.borsaistanbul.com, and web sites of Turkish Capital Markets Association (www.tspb.org.tr) and CMB (www.spk.gov.tr).

d) Time and place of share distribution:

The shares in question of our shareholders who receive shares from the public offering will begin to be recognized in dematerialized form on the basis of beneficiaries at CSD, within the framework of the Capital Market Legislation.

24.1.4. Explanation about when and under which conditions the public offering can be canceled and whether cancellation is possible after the sales begin:

The public offering can be canceled or postponed under extraordinary circumstances, such as the introduction of legal regulations that would make it impossible or significantly difficult for OYAK Yatırım and / or the Company to fulfill its obligations under the Intermediation Agreement, due to the regulations made by the legislative, executive bodies, bodies authorized to make decisions regarding capital markets and other official institutions and organizations, the occurrence of an event, lawsuit or investigation which would affect the public offering of the shares regarding the Company, Company's shareholders, Company's subsidiaries and affiliates, the Company's board of directors members, the Company's related parties and personnel with management authorities, and the adverse changes that occur in the Company's financial position and that would arise as a result of the information in the prospectus being no longer capable of reflecting the actual situation during the course of the capital increase.

Furthermore, as a requirement of the provision of the article 24 of the "Communiqué on Prospectus and Issue Documents" no. II-5.1 published by CMB, if changes or new issues that could affect investors' investment decision occur in the Prospectus and the information disclosed to the public before starting the sale or during the period of sale, this situation shall be immediately notified to the issuer or the public offered to the Board. In case of emergence of new issues or issues requiring changes, the sales process may be suspended by the issuer, public offering or authorized institutions upon their approval. This situation shall be notified to the Board in writing. If the sales process cannot be ceased by the issuer, public offering or authorized institutions, the Board may decide to cease the sales process, if deemed necessary.

Public offering may be postponed due to reasons such as disasters, extraordinary situations, declaration of state of war throughout the country, and deteriorating signs economic crisis to a level that can no longer be overcome.

The public offering may not be canceled except for the reasons mentioned above and the sale shall start with the right to acquire new shares. The public offering shall not be canceled after the sale has started.

24.1.5. Information about the method of refunding the amounts pertaining to requests that cannot be fulfilled and amounts paid by investors in excess of the sales price:

No amounts for unmet requests will be paid. There will not be any amounts exceeding the amount to be paid over the sales price to be realized on the Primary Market.

24.1.6. Information about the minimum and/or maximum share amounts that can be requested:

The shareholders of our Company are entitled to acquire new shares at the rate of 150% of their current shares. There is no restriction for the sale of the shares remaining from the right to purchase new shares on the stock exchange.

The minimum transaction amount on the exchange is 1 lot (100 shares) and its multiples, and the amount to be requested would be shares with nominal value of 1 TL and its multiples.

No shareholders are obliged to exercise their rights to acquire new shares.

24.1.7. Information about the investors' rights to cancel their purchase requests:

Under the article 8 of the CMB Law, In case when amendments or new matters which may affect the investment decision of investors occur in the prospectus and in information disclosed to the public before starting the sale or within the sale period, the situation shall be notified immediately by the issuer or the public offered to the Board through the most convenient communication instrument.

In case when matters requiring an amendment or new matters develop, the sale process may be halted.

Starting from the date of notification, the matters to be amended or to be added shall be approved within

seven business days according to the principles indicated in the Capital Market Law and be published.

Investors which have made a demand in order to buy capital market instruments before the publication of the amendments or of new matters possess the right to withdraw their demands within two business days starting from the publication of the amendments and additions made to the prospectus.

24.1.8. Method and period of delivery of the shares:

The shares to be issued will be recognized in dematerialized form on the basis of beneficiaries by CSD within the framework of dematerialization principles and will not be physically delivered. Dematerialized shares will be delivered in dematerialized form on the date when the right is exercised, throughout the period of exercising the right.

In case the shares remaining after exercising the rights to acquire new shares are offered to the Public on Borsa İstanbul Primary Market, the shares will be transferred to the investors' accounts at CSD, two business days after the transaction date (T+2).

24.1.9. Information about the method of disclosing the public offering results to the public:

Results of the public offering will be announced to the public as per the Board's regulations on public disclosure of special situations within two business days following the date of finalization of

the distribution list, within the framework of the principles in the Board regulations on the sale of capital market instruments.

24.1.10. Information about the Right to Acquire New Shares

a) Information about whether the rights to acquire new shares is restricted; if they are, reasons for the restriction:

The rights to acquire new shares are not restricted.

b) Separate nominal values and number of shares allocated to certain persons:

None.

c) Whether allocation decision is taken for the shares remaining after the right to acquire new shares is exercised:

None.

d) The rights to acquire new shares will be provided for a period of 15 days at the application locations specified below, between the dates to be announced by the Company later via the Public Disclosure (www.kap.org.tr) Platform. If the last day of this period is public holiday, the period of exercising the right to acquire new shares will end on the evening of the following business day.

The nominal value of one share is 1 Kurus, and 1 lot (100 shares) of shares will be offered for sale at a price of 1 TL.

e) Ratio of receiving new shares according to the shareholders' current shares in the paid-in/issued capital:

The ratio of acquiring new shares is 150%.

f) Information about the place and method of payment of the share prices.

The share prices will be deposited to the TL account no. **TR710003200000000098978704** which is opened in the Company's name exclusively to be used in the capital increase at **Türkiye Ekonomi Bankası A.Ş.**

Our shareholders who would like to exercise their rights to acquire new shares and whose shares are retained and recognized by intermediary institutions/organizations on the CSD system can acquire their new shares by depositing the right exercise prices to their accounts at the intermediary institution which keeps their shares and by exercising their rights.

g) Method of application and time and place of distribution of shares:

Principles Regarding Dematerialized Shares

i) Our shareholders who would like to exercise their rights to acquire new shares,

a. And whose shares are not in circulation, shall deposit the new share amount through the issuer or the intermediary institutions where their accounts are located

b. And whose shares are in circulation shall deposit the new share amount through the intermediary institutions where their accounts are located

In cash and in full, within the period of exercising the the right to acquire new shares.

ii) If the share prices are not paid within the period of exercising the said right to acquire new shares, it will not be possible to exercise the right to acquire new shares.

Our shareholders who do not wish to exercise their rights to acquire new shares in this capital increase may sell these rights within the period allowed for exercising the right to acquire new shares.

h) Information about how to use the rights to acquire new shares which have not been exercised:

Our shareholders who do not wish to exercise their rights to acquire new shares in this capital increase may sell these rights within the period allowed for exercising the right (preemptive) to acquire new shares. The sequence for purchasing new shares (preemptive) is opened for trade with the “R” feature code within the time frame to be determined by Borsa Istanbul for the purchase and sale of the rights (preemptive) to acquire new shares on the shares in question, within the period of exercising new share acquisition (preemptive) rights determined for cash capital increase purposes by companies whose shares are traded on Borsa Istanbul. The rights to acquire new shares (preemptive) shall be subject to the rules applicable in the Share Market. The beginning date of the transactions is the beginning date of exercising the right (preemptive) to acquire new shares. The last date of the transactions is the fifth transaction day before the expiry of the period of exercising the new share acquisition (preemptive) right.

