

HAT-SAN GEMİ İNŞAA BAKIM ONARIM DENİZ NAKLİYAT SANAYİ VE TİCARET
A.Ş.

Explanation

This explanation Circular has been approved _____/____/____ by the Capital Markets Board of Turkey (Board) on the date of issue. Due to the increase in the issued capital of our Incorporation from TL 188.037.093 to TL 221.500.000, a total of 44.462.907 Group B shares with a nominal value of TL 33.462.907 and 10.837.093 Group B shares with a nominal value of TL 10.837.093 owned by Pekar Grup İnşaat A.Ş. 907 group B shares with a nominal value of TL 33,462,907 and 10,837,093 group B shares with a nominal value of TL 10,837,093 owned by Pekar Grup İnşaat A.Ş., one o the existing shareholders, for a total of 44,300,000 group B shares with a nominal value of TL 44,300,000. As approval of the prospectus does not mean that the information contained in the prospectus is correct, nor does the Board guarantee that it is correct. It cannot be considered as a recommendation regarding the shares. In addition, the Board does not have any discretion or approval authority in determining the price of the shares to be offered to the public. The investment decisions regarding the participation shares to be issued as a result of the Prospectus should be considered as a whole. This prospectus, through the websites of our partnership (www.hat-san.com.tr) and InfoInvestment Menkul Değerler A.Ş. (www.infovatirim.com), which will mediate the sale in the public offering, it was published on the Public Disclosure Platform (KAP) (www.kap.org.tr). It is also kept open for examination by applicants. Pursuant to Article 10 of the Capital Markets Law (CMB), the issuer is responsible for damages arising from incorrect, misleading and incomplete information contained in the prospectus and its appendices. If the damage cannot be compensated from the issuer or it is clear that it cannot be compensated; the public offerings, the leading authorized institution mediating the issuance, the guarantor if any, and the members of the board of directors of the issuer are liable to the extent that damages can be imposed on them according to their faults and the requirements of the situation. However, unless the summary is misleading, inaccurate or inconsistent if read together with the other parts of the prospectus, no legal liability can be imposed on the persons concerned only based on the summary. Persons and institutions that prepare the reports prepared to be included in the documents forming the prospectus, such as independent auditing, rating and valuation institutions, are also responsible for the wrong, misleading and incomplete information contained in the reports they prepare, within the framework of the provisions of the CMB.



FUTURE EXPLANATIONS

This prospectus contains forward-looking statements expressed by words such as “considered”, “planned”, “targeted”, “anticipated”, “expected”. Such disclosures involve uncertainty and risk, it only shows the predictions and expectations on the publication date of the Prospectus. Many factors may cause the issuer's forward-looking statements to turn out to be very different than anticipated.



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1.

ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS	DEFINITIONS
A.Ş.	• Anonim Şirketi
USA	• United States of America
EUR	• European Currency (Euro)
Shareholders	• PEPE Family



In Joint Stock Companies In an electronic medium, General To Do Regarding the Boards Regulation	*	Regulation on General Assemblies to be Held Electronically in Joint Stock Companies, Published in the Official Gazette dated 28.12.2012 and numbered 28395
Brokerage House / InfoInvestment / Authorized		Info Investment Securities Inc.
ATM	•	Automatic Cash Machine (<i>Automated Teller Machine</i>)
Banking Law	•	Banking Law No. 5411 Published in the Official Gazette dated 01.11.2005 and numbered
Bek International Mining	•	BCK Uluslararası Madencilik A.Ş.
BİAŞI BİST/ <i>Borsa</i> <i>Borsa Istanbul</i>	•	BORSA İSTANBUL A.Ş
Banking and Insurance	•	Bank and Insurance Transactions Tax
CGT		Compensated Gross Tonnage; An Indication of the Amount of Work
Covid-19		Coronavirus Disease
EIA Regulation	-	Environmental Impact Assessment Regulation Enforced on 29.07.2022
Regulation on		Environmental Permit and License Regulation Published in the Official Gazette dated 10.09.2014 and numbered
Environmental Law		Environmental Law No. 2872
Environmental Management Services	-	Regulation on Environmental Management Services Published in the Official Gazette dated 01.11.2022 and numbered
Stamp Duty Law		Stamp Duty Law No. 488 Published in the Official Gazette dated 11.07.1964 and numbered
General Communiqué on Stamp Tax Law	-	Stamp Duty Law General Communiqué Serial No: 1 Published in the Official Gazette dated 21.10.1964 and numbered
Narrow Taxpayer		Taxpayers who are not resident in Turkey and only taxed on their income from Turkey
Dörtler Construction	•	Dörtler İnşaat ve Taahhüt Ltd. Şti.



