

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

Report Date: 23.05.2023

Purpose of the Report: Under the 1st paragraph of the article 33 of the Communiqué on Shares Series no: VII, No: 128.1 of the Capital Market Board published in the Official Gazette dated 22.06.2013 no. 28685 (“Communiqué”),

In public offering of shares of non-public corporations through capital

increase, and in capital increases of public corporations, the shares of which are traded in the exchange, a report explaining for which purposes the proceeds obtained from capital increases will be used is required to be issued, and this report is required to be decided by the board of directors, and to be sent to the Board and disclosed to public at the time of application to be filed to the Board for approval of prospectus or issue document. A report verifying whether the proceeds obtained from capital increase are used as specified and stipulated or not is required to be prepared and issued by public corporations within ten business days following the date of publishing of their initial two financial statements containing the results of capital increases and disclosed to public as from the starting date of trading of their shares in the exchange, or by public corporations, the shares of which are traded in the exchange, within ten business days following the date of publishing of their initial two financial statements containing the results of capital increases and disclosed to public as from the date of completion of capital increase, and said report is required to be published in the corporation’s internet site and in PDP. This obligation is performed by the audit committee of the corporation. As for the corporations who are not liable to appoint an audit committee, this obligation is performed by the board of directors.”

This report has been prepared by the Audit Committee, to include evaluations regarding whether the fund obtained from the capital increase was used as specified in the report concerning the areas of use of the fund approved with the decision no. 22 dated 15.04.2022 of our Company’s Board of Directors.

The issued capital of the company before the increase	860.000.000,00 TL
Capital Increase Amount	Total - 1.670.000.000,00 TL (Paid 1.290.000.000 TL, Unpaid 380.000.000 TL)
The paid-in capital of the company after the increase	2.530.000.000,00 TL

Shareholding Structure

Name and Surname / Trade Name of the Shareholder	Before the Increase Capital Amount (TL)	Capital Amount After the Increase (TL)
Turkish Armed Forces Pension Fund (OYAK)	505.843.050,97	1.488.119.640,20
Other	354.156.949,03	1.041.880.359,80
Total	860.000.000,00	2.530.000.000,00

Use of the Fund Obtained from the Capital Increase

The procedures concerning the increase of our Company's issued capital in the amount of TL 860.000.000 within its authorized capital cap in the amount of 3.000.000.000 TL, by a paid amount of TL 1.290.000.000 TL (at 150%) and unpaid amount of TL 380.000.000 (at 44,18604%), to TL 2.530.000.000 have been approved with the Capital Market Board's letter dated 07.10.2022 no. E-29833736-105.01.01.01-26945 and the capital increase procedures were completed on 01.11.2022. The new version of the article 7 titled "Capital" of the articles of association which indicates that the issued capital of our company is in the amount of TL 2.530.000.000, was registered by Gebze Trade Registry Directorate on 29.11.2022 and declared by being published in the issue dated 30.11.2022 numbered 10715 of the Turkish Trade Registry Gazette.

In the capital increase process, our shareholders exercised their rights to acquire new shares between the dates 12.10.2022-26.10.2022, resulting in pre-emptive rights' exercise amount of TL 1.289.362.349,29.

Shares with nominal value of TL 637.847 remaining after the exercise of the pre-emptive rights by the shareholders were offered for sale on Borsa İstanbul A.Ş. Primary Market between 31.10.2022-01.11.2022, and the sale of all shares was completed on 01.11.2022, with an amount of TL 18.268.091,92. As a result, a total of 1.307.630.441,21 TL cash inflow was provided.

A cost amount of TL 5.566.725,00 resulted from the amount of TL 1.307.630.441,21 derived by the company from the paid capital increase and the items constituting this cost are provided in the following table.

Expenses concerning the issue of shares	
Board Fee (0.2% over the issue value)	3.340.000,00 TL
Borsa İstanbul A.Ş. Listing Fee (0.03%) (Including BITT)	526.050,00 TL
Competition Protection Fund (0.04%)	668.000,00 TL
MKK Issuer Service Fee (0.005%) (Including BITT)	87.675,00 TL
Intermediary Institution Fee (Including BITT)	945.000,00 TL
Total	5.566.725,00 TL

The Company obtained net fund entry in the amount of TL 1.302.063.716,21 after the capital increase costs amounting to TL 5.566.725,00, from the fund amount of TL 1.307.630.441,21 derived from the capital increase.

The areas of use of the fund derived within the scope of the capital increase, which were approved by our audit committee following the disclosure of the financial statements of the company, have been realized as follows as of today (23.05.2023).

Purpose of Use of the Fund	Total Rate (%)	Planned (TL)	Use (TL)	Remaining (TL)
Foreign Investments	80.0%	1.027.546.620	187.878.850	839.667.770
Orhangazi Facility Investments	2.5%	31.886.655	31.886.655	0
Raw Material Supply	17.5%	225.000.000	164.917.675	60.082.325
Total	100.0%	1.284.433.275	384.683.180	899.750.095

Foreign Investments: Our company Hektas Asia LLC was established within the scope of our Uzbekistan investment and an expenditure of TL 187.878.850 was incurred from the fund received from the capital increase. The portion corresponding to TL 839.667.770 has not been spent yet.

Orhangazi Facility Investments:

An expenditure of TL 31.886.655 has been incurred from the fund obtained from the capital increase as committed, and there is no remaining balance.

Raw Material Supply Expenditures:

TL 164.917.675,46 of the raw material supply expenditures committed as TL 225.000.000 from the fund obtained from the capital increase has been used, while the portion of TL 60.082.324,54 has not been spent yet.

Thus, a balance of TL 899.750.094,54 remains from the fund obtained from the capital increase as of the date of this report and this amount continues to be utilized by the company.

Yours sincerely,

Kurtuluş Bedri VAROĞLU
Chairman of the Board of Directors
Audit Committee

Kadri ÖZGÜNEŞ
Member of the Board of Directors
Audit Committee