In the sale of shares remaining after the exercise of new share purchase rights, the method of "Sale on the Stock Exchange" in the Capital Markets Board's Communiqué no. II-5.2 on the Sale of Capital Market Instruments will be used and the shares will be offered for sale at the price to be established in the BİAŞ Primary Market, provided that they are not less than their nominal value.. If there are shares not sold after expiration of the sale period under the provision (VII-128.1) 25/(1)/(a) of the Communiqué, the remaining shares representing the capital to be increased which could not be sold will be canceled in 6 (six) business days following the completion of the sale on BİAŞ Primary Market.

24.1.11. Names, business addresses of real and/or legal persons who made commitment to purchase, the purchase price of one share and information about the relationship between these persons and the issuer:

None. However, the controlling shareholder OYAK declared that they would exercise all rights to purchase new shares (Annex/3).

24.1.12. The newspapers where the sales announcement will be announced to the savings owners, if any:

None.

24.1.13. Information about whether interest will be paid over the amounts collected due to the public offering; if interest will be paid, the principles for interest payment.

No interest payment will be made.

24.1.14. List of persons with access to insider information in the public offering:

The list of individuals who can access insider information is as follows.

LIST OF INDIVIDUALS WITH ACCESS TO INSIDER INFORMATION	
NAME-SURNAME	DUTY
MEHMET TAŞ	Board of Directors Chairman of Oyak
SÜLEYMAN SAVAŞ ERDEM	Oyak Group Senior Manager

MUSA LEVENT ORTAKÇIER	Chairman of the Board of Directors
BARAN ÇELİK	Vice Chairman of the Board of Directors
ASLIHAN DÖĞER	Legal Person Member of the Board of Directors
OKAN SİVRİ	Legal Person Member of the Board of Directors
ARİF ÇETİNKAYA	Legal Person Member of the Board of Directors
KAMİL DERECE	Independent Board of Directors Member
BÜLENT ŞAMİL YETİŞ	Independent Board of Directors Member
KADRI ÖZGÜNEŞ	Independent Board of Directors Member
HAKKI ZAFER TERZİOĞLU	Hektaş General Manager
ENİS EMRE TERZİ	Hektaş Finance Director
CELAL MADAZLI	Hektaş Technical Director
ÇİĞDEM KARAKUŞ	Hektaş Human Resources Director
MURAT SONAY AKARSU	Hektaş Sales Director
HÜSEYİN ÇİMEN	Hektaş Marketing Director
SELDA KILIÇ	Hektaş Budget and Corporate Monitoring Director
ÜNAL UYSAL	Hektaş Information Technologies Director
MEHMET DERİN	R&D Director
GÜLİZ KAYA	Oyak Senior Manager
ÇİĞDEM KÖKER ALPAYDIN	Oyak Group Executive
GÜRKAN CANKURT	Oyak Group Employee
MÜNEVVER EBRU BALKANER ARICAN	Oyak Group Senior Manager
AYŞE GÜLER	Oyak Group Employee
ERTUĞRUL AYDIN	Oyak Group Executive
OKAN BAŞKURT	Oyak Audit Board Member
ORHAN GÜRDAL	Oyak Board Member
RAFET OKTAR	Oyak Board Member
ALİ KOCATÜRK	Board of Directors Member
LALE DAMLA KÖKTEN	Oyak Group Employee
GÖKSEL KAHYA	Oyak Board Member
ARIN ÖZERDİM	Oyak Group Employee
HALUK GÜMÜŞDERELİOĞLU	Oyak Group Executive
OKTAY DEMİRAY	Oyak Group Senior Manager
VOLKAN ÜNLÜEL	Oyak Group Employee
MEHMET TEKSOY	Hektaş Accounting Manager
MUSTAFA ERKUT ATAY	Domestic Sales Manager
TUBA BEKTAŞ	Investor Relations Manager

EROL ERGÖNEN	Oyak Group Senior Manager
KUBİLAY PAMUKÇU	Production Manager
ALİ İHSAN POLAT	Hektaş Cost Accounting Deputy Manager
ÖZGÜR KOYUNCU	Hektaş Plant Protection Product Manager
MEHMET ERSUN ERSUNAN	Oyak Group Employee
KEMAL HALUK ERUYGUR	Oyak Group Senior Manager
SAMİ TEMEL	Oyak Group Employee
HAKKI TUNÇ ÇİĞGIN	Project and Maintenance Manager
ECE EĞİLMEZ YURDEMİ	Oyak Group Employee
ÜMİT AYDINOĞLU	Oyak Board Member
GÜLNAZ PELİN BARUT	Oyak Group Executive
BETÜL BURCU PATER	Oyak Group Employee
FÜSUN DÖNERTAŞ	Investor Relations Manager
GÖKHAN GÜZEL	Oyak Group Executive
GÜRKAN KAYA	Hektaş Artificial Intelligence Manager
GÖKHAN UGAN	Consultant
EMRE ERDEM	Oyak Group Executive
SELAMİ YILDIZ	Ferbis Tarım General Manager
SONER YONTAR	Hektaş Cost Accounting Specialist
BETÜL YİĞİTBAŞI	Hektaş Deputy General Manager Assistant
AYHAN GÖKBAĞ	Ferbis Factory Director
ZÜLKÜF VATANSEVER	Hektaş Foreign Trade Operations Manager
NESLİHAN DUMAN	Hektaş Commercial Marketing Specialist
KAMİL YÜCEL	Hektaş Commercial Accounting Manager
AYLİN KIRKAYA	R&D Project Manager
NEVESER SENA DALKIRAN	Hektaş Animal Health Product Manager
AYHAN KOÇ	Hektaş Domestic Purchase Director
VURAL AVCI	Oyak Group Employee
OĞUZ ÇALIK	Oyak Audit Board Member
ELİF KUVVET	Oyak Group Executive
MEFHARET İLKE MAT	Oyak Group Employee
EMRAH ÖZDEMİR	Hektaş Integrated Management Systems Manager
CAN YAPAN	Oyak Group Executive
ÖZKAN SAÇKAN	Hektaş Accounting Manager
KORAY ARMUTCUOĞLU	Hektaş Commercial Finance Specialist
DERYA İŞLER	Hektaş Activity and Project Manager
HÜLYA ÜNAY AYGÜL	Oyak Group Employee

