

**REPORT ON THE AREAS OF USE OF THE
FUND TO BE OBTAINED FROM THE CAPITAL INCREASE**

Purpose

This report has been prepared to be submitted for the approval of the Board of Directors, pursuant to the Article 33 of the Capital Market Board's Share Communiqué no. VII-128.1.

1. GENERAL INFORMATION

Trade Name	Hektaş Ticaret T.A.Ş.
Headquarters Address:	Gebze Organize Sanayi Bölgesi, İhsandede Cad., 700. Sok, No:711, Gebze, Kocaeli
Authorized Capital Cap	1.000.000.000 TL
Issued Capital	227.571.100.14 TL
Corporate Web Site	www.hektas.com.tr
Field of Activity	Production, import and marketing of agricultural and veterinary medicines
Trade Registry Office	Gebze
Trade Registry No	6535-10921
Tax Office	İlyasbey Tax Office
Tax ID No	4610015898

2. SHAREHOLDING STRUCTURE OF THE COMPANY

Name and Surname / Trade Name of the Shareholder	Share in the Capital (TL)	Share in the Capital (%)
Turkish Armed Forces Pension Fund (OYAK)	133,854,957.44	58.82
Other	93,716,142.70	41.18
Total	227,571,100.14	100

3. BOARD OF DIRECTORS

Name Surname	Position	Beginning of the Term of Office/Term of Office
OYTAŞ İÇ VE DIŞ TİCARET A.Ş. (Represented by: BARAN ÇELİK)	Chairman of the Board of Directors	30.01.2019 – 3 Years
OMSAN LOJİSTİK ANONİM ŞİRKETİ (Represented by: YÜKSEL YILMAZ)	Vice Chairman of the Board of Directors	19.04.2019 – 3 Years
AKDENİZ CHEMSON KİMYA SANAYİ VE TİCARET ANONİM ŞİRKETİ (Represented by: ASLIHAN DÖĞER)	Board of Directors Member	30.01.2019 – 3 Years
OYAK PAZARLAMA HİZMET VE TURİZM ANONİM ŞİRKETİ (Represented by: REMZİ ER)	Board of Directors Member	03.06.2020 – 3 years
OYAK DENİZCİLİK VE LIMAN İŞLETMELERİ ANONİM ŞİRKETİ (Represented by: İBRAHİM ERTAŞ)	Board of Directors Member	01.05.2019 – 3 years
MAHMUT CENGİZ AYDIN	Board of Directors Member (Independent)	31.03.2017 – Until the General Assembly of 2021
KAMİL DERECE	Board of Directors Member (Independent)	28.03.2016 – Until the General Assembly of 2021
BÜLENT ŞAMİL YETİŞ	Board of Directors Member (Independent)	31.03.2020 – Until the General Assembly of 2021

(*) Legal person members of the board of directors were elected for 3 years and the date of start of the representative's term of office is specified.

4. AREAS OF USE OF THE FUND TO BE OBTAINED IN THE CAPITAL INCREASE

It has been decided to increase our Company's issued capital of TL 227.571.100,14 within the authorized capital cap in the amount of TL 1.000.000.000, by a paid amount of TL 400.000.000 (at the rate of 175,76924%) and unpaid amount of TL 232.428.899,86 (at the rate of 102,13462%) by granting the existing shareholders' rights to acquire new shares, and to increase the capital to the amount of TL 860.000.000.

The gross cash inflow expected to be generated from the sale of the shares to be issued for the planned paid capital increase to be applied at the rate of 175,76924% is TL 400.000.000. It is projected that the estimated net cash inflow to be generated within the scope of the paid capital increase would be TL 398.368.000 after deducting the estimated cost of issuing in the amount of TL 1.632.000.

The resource that is prescribed to be obtained from the capital increase is planned to be used in the areas specified below.

4.1. SETTLEMENT OF SHORT-TERM BANK LOANS

The part corresponding to TL 272.500.000 of the resource amount of TL 278.368.000 which will be generated from the capital increase by the company will be used to settle the Company's loans specified in the following table, while TL 5.868.000 of it will be used to reduce the credit debt amount and interest burden and to increase the company's profitability, by settling the rotating bank loans in various banks.

Loans Committed to be Settled

Bank	Principal Amount	Foreign Currency	TYPE OF LOAN	Interest Rate	Payment Date
TÜRK EKONOMİ BANKASI	30,000,000	TL	SPOT	7.00%	10.06.2021
TÜRK EKONOMİ BANKASI	30,000,000	TL	SPOT	7.00%	17.06.2021
VAKIFBANK	30,000,000	TL	SPOT	17.25%	24.06.2021
TÜRKİYE FİNANS	90,000,000	TL	SPOT	7.00%	30.06.2021
GARANTİ BANKASI	44,000,000	TL	SPOT	18.70%	05.07.2021
ZİRAAT BANKASI	10,000,000	TL	SPOT	17.75%	08.07.2021
VAKIFBANK	20,000,000	TL	SPOT	17.50%	12.07.2021
TÜRK EKONOMİ BANKASI	18,500,000	TL	SPOT	18.50%	19.07.2021
	272,500,000	TL			

4.2. FINANCING INVESTMENT EXPENSES

TL 120.000.000 of the fund to be obtained will be used to finance the investments which are detailed below.

PLANNED ACQUISITION	PURPOSE OF THE INVESTMENT	PLANNED INVESTMENT AMOUNT	FOREIGN CURRENCY	PLANNED INVESTMENT RATE
Arma İlaç San.ve Tic.A.Ş.	Financial fixed asset investment made in order to continue sustainable growth, to enrich the company's product portfolio, to enter new business lines and to develop new products	92,000,000	TL	77%
Agriventis Technologies Pty.Ltd.	Financial fixed asset investment made in order to continue sustainable growth, to enrich the company's product portfolio, to enter new business lines and to develop new products	28,000,000	TL	23%
		120,000,000	TL	100%

The resource to be obtained from the capital increase will be deposited during the period until conclusion of the loan and company acquisition payments and the deposit income to be derived will be used in working capital payments.

* The rotating loan settlement of TL 5.868.000 will be made from the bank/banks with the highest funding cost as of the date of settlement.