ABBREVIATIONS	DEFINITIONS
DWT	Detveyt, (Deadweight Long Tons or Metric Tons), is a Weight Measurement Unit Used in
Articles of Association	Hat-San Ship Articles of Association
Price Determination Report,	Price Determination Report to be Prepared by Info Investment
General Assembly	Hat-San Ship General Assembly
GSVP	Ship Industry Database Program
GVK	Income Tax Law No. 193 Published in the Official Gazette dated 06.01.1961 and numbered
GT	Gross Ton is the amount of information that a ship's crew will live in, use for propulsion and management, etc. Total Volume
Public Offering Brokerage Agreement	Signed Public Offering Brokerage Agreement between Company, Public Offering Shareholder Pekar Grup İnşaat A.Ş. and
Publicly Offered Shares	33,462,907 Shares with a Nominal Value of 33,462,907 TL , to be offered to the public by the Company through Capital Increase, and 44,300 in total, including 10,837.093 shares with a nominal value of 10,837.093, owned by Pekar Grup İnşaat A.Ş., the Shareholder Offering Publicly. 44,300,000 Shares with a
Public Offering Share Owner	Pekar Grup İnşaat A.Ş.
Hat-San Construction	Hat-San İnşaat Madencilik Turizm Gemi İnşaat ve Deniz Nakliyat Sanayi ve Ticaret A.Ş.
TR Ministry of Treasury and	The Ministry of Treasury and Finance of the Republic of Turkey ("MoF").
ISIN	Security Identification Number
IT	Information Technology
Business rules	Labor Law No. 4857 Published in the Official Gazette dated 10.06.2003 and numbered
Issuer / Company / Partnership / Hat-SanGemi	Hat-San Gemi İnşaat Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.
IMEAK Maritime Trade Room	Turkish Chamber of Shipping, Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions
Work health and safety act	In the Official Gazette dated 30.06.2012 and numbered 28339 Occupational Health and Safety Law No 6331
Regulation on Workplace Opening and	Regulation on Opening a Business and Working License Published in the Official Gazette dated 10.08.2005 and numbered



ABBREVIATIONS	DEFINITIONS
CONTAINER	Public Disclosure Platform
Kar Construction	Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti.
Kar Elektrik	Kar Elektrik Üretim Ltd. Şti.
VAT	Value Added Tax
Consortium Member(s)	Organizations that are Parties to the Agreement as a Consortium Member by Concluding the
Board / CMB	Capital Markets Board
Corporate Governance	Corporate Governance Principles Included in the Annex to the Corporate Governance Communiqué of the
Corporate Governance	Corporate Governance Communiqué No. 11-17.1 Published in the Official Gazette dated 03.01.2014 and numbered
KVK	Corporate Tax Law No. 5520 Published in the Official Gazette dated 21.06.2006 and numbered
Personal Data Protection Authority	In the Official Gazette dated 07.04.2016 and numbered 29677 Law on Protection of Personal Data No. 6698
Ports Regulation	Ports Regulation Published in the Official Gazette dated 31.12.2012 and numbered
LNG	Liquefied Natural Gas
Ltd. Şti.	Limited Şirketi
m ²	Squaremeter
MKK	: Merkezi Kayıt Kuruluşu Anonim Şirketi (Central Registry Agency
Chambers and Exchanges Law	The Union of Chambers and Commodity Exchanges of Turkey and the Law on
Unaffiliated and Selling Rights Communisation	Communisation No. II-27.3 on the Right to Dissociate and Sell, published in the Official Gazette dated 31.12.2020 and numbered
Important Transactions and Communiqué on the	Communiqué on Significant Transactions and the Right to Leave, No. 11-23.3, published in the Official Gazette dated 27.06.2020 and numbered
Share Notification	Share Communiqué No. VII-128.1 Published in the Official Gazette dated 22.06.2013 and numbered
Pekar Grup, PekarGrup Construction	Pekar Grup İnşaat A.Ş.
PEPE Family	Osman PEPE, Birgül PEPE, Mehmed Halid İsmail PEPE, Mustafa Talha PEPE, Mesud Abdurrahman PEPE
Industrial Registry Law	Industry Registry Law No. 6948
Industry Registry Communiqué	SGM 2014/11 Industry Registry Communiqué Published in the Official Gazette dated 25.10.2014 and numbered
In the Capital Market to Financial Reporting	Financial in Capital Markets No. II-14. Published in the Official Gazette dated 03.01.2017 and numbered