ALPER TOPÇU	Oyak Group Employee
MEHMET SERTAÇ ÇANKAYA	Oyak Group Employee
ÇİĞDEM ASLAN	Oyak Group Employee
TUĞBA KÜNTÜZ	Hektaş Animal Health Product Manager
DEĞER TAŞLARDAN	Oyak Group Executive
FİLİZ AYDOĞAN	Production Planning Manager
ELİF YILMAZ	Hektaş Commercial Accounting Specialist
BURAK BARUTÇU	Hektaş Planning Specialist
OSMAN SUIÇMEZ	Oyak Group Executive
BANU DOĞAN	Hektaş Cost Accounting Manager
GÖKHAN EROĞLU	Oyak Group Employee
MURAT KÖROĞLU	Oyak Group Executive
ALİ ÇARDAKCI	Oyak Group Employee
DEMET YILDIRIM	Oyak Group Employee
GÖKHAN BÖLÜK	Hektaş Commercial Accounting Specialist
ARDA KAAAN ALPMAN	Oyak Group Employee
ŞAKİR BÖKE İNCE	Oyak Group Employee
YEKTA BALCA	Atol Ltd Managing Partner
MELİKE TÜZLEN	Hektaş Business Development Manager
ENİSE SELCEN AŞKUN	Hektaş R&D Manager
BETÜL MADENÜS	Hektaş Budget Manager
CEREN MALYEMEZ BOSTAN	Oyak Group Employee
TOLGA AKKAYA	Hektaş Software Specialist
SİNAN ŞEKKELİ	Oyak Group Employee
EZGİ CAN	Oyak Group Employee
EMRE GÜNHAN	Hektaş Finance Specialist
ADALET TUNÇER	Oyak Group Employee
YASİN SELÇUK YAŞAR	Hektaş Brand and Communication Manager
RAMAZAN AKCAN	Oyak Group Employee
FATİH DOĞAN	Atol Ltd Consultant
MURAT KARA	Atol Ltd Software Consultant
LEYLA KÖSEM ÖZCAN	Oyak Finance Department Employee
YASİN ÇİL	Oyak Group Executive
FEYZA DEMETGÜL AKKOYUNLU	Oyak Group Employee
FERHAT EVCİL	Hektaş Treasury Specialist
EMİNE UZUNOĞLU	Oyak Group Employee
FUAT BİLİCİ	Hektaş Accounting Specialist

HALİL ERMAN	Oyak Board Member
BURCU SAROĞLU	Oyak Group Employee
DİDEM ŞEN	Commercial Marketing Director
GİZEM KILIÇ	Oyak Group Executive
İSMAİL HAKKI AYDIN	Oyak Group Employee
EMRE ÇETİN	Oyak Group Employee
LUTVI ARABACIOGLU	Oyak Group Executive
ÖZGE ERDEMİR GEÇER	Oyak Group Employee
GÖNÜL UZUN	Oyak Private Secreteriat Office Employee
EFE GÜMÜŞ	Oyak Group Employee
MEHMET GÖRKEM GÖREN	Oyak Group Employee
NİDA SARI	Oyak Group Employee
ERTAN AYGÜL	Hektaş Personnel and Employee Affairs Specialist
MUSTAFA KANMAZ	Oyak Group Employee
EREN CAN TEMEL	Oyak Group Employee
BARAN ERDEM	Oyak Group Employee
KÜBRA YAYCILI	Oyak Group Employee
ÖZLEM MOHAMMAD	Hektaş Corporate Monitoring Manager
EMİNE GÖKDEMİR	Oyak Group Employee
NAFİ UMUT SEMİZ	Oyak Group Employee
ESRA ADVİYE BUDAK	Oyak Group Employee
ÇINAR DELİBAL	Oyak Group Employee
AYKUT ATEŞ	Hektaş Commercial Finance Manager
GAMZE SOĞANCI	Hektaş Foreign Procurement Manager
ECE CINGİ	Oyak Group Employee
MÜMİN ÇELENLİ	Oyak Group Employee
FATİH TOLAN	Hektaş Personnel and Employee Affairs Officer
MURAT ÜNDAR	Hektaş Finance Specialist
BİRCAN ŞAHİN ÇELİK	Hektaş Human Resources Systems Specialist
BİRCAN TELLİ	Hektaş Foreign Trade Operations Specialist
MÜJEN BOROĞLU	Hektaş Foreign Trade Purchasing Manager
MELTEM SİPAHİ	Oyak Group Employee
EMRAH DİRİCE	Hektaş Personnel and Employee Affairs Director
RAMAZAN ÇEVİK	Weloks IT Consulting
GÖRKEM KARADENİZ	Hektaş Brand and Communication Specialist
DENİZ YOLSAL	Oyak Group Employee

EROL ACER	Oyak Group Employee
İREM ATALAY	Oyak Group Employee
HAZAL GÜNEY	Oyak Group Employee
ALPER TURAN	Oyak Group Executive
BURCU AKMAN	Hektaş Commercial Finance Specialist
BEŞİR FATİH DOĞAN	Oyak Board Member
KÜBRA NUR ALTINIŞIK	Oyak Private Secreteriat Office Employee
ERSİN GENÇ	Atol Ltd Consultant
TOLGA ATEŞ	Oyak Group Employee
ÖZKAN DİKİCİ	Oyak Group Employee
GİZEM AY TAR	Oyak Group Employee
HÜSEYİN GÖRKEM KESKİN	Oyak Group Employee
NESLİHAN GÜRGEZOĞLU	Oyak Group Employee
NESLİHAN APARI	Oyak Group Employee
VEYSEL DABAKOĞLU	Hektaş Software and System Support Specialist
ECEM GÜNGÖR	Oyak Group Employee
MUSTAFA ŞEREF ŞAN	Hektaş Plant Nutrition Product Manager
YAĞMUR SUNA	Hektaş Commercial Accounting Specialist
FADİME ÇEVİK	Weloks IT Consulting
MUSTAFA ERDEN	Oyak Group Employee
İBRAHİM KILIÇASLAN	Oyak Group Employee
GÜŞTA ECMEL KIRICI	Oyak Group Employee
HASAN ÖZKAYA	Hektaş Akdeniz Accounting Officer
ANIL BALCI	Hektaş Web Software Specialist
HALUK EFEKAN MEHTER	Oyak Group Employee
BEGÜM CÖMERT	Oyak Group Employee
ÖMER ÇAĞIL CERİTOĞLU	Oyak Group Employee
TAYLAN UZUNOĞULLARI	Oyak Group Employee
TURGAY DEMİRCİ	Hektaş Planning Manager
MEHMET KİLİSLİ	Oyak Group Employee
BURAK SEZGÜL	Oyak Group Employee
GİZEM CEREN KADILAR	Oyak Group Employee
DOĞUKAN GÜNEŞ	Oyak Group Employee
DUYGU İRTÜRK	Oyak Group Employee
SENA ALTUNOK	Oyak Group Employee
MEHMET HAKAN ALKAN	Oyak Group Employee
CANSU SARI	Oyak Group Employee