ABBREVIATIONS	DEFINITIONS
Communiqué on Related Principles	Communiqué on Principles Regarding Reporting
SSI	Social Security Institution
Social Security and General Health Insurance	Social Insurance and General Health Insurance Law No. 5510, published in the Official Gazette dated 16.06.2006 and numbered
SPK	Capital Markets Board
SPKn	Capital Markets Law No. 6362 Published in the Official Gazette dated 30.12.2012 and numbered
Deregulation of Companies Law About Transfer of Coupon Bonds and Shares to the	Deadline Coupon of companies numbered 2308, Law on Transfer of Bonds and Shares to the Treasury Published in the Official Gazette dated 26.06.1933 and numbered 2437
T.R.	Republic of Turkey
Takasbank	Istanbul Settlement and Custody Bank Inc.
Taxpayer	Taxpayers residing in Turkey and whose earnings are taxed within and outside the borders of Turkey
TCMB	The Central Bank of the Republic of Turkey in the Republic of Turkey
Shipyard Regulation	Regulation on Shipyard, Boat Manufacturing and Dockyard Published in the Official Gazette dated 28.12.2015 and numbered
TFRS	Turkish Financial Reporting Standards
Ministry of Trade	Republic of Turkey Ministry of Commerce
TRY	Turkish Lira
TSPB	Capital Markets Association of Turkey
TCC	Turkish Commercial Code No. 6102 Published in the Official Gazette dated 14.02.2011 and numbered
Turkish Trade Registration Gazette	Turkish Trade Registry Gazette
TUIK	Turkey Statistical Institute
US Dollar	United States Currency
Communiqué on Proxy Voting and Proxy Gathering by Invitation	Communiqué on Proxy Voting and Proxy Gathering by Call and No. (11-30.1) Published in the Official Gazette dated 24.12.2013 and numbered 28861
Vuk	Tax Prodecural Law
Yıldız Market	The Market in which the Shares with a Market Value of more than 300,000,000 TL of the Part Offered to the Public in the First Listing on the Stock
Board of Directors	Hat-San Ship Board of Directors



I. EXCHANGE OPINION



H. OPINIONS AND APPROVALS FROM OTHER ESTABLISHMENTS:

For the public offering of company shares, expect the Capital Markets Board and Borsa İstanbul A.Ş., there is no need for an opinion or approval from any institution.



1. PERSONS WHO MAKE RESPONSIBILITY OF THE PROSPECTOR

We declare that the information contained in this prospectus and its annexes is truthful, within the framework of all the information we have, and that every reasonable care has been taken to ensure that there is no defect in the prospectus that would change the meaning of this information.

Issuer Hat-San Gemi İnşaat Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Responsible Part:
Mehmed Khaled Ismail PEPE Chairman of the Board 09.05.2023	FULL EXPLANATION

Public Offering Shareholder Pekar Grup İnşaat A.Ş.	Responsible Part:
Mehmed Halid İsmail PEPE Chairman of the Board of Directors09.05.2023	FULL EXPLANATION

Authorized Institution Mediating Public Offering İfo Yatırım Menkul Değerler A.Ş.	Responsible Department:
Murat TANRIÖVER Hüseyin GÜLER Board Member-Deputy General Manager 09.05.2023	FULL EXPLANATION BURAK OSLU info@expresstercume.com NOTARY SWORN TRANSLATOR

We declare that the information contained in this report, which is a part of the prospectus, is true to the full extent of the information we have, and that every reasonable care has been taken to ensure that there are no deficiencies that would alter the meaning of this information.

signed responsibility statements are included in the prospectus.

The Institution that Prepared the Related Independent Audit	Responsible Part:
Name Surname: Dođuş Bektaş Position: Accountable Auditor	The relevant special independent audit report of the Company for the financial periods ending on 31.12.2020, 31.12.2021 and 31.12.2022

The Institution that Prepared the Related Real Estate Valuation Reports invest Gayrimenkul Deđerleme ve Danıřmanlık A.ř.	Responsible Part:		
Name Surname: Muhammed Mustafa YÜKSEL Position: Responsible Valuation Specialist Name Surname: Halli Sertaç GÜNDOĐDU Position: Responsible Valuation Specialist	Report Date	Report Number	
	16.09.2022	2022/3625	
	16.09.2022	2022/3626	
	16.09.2022	2022/3627	
	16.09.2022	2022/3628	

The Organization that