BARIŞ AKGÜL	Consultant
GÜLŞEN TİRYAKİ	Deloitte Independent Auditor
NAZLI IVAK	Deloitte Independent Auditor
MERİÇ AYBERK ÖZKAYA	Ferbis Accounting Specialist
SEDA KILINÇ AĞAOĞLU	Hektaş Integrated Management Systems Manager
GÜLBAHAR KARACA	Hektaş General Manager Assistant
SİBEL GÜLER	Hektaş Deputy General Manager Assistant
MUKADDES AYAZ	Hektaş Internal Purchase Specialist
SENA ASLAN	Hektaş Cost Accounting Specialist
YİĞİT ALTAY	Hektaş Accounting Personnel
SİNEM KÖSE	Hektaş Commercial Accounting Specialist
MUSTAFA ÖMER GÜÇLÜTÜRK	Corporate Monitoring Specialist
HAKAN YILDIZ	Mediterranean Regional Manager
SERKAN HAKALMAZ	Mediterranean Regional Manager
HATİCE YETER	Akdeniz Accounting Officer
ESİN GÖZDE SAVAŞ	R&D Manager
EMİNE YURTOĞLU	R&D Manager
DENİZ GÜRÇAY	Plant Protection Licensing Specialist
RUDİL BAYYURT	Plant Protection Licensing Specialist
ABDULLAH BERKAY KÜÇÜK	Budget Specialist
UĞUR ÖZDOĞAN	Budget Specialist
İBRAHİM EMRE YATAR	Çukurova Regional Manager
MUSTAFA KOÇYİĞİT	Çukurova Accounting Specialist
TURGUT ALABUĞA	Aegean Regional Manager
SEZGİ ENGİNOĞLU	Aegean Accounting Specialist
FAHRİ MURAT YILMAZ	Aegean Accounting Specialist
OZAN IŞIKÇI	Erp Specialist
ÖMER TÜRKALİ	Ferbis Sales Manager
MÜGE EMİL	Finance Specialist
ZEHRA TÜRK YILMAZ	Financial Reporting Specialist
SERHAT AKKOYUN	Gap Accounting Specialist
BURHAN ASLAN	Gap Accounting Specialist
ŞENOL GEZER	General Manager Advisor
HASANCAN MERCANKAYA	Graphic Design and Social Media Specialist
OĞULCAN TOPER	Hektaş Internal Audit Manager
BENGİSU SAYGILI	Legal Advisor
ALİ CAN BAYRAK	Central Anatolia Regional Manager

SERKAN DEMİRTON	Central Anatolia Accounting Officer
MELTEM KARAKUŞ	Central Anatolia Accounting Officer
HAŞİM ÇAĞLAR YÜCEL	Central Anatolia Accounting Officer
TEVFİK GÜRKAN CANDELEN	Internal Purchasing Manager
CÜNEYT KARAÇAL	Internal Purchasing Manager
SERKAN KORKMAZ	Internal Purchase Specialist
BENJAMİN COSİC	Export Manager
ELİF TOPAY	Business Development Manager
MEHMET ERGİN DİNÇ	Business Intelligence Manager
EMİRHAN KELEŞABDİOĞLU	Consolidation Specialist
EMRAH ZENGİN	Corporate Monitoring Specialist
SERKAN GÖK	Corporate and Official Sales Manager
HALİT MURAT IRMAK	Financial Advisor
HANDE ÇOLPAN SÜRÜCÜ	Brand and Communication Specialist
ASLI AĞCA	Brand and Communication Manager
SAFFET KÖR	Marmara Regional Manager
SEVİM ÇAKIR	Marmara Accounting Specialist
MURAT ŞEN	Marmara Accounting Specialist
EBRU SOLMAZ	Accountant
AYSİN GEZER	Accounting Personnel
ABDULLAH FATİH DOĞRUEK	Accounting Manager
YASİN AYDINSOY	Accounting Manager
FATİH KAHRAMAN	Accounting Manager
HASAN KILINÇ	Accounting Manager
AYŞE GÜL ŞAHİN	Organomineral Production Manager
VOLKAN COŞ	Orhangazi Facility Manager
HELASETTİN DOĞANARSLAN	Performance and Talent Management Specialist
MEHTAP ALADAĞ	Personnel and Employee Affairs Specialist
SÜMEYYE ALİYE ÜNAL	Licensing Officer
GÜLTEN İKRA ÖZELGÜL KOÇ	Licensing Specialist
SUAT ALP	Licensing Specialist
MEHMET BARİŞ	Purchasing Manager
AHMET CEM ÖZTEPE	Purchasing Officer
CABİR DEMİREL	System and Network Administrator
FATİH DEMİR	Technical Support Specialist
DURAN ŞİMŞEK	Technical Director
AHMET SARAÇOĞLU	Technical Director

KAAN KÜÇÜK	Commercial Marketing Manager
YUNUS EĞERCİOĞLU	Production Manager
MELİKE ATILIR	Production Planning and Purchasing Specialist
UĞUR TEMİZYÜREK	Production Planning Manager
SİNEM BURCU POLAT	Product Manager
MELTEM OKTAY EMEKSİZ	Data Analysis Specialist
OSMAN AYYILDIZ	Software Developer
CANAN ÖZER	OYAK Yatırım Menkul Değerler A.Ş.
DENİZ KUMCUOĞLU	OYAK Yatırım Menkul Değerler A.Ş.
KADİR BERKAY AYTEKİN	OYAK Yatırım Menkul Değerler A.Ş.
DERYA AYKUT	OYAK Yatırım Menkul Değerler A.Ş.
ADEM DEMİRAL	OYAK Yatırım Menkul Değerler A.Ş.
ERSİN KAYALI	OYAK Yatırım Menkul Değerler A.Ş.
MURAT TEKİN	OYAK Yatırım Menkul Değerler A.Ş.

24.2. Distribution and allocation plan:

24.2.1. Information about whether the issuer's main shareholders or board of directors members and individuals with management authorities have intentions to make commitment to participate in the public offering to be made or any person intends to make commitment to more than five per cent of the shares, to the extent known by the issuer:

None.

24.2.2. Information about the process of notifying the requesting investors about the finalized share amount they have purchased from the public offering:

Investors who make requests from the public offering may obtain information about the finalized share they receive from the public offering from the intermediary institutions to which they apply for the public offering.

24.3. Information about the determination of the price of shares

24.3.1. Information about the sales price of a share with nominal value of 1.00 TL and the costs to be incurred by requesting investors

The shares will be sold at a price of 1 TL in 1 lot (100 shares) with nominal value of 1 TL, while the shares remaining from the exercise will be sold on the stock exchange primary market not less than 1 TL. The requesting investors will be subject to the remuneration policies of the intermediary institutions to which they apply, such as intermediary commissions, costs and service fees. The service fee which is accrued by the CSD to intermediary institutions and calculated over the share amount can be collected from the investors based on the applications of intermediary institutions.

24.3.2. Information about the methods used in the determination of the price of the public offering and the party in charge of the determination of the public offering price and the criteria in the price determination as well as the process of announcing the public offering price to the public, if the sale price is not known:

The rights to acquire new shares will be granted for 15 days between the dates to be announced to the public through Public Disclosure Platform by the Company, over 1 TL for 1 lot (100) of shares with nominal value of 1 TL.

The shares remaining after the exercise of the rights to purchase new shares will be offered to the public for 2 (two) business days at the price to be established on Borsa İstanbul A.Ş. Primary Market, which will not be lower than the nominal value. The method of “Sale on the Stock Exchange” stipulated in the CMB’s Communiqué on the Sale of Capital Market Instruments no. 11-5.2 will be used. The public offering dates will be announced on the Company’s corporate web site (www.hektaş.com.tr), OYAK Yatırım Menkul Değerler A.Ş.’s web site (www.oyakyatirim.com.tr) and Public Disclosure Platform (www.kap.org.tr) through Sales Announcement to the Savers

24.3.3. If the right to acquire new shares is restricted, information about beneficiaries of the restriction:

The rights to acquire new shares are not restricted.

24.4. Intermediation Undertaking and Intermediation in the Public Offering

24.4.1. Information about the authorized institutions to intermediate in the public offering:

Trade Name: OYAK Yatırım Menkul Değerler A.Ş.

Registered Office Address: Ayazağa Mahallesi Kemerburgaz Caddesi Vadi İstanbul Park 7 B Blok No:7C Kat:18 Sarıyer/ İstanbul

Tel: (0212) 319 12 00

Fax: (0212) 351 05 99

Web Site: www.oyakyatirim.com.tr

24.4.2. Names of the custodian and payment institutions in the countries where the public offering will be made:

The public offering will not be carried out in any country other than the Republic of Turkey.

24.4.3. Information about the type of intermediation:

			Shares Subject to the Undertaking		Shares not Subject to the Undertaking	
Authorized Institution	Its Position in the Consortium, if a Consortium was Formed	Type of Intermediation	Nominal Value (TL)	Ratio to the Shares Offered to the Public (%)	Nominal Value (TL)	Ratio to the Shares Offered to the Public (%)
OYAK Yatırım Menkul Değerler A.Ş.	No consortium	Best effort intermediation	None.	None.	1,290,000,000	100

24.4.4. Information about the intermediation contract

The Capital Increase Intermediation Agreement dated 21.04.2022 was signed between the Company and OYAK Yatırım Menkul Değerler A.Ş. The agreement covers intermediation for the granting of shares at nominal value to the current shareholders to represent the increased capital and

the sale of the shares remaining from the exercise of pre-emptive rights, through the “best effort intermediation” method. The sale involves the public offering of shares in the Borsa İstanbul Primary Market. OYAK Yatırım Menkul Değerler A.Ş. has no commitment regarding the shares remaining from the sale of unused pre-emptive rights.

24.5. Benefits of real and legal persons regarding the public offering:

There are no natural or legal persons with significant interests in the public offering. The Company will derive capital, while the intermediary OYAK Yatırım Menkul Değerler A.Ş. Will derive intermediary commission from the public offering of the company’s shares. The authorized institution does not have any economic benefits directly or indirectly related to the success of the public offering, except the commission it will receive due to the capital increase. There is no agreement between the authorized institution and shareholders holding 5% or more of the issuer’s capital.

25. INFORMATION ABOUT STOCK EXCHANGE TRADING

25.1. Whether an application has been made for the shares to be traded on the Stock Exchange and, if known, the earliest trading dates:

The company's shares are currently traded on the BIST Star Market with the code HEKTS. New shares to be issued in the capital increase will also be traded on Borsa İstanbul A.Ş. Star Market following the necessary CSD procedures on the first day of exercising the right to acquire new shares.

The shares issued in the capital increase are transferred in dematerialized form the investors’ accounts following the payment of the preemption amounts by the investors and subject to trade on Borsa İstanbul A.Ş. If there are shares corresponding to preemptive rights not exercised, these shares will be offered for sale at the price to be established on BİAŞ Primary Market by using the “Sale on Stock Exchange” method and not being less than the nominal value. The shares in question will be opened for trade after the primary market and public offering principles announced by Borsa İstanbul A.Ş.

The listing of the shares to be issued due to paid capital increase by partnerships whose shares are listed on the Stock Exchange is listed in the Article 41 of the Borsa İstanbul A.Ş.’s Listing Directive.

25.2. Information about the issuer’s shares of the same group are listed/traded on the stock exchange or if the issuer has an application regarding these matters:

The current shares are traded on BIST Star Market with the code HEKTS.

25.3. In cases where:

- shares in the same group as the shares in question are subject to sales to qualified/allocated investors or their acquisition is committed or,
- Another group of shares or capital market instruments of the issuer are subject to public offering or sold to qualified/allocated investors

Simultaneously with the shares aimed to be traded on the Stock Exchange.

None.

25.4. Market maker and market making principles:

None.

26. INFORMATION AND COMMITMENTS REGARDING THE SALE OF CURRENT SHARES

26.1. Information about the shareholder/shareholders who will offer their shares to the public:

None.

26.2. Nominal value of the shares offered for sale by shareholders who will offer their shares to the public

None.

26.3. Commitments to not increase the amount of shares in circulation after the public offering:

None.

27. PUBLIC OFFERING INCOME AND COSTS

27.1. Net income to be derived and total estimated cost per share to be incurred by the issuer in relation with the public offering:

Expenses concerning the issue of shares	
Board Fee (0.2% over the issue value)	3.340.000 TL
Borsa İstanbul A.Ş. Listing Fee (0.03%) (Including BITT)	526.050 TL
Competition Protection Fund (0.04%)	668.000 TL
MKK Issuer Service Fee (0.005%) (Including BITT)	87.675 TL
Amount Paid to Int. Ins. (Including BITT)	945.000 TL
Estimated Total Cost	5.566.725 TL
Total Shares with Nominal Value of 1 TL	1670000000
Cost per Share	0.00333 TL

27.2. Rationale of the public offering and areas of use of the public offering incomes:

It has been decided to increase the Company's current issued capital in the amount of TL 860.000.000 to TL 2.530.000.000 with a paid increase of TL 1.290.000.000 and unpaid increase of TL 380.000.000.

The gross cash inflow expected to be generated from the sale of the shares to be issued for the planned paid capital increase of TL 1.290.000.000 is TL 1.290.000.000. It is projected that the estimated net cash inflow to be generated within the scope of the paid capital increase would be TL 1.284.433.275 after deducting the estimate cost of issuing in the amount of TL 5.566.725.

The resource that is prescribed to be obtained from the capital increase is planned to be used in the areas specified in the table below.

PLANNED EXPENDITURE AREA	DESCRIPTION	PLANNED EXPENDITURE AMOUNT	FOREIGN CURRENCY	PLANNED EXPENDITURE RATE
Foreign Investments	Continuing sustainable growth, enriching the company's product portfolio, entering new business lines	1,027,546,620	TL	80%
Orhangazi Facility Investments	Agricultural Innovation, Education and R&D Investments	31,886,655	TL	2%
Raw Material Supply	Domestic and Foreign raw material purchases in line with the increased sales volume	225,000,000	TL	18%
		1,284,433,275	TL	100%

The report on the area of use of the fund and the related board of directors decision are provided in Annex/4.

28. DILUTION EFFECT

28.1. Amount and percentage of the dilution effect arising from the public offering:

Dilution Effect	
Equity before Public Offering (30.06.2022)	1.834.217.678 TL
Paid-in Capital	1.240.000.000 TL
Book Value Per Share	1.4792 TL
Cash Equity Increase	1.290.000.000 TL
Public Offering Costs	5.566.725 TL
Equity After Public Offering	3.118.650.953 TL
Capital After Public Offering	2.530.000.000 TL
Book Value Per Share After the Public Offering	1.2327 TL
(Negative) Dilution Effect for Current Shareholders	-0,2465 TL (-% 16,67)

The calculations made in the table above have been made on the assumption that all our investors will exercise their rights to acquire new shares in full in the paid capital increase to be realized. If the actual figures are different, certain differences may occur in the calculations to be made.

Since unpaid capital increase will also be performed together with the paid capital increase, the paid-in capital before public offering has been accepted as TL 1.240.000.000, which is the paid-in capital to be reached after unpaid increase.

In case the current shareholders do not exercise their rights to acquire new shares and all unused shares are sold on BİAŞ primary market, the amount of shares in circulation would increase by an amount equal to the amount of shares offered for sale. There are no restrictions for the current shareholders' purchase of new shares. Therefore, this situation cannot be calculated.

28.2. Amount and percentage of the dilution effect, if current shareholders do not receive share from the public offering (do not exercise their rights to acquire new shares):

The Company will first increase its paid-in capital by an unpaid amount of TL 380.000.000 (44,18604%) to TL 1.240.000.000.

The closing price of the Company's share certificates as of 13.09.2022 is TL 39,12. Considering the closing price of the share certificate as TL 39,50, the price adjusted according to the capital of TL 1.240.000.000 that would be reached after the unpaid capital increase before this price would be TL 27,40 ($860.000.000 \times 39.50 / 1.240.000.000$).

The adjusted price rounded to the closest price step according to the paid capital increase from this price is calculated as 13,94 TL ($27,40 \text{ TL} + 1 \text{ TL} \times 1.290.000.000/1.240.000.000$) / ($2.530.000.000/1.240.000.000$). It has been assumed that 1.290.000.000 shares are sold on Borsa İstanbul Primary Market at the adjusted price of TL 13,94.

Dilution Effect	30.06.2022
Equity before Public Offering	1.834.217.678 TL
Paid-in Capital	1.240.000.000 TL
Book Value Per Share	1.4792 TL
Cash Equity Increase	1.290.000.000 TL
Emission Premium	16.688.418.972 TL
Public Offering Costs	5.566.725 TL
Equity After Public Offering	19.807.069.925 TL
Capital After Public Offering	2.530.000.000 TL
Book Value Per Share After the Public Offering	7.8289 TL
(Positive) Dilution Effect for Current Shareholders	6,3497 TL (% 429)
(Negative) Dilution Effect for New Shareholders	-6,1079 (-% 44)

The calculations have been made in the light of the assumptions/data above and certain differences may occur in the calculations to be made after the actual data is known.

29. EXPERT REPORTS AND INFORMATION OBTAINED FROM THIRD PARTIES

29.1. Information about the advisors of the issuer during the public offering process:

OYAK Yatırım Menkul Değerler A.Ş. Provides intermediary services regarding the capital increase and public offering to the Company.

29.2. Expert and independent audit reports and information obtained from third parties:

Information about the institutions performing the independent audit of the financial statements in the prospectus and their independent audit opinions is provided in the following table.

Financial Statement Periods	Trade Name of the Independent Audit Institution	Auditor	Independent Audit Opinion	Address
01.01.2022 - 30.06.2022	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş	NAZLI IVAK	Qualified	MASLAK BİLİM SOK SUN PLAZA NO 5 34398 ŞİŞLİ İSTANBUL
01.01.2021 - 31.12.2021	DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş	NAZLI IVAK	Qualified	MASLAK BİLİM SOK SUN PLAZA NO 5 34398 ŞİŞLİ İSTANBUL
01.01.2020 - 31.12.2020	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş	HAKKI ÖZGÜR SIVACI	Qualified	İŞ KULELERİ KULE 3 KAT 2-9 LEVENT 34330 İSTANBUL
01.01.2019 - 31.12.2019	KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş	HAKKI ÖZGÜR SIVACI	Qualified	İŞ KULELERİ KULE 3 KAT 2-9 LEVENT 34330 İSTANBUL

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which performed the independent audit of the financial statements of 2019 and 2020 provided in the prospectus, and DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş., which performed the independent audit for 2021, do not own the options that commit or grant the right to acquire the securities issued by the Company or belonging to the group companies or securities of the issuer. These two audit firms were not previously employed by the Company and did not receive any remuneration other than the fee paid for the audit service. Furthermore, these two audit firms are not members of any management and supervisory bodies of the company and are not connected with the authorized institutions in charge of the public offering of the Company's securities. Therefore, they do not have any benefits other than the independent audit fee paid to the company. The Prospectus contains information received from third parties such as Agricultural Pesticides Manufacturers Association (ZİMİD)) www.zimid.org.tr, Turkish Statistical Institute (TÜİK) www.tuik.gov.tr, General Directorate of Meteorology (MGM) Research Department www.mgm.gov.tr, Presidency of the Republic of Turkey Strategy and Budget Department (SBB) www.sbb.gov.tr and IPARD (European Union Rural Development Grant Program) and the Issuer declares that there are no omissions which would render the disclosed information incorrect or misleading, to its best knowledge or as far as it could conclude from the information published by the relevant third parties.

Information about the reports on tangible fixed asset valuations and financial fixed asset investments stated in this prospectus and the dates and numbers of these reports and the valuation firm that issued the report are as follows:

	Valuation Report Issue Number	Date of Valuation Report	Title of the Institution Preparing the Valuation Report	Address	Valuation Report Prepared by	Title
FERBİS TARIM TİCARET VE SANAYİ A.Ş.	001172017	23.08.2017	Ege Bağımsız Denetim A.Ş.	Halil Rıfat Paşa Mah. No:1/1 Okmeydanı 34384 Şişli/İstanbul	Halil Kaya Özer	Auditor
FERBİS TARIM TİCARET VE SANAYİ A.Ş.	2562017	12.10.2017	Oyak Yatırım Menkul Değerler A.Ş.	Akatlar, Ebula Caddesi F2 C Blok 34335 levent BEŞİKTAŞ İSTANBUL	Toygun Onaran	Research Group Director
AREO TOHUMCULUK ARGE SANAYİ VE DIŞ TİCARET A.Ş.	000382019	08.02.2019	Oyak Yatırım Menkul Değerler A.Ş.	Akatlar, Ebula Caddesi F2 C Blok 34335 levent BEŞİKTAŞ İSTANBUL	Toygun Onaran	Research Group Director

Appraisal Report Issue No	Appraisal Report Date	Title of the Institution Preparing the Appraisal Report	Address	Appraisal Report Prepared by	Title
2018/0276	30.11.2018	Atak Gayrimenkul Değerleme AŞ.	İçerenköy Mah. Halyolu Cad. Sağlık Sok. Erdoğanlar Apt. No:1/18 Ataşehir/İSTANBUL	Barış BARUTÇU Dilara DİNÇYÜREK	Appraiser Responsible Appraiser
2018/059	29.11.2018	Atak Gayrimenkul Değerleme AŞ.	İçerenköy Mah. Halyolu Cad. Sağlık Sok. Erdoğanlar Apt. No:1/18 Ataşehir/İSTANBUL	Bülent YAŞAR Dilara DİNÇYÜREK	Responsible Appraiser Responsible Appraiser
2018/271	05.12.2018	Atak Gayrimenkul Değerleme AŞ.	İçerenköy Mah. Halyolu Cad. Sağlık Sok. Erdoğanlar Apt. No:1/18 Ataşehir/İSTANBUL	Bülent YAŞAR Dilara DİNÇYÜREK	Responsible Appraiser Responsible Appraiser
2018B137	28.05.2018	TSKB Gayrimenkul Değerleme AŞ.	Meclis-i Mebusan Cad. Molla Bayırı Sok. No.1 Fındıklı/İSTANBUL	Ayberk GÖKDEMİR Gökhan EFE Mesut KAYA	Appraiser Appraiser Responsible Appraiser
2018B137	28.05.2018	TSKB Gayrimenkul Değerleme AŞ.	Meclis-i Mebusan Cad. Molla Bayırı Sok. No.1 Fındıklı/İSTANBUL	Ayberk GÖKDEMİR Gökhan EFE Mesut KAYA	Appraiser Appraiser Responsible Appraiser

2018B137	28.05.2018	TSKB Gayrimenkul Değerleme AŞ.	Meclis-i Mebusan Cad. Molla Bayırı Sok. No.1 Fındıklı/İSTANBUL	Ayberk GÖKDEMİR Gökhan EFE Mesut KAYA	Appraiser Appraiser Responsible Appraiser
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30. TAXATION PRINCIPLES REGARDING THE SHARES

The taxation principles summarized below have been prepared based on the effective tax legislation, in order to provide general information about the taxation of the gains and revenues to be derived during the disposal or retention of the shares to be traded on BİAŞ. We would like to remind you that the tax legislation may change in the future and the legislation may even change retrospectively, and investors should consult their tax advisors in specific situations.

In the taxation of the gains and revenues to be derived from the shares, whether investors are real persons or corporations, as well as their tax-residency status are important.

(i) Distinction between Tax-Residents and Non-Residents

In Terms of Real Persons

In the third article and subsequent articles of ITL, it is stated that real persons resident in Turkey and Turkish citizens who are affiliated to enterprises and organizations headquartered in Turkey or public authorities and organizations and who live in foreign countries due to the business of the said authorities, organizations and enterprises shall be taxed over the whole gains and revenues they derive in and outside of Turkey.

In the application of TL, those whose place of residence is in Turkey as per the Civil Law and those who live in Turkey for more than six months continuously in a calendar year (temporary departures shall not interrupt the period of living in Turkey) are deemed to be resident in Turkey and shall be taxed over the whole income they derive in Turkey and outside of Turkey as tax-residents.

Real persons not resident in Turkey on the other hand shall be taxed based on non-residency over the gains and revenues they derive in Turkey only. Whether gains and revenues are derived in Turkey is determined according to the principles in the article 7 of ITL.

In Terms of Corporations

Of the corporations listed in the article 1 of CTL, those whose legal or business headquarters are located in Turkey shall be deemed as tax-residents and shall be taxed over the whole gains they derive both in and outside of Turkey.

Corporations both of whose legal and business headquarters are not located in Turkey shall be deemed as non-residents and taxed only over the gains they derive in Turkey. In the determination of the gains derived in Turkey, the related provisions of ITL shall be applied.

(ii) Taxation of gains Generated in Return for the Disposal of Shares, Share Certificates Acquired as of 1 January 2006 and Traded on BİAŞ:

Under the temporary article 67 of ITL, effective until 31 December 2015, banks and intermediary institutions shall apply 0% tax withholding to the gains generated from the share certificates traded on BİAŞ (except share certificates of securities investment funds) as of quarterly periods in a calendar year. This rate is applicable to all tax-resident and non-resident real persons and corporations.

If some of the share certificates are disposed of after being purchased on various dates, the first in first out method shall be taken into account in the determination of the purchase price to be used in determining the withholding tax base. If the share certificates are disposed of before acquisition, the amount to be subjected to withholding shall be determined based on the first purchase transaction conducted after the disposal date. If multiple purchases-sales are carried out on the same day, the weighted average method can be applied in the determination of the purchase price on that day. The commissions paid and the Banking and Insurance Transactions Tax paid due to purchase and sale transactions shall be taken into account in the determination of the withholding tax base.

If multiple share certificate purchase transactions are conducted within the quarterly period, these transactions shall be taken into account as a single transaction in the application of the withholding. Losses arising from the purchase and sale of share certificates can be offset against the withholding tax base of the following periods, provided that the calendar year is not exceeded.

Withholding tax shall not be applied to the disposal of share certificates which pertain to tax-resident corporations and which are traded on BİAŞ and have been retained for longer than one year. Furthermore, the provisions of the repeated article 80 of the ITL shall not be applied for incomes derived from the disposal of the share certificates which pertain to tax-resident corporations and which are traded on BİAŞ and have been retained for longer than one year.

Real persons should not file annual or individual tax returns for the earnings generated from the trade of share certificates which are subjected to withholding. These incomes shall not be included in the annual tax return to be filed due to other incomes. Incomes derived within the scope of the trade activity shall be taken into account in the determination of the profit within the framework of the provisions on business profits. Taxes paid through withholding for these earnings shall be offset against the tax calculated in the tax returns where the earnings subject to withholding are declared.

Under the clause 5 of the Temporary Article 67 of the ITL, whether the owner of the income is a real person or legal person, or a tax-resident or non-resident, has tax liability or not, is exempt from tax or not, and whether the earnings generated are exempt from tax or not, do not affect the taxation application detailed above.

Incomes Generated from the Disposal of Share Certificates not Traded on BİAŞ and Share Certificates that were Acquired Before 1 January 2006 and that are Traded on BİAŞ:

Trade gains from share certificates not traded on BİAŞ and share certificates of tax-resident companies that are acquired before 1 January 2006 and that are traded on BİAŞ shall not be subject to withholding tax. The gains derived from the disposal of these share certificates shall be taxed as follows:

Real Persons

Tax-resident Real Persons :

Share certificate trade gains are subject to income tax under the repeated article 80 of ITL. However, according to the aforementioned article, tax would not be applicable to the gains derived in case of disposal of the “share certificates which are acquired gratuitously and which belong to tax-resident corporations and have been retained for more than 2 years”, with respect to the incomes derived as of 1 January 2006.

Under the Repeated Article 81 of ITL, the acquisition price in the disposal of goods and rights shall be determined by increasing it at the rate of the increase in the wholesale price index determined by TUIK except the month of disposal for the goods and rights being disposed of.

Non-resident Real Persons :

Under the 2nd paragraph of the article 86 of ITL, if the taxable income in non-residency is wholly comprised of remunerations, independent personal service gains, capital gains from securities and immovable property and other gains and revenues which are taxed through withholding in Turkey, they would not be subject to the annual tax return. If non-resident real persons have incomes that are derived in Turkey and not taxed through withholding in Turkey, They must declare the gains and revenues arising from the disposal of the movable property rights with personal tax returns to the tax office of the location where they are disposed of in Turkey, as per the 2nd paragraph of the article 101 of ITL .

Corporations

Gains Generated from the Disposal of the Share Certificates Registered in the Assets of Corporate Taxpayers:

Tax-Resident Corporations

Trading gains generated within the enterprise due to the trade activity shall be declared and taxed as business profits. However, if the conditions specified in the clause (e) of the 1st paragraph of the article 5 of the CTL are met, 75% of these corporations who are not continuously negated in the trading of securities shall be exempt from corporate tax.

Non-resident Corporations

If the non-resident company is in the status of a company operating in Turkey by setting up a permanent establishment or through a permanent representative in Turkey, trading gains including exchange rate differences would be taxable as business profits. Earnings to be generated by these corporations from the sale of share certificates benefit from the exemption specified in the clause (e) of the 1st paragraph of the article 5 of CTL.

The gains to be generated by the non-resident company would be subject to tax if it does not have a permanent establishment or permanent representative in Turkey. However, if there is a double tax treaty between Turkey and the country of the non-resident company, the provisions of the treaty would be applied.

(iii) Taxation of Dividends of Share Certificates:

Dividends to be derived from share certificates would be as follows.

Real Persons

Tax-resident Real Persons :

Under the clause (b) of the 6th paragraph of the article 94 of ITL, the withholding tax to be applied to dividends shall be applied during the profit distribution stage. Under the clause (b) of the 6th paragraph of the article 94 of ITL, 15% withholding tax shall be applied to the dividends distributed by tax-resident corporations to tax-resident real persons.

Under the clause (c) of the 1st paragraph of the article 86 of ITL, tax return must be filed for the dividends which are received from tax-resident corporations, which are taxed through withholding and whose gross amounts exceed TL 29.000 for the incomes of 2015 (second bracket of the income tax tariff in the article 103 of ITL).

“Half of the dividends” derived from tax-resident corporations by tax-resident real persons is exempt from income tax under the article 22 of ITL. Withholding tax shall be applied over the whole gross dividend amount including this exempt amount under the article 94 of ITL And the whole tax amount withheld shall be offset against the tax calculated on the annual tax tax return, if the dividend is declared with the annual tax return.

Furthermore, under the clause (b) of the 6th paragraph of the article 94 of ITL, addition of the profit to the capital is not deemed as profit distribution; therefore, withholding tax shall not be applied over the unpaid share certificates granted to real person shareholders due to the addition of the profit to the capital, and the dividends corresponding to these share certificates do not have to be declared as capital gains.

Non-resident Real Persons :

Under the clause (b) of the 6th paragraph of the article 94 of ITL, 15% withholding tax shall be applied to the dividends distributed by tax-resident corporations to non-resident real persons. Lower withholding tax rates may be applicable as per some double tax treaties signed by Turkey.

Corporations

Tax-Resident Corporations

Since corporate profits are determined according to the provisions of ITL on business profits pursuant to the article 6 of CTL, if the dividends are received within the business enterprise due to business activities, these incomes would be declared and taxed as business profits.

However, the profit distribution made by a company in Turkey to corporate taxpayers in Turkey is not subject to withholding tax.

On the other hand, under the 1st paragraph of the article 5 of CTL, the dividends derived by a company due to its participation in another tax-resident company are exempt from corporate tax (at the level of the corporation receiving the dividends, since corporate tax is applied to them by the corporation distributing the dividends) (including the dividends derived from share certificates and participation shares of venture capital investment funds subject to tax-residency, excluding the dividends derived from share certificates and participation shares of other funds and investment partnerships).

Non-Resident Corporations:

Withholding tax is applicable as per the 3rd paragraph of the article 30 of CTL over the dividends to be distributed to non-resident corporations exempt from corporate tax or non-resident corporations except those who receive dividends through a permanent establishment or permanent representative in Turkey by tax-resident corporations (the rate is currently 15%). Lower withholding tax rates may be applicable as per some double tax treaties signed by Turkey.

31. PERMISSION GRANTED BY THE ISSUER OR THE PARTY PERFORMING THE PUBLIC OFFERING

31.1. Permission to use the prospectus granted by the issuer or the public offerer and declarations of the relevant persons regarding acceptance of their responsibility for the content of the prospectus used for the subsequent resale of any authorized institution which is granted the permission.

None.

31.2. Information about the period during which the use of the prospectus is allowed:

None.

31.3. Information about the period during which the shares can be offered for sale again by the authorized institutions:

None.

31.4. Information about the countries where the prospectus can be used with respect to the resale of the shares to be carried out by authorized institutions afterwards:

None.

31.5. Information about other explicit and objective conditions required for the grant of the permission to use the prospectus:

None.

31.6. Warning note written in bold letters stating that the information regarding the sales conditions will be provided by the authorized institution to the investors during the sale, if the authorized institutions resell the shares afterwards:

None.

31A ADDITIONAL INFORMATION TO BE PROVIDED IF THE PERMISSION TO USE THE PROSPECTUS IS GRANTED TO ONE OR MORE AUTHORIZED INSTITUTIONS

31A.1 List and ID information (trade names and addresses) of the authorized institutions which are granted the permission to use the prospectus:

None.

31A.2 Explanation regarding the public disclosure of new information regarding authorized institutions which was not known as of the approval date of the prospectus, supply program prospectus or supply program circular and where to access the relevant information:

None.

31B ADDITIONAL INFORMATION TO BE PROVIDED IF THE PERMISSION TO USE THE PROSPECTUS IS GRANTED TO THE ENTIRE AUTHORIZED INSTITUTION

Warning written in bold letters stating that each authorized institution to use the prospectus must include their declaration that they use the prospectus as per the permissions and required conditions on their own web sites;

None.

32. DOCUMENTS OPEN TO EXAMINATION

The following documents are kept open for the examination of savers on the headquarters of the issuer at the address Gebza Organize Sanayi Bölgesi İhsan Dede Caddesi 700. Sokak Gebze/Kocaeli, the application locations, issuer's web site www.hektas.com.tr and the Public Disclosure Platform (KAP) (www.kap.org.tr):

- 1) All kinds of reports or documents and evaluations and opinions constituting basis for the information in the prospectus (valuation, expert, operating and independent audit reports, reports prepared by authorized institutions, articles of association, etc.)**
- 2) Financial statements of the issuer which must be included in the prospectus**

33. APPENDICES

- 1. Signed Responsibility Statements of Independent Auditors**
- 2. Internal Directive**
- 3. OYAK's letter stating that it will exercise its rights to acquire new shares**
- 4. Fund utilization report and relevant board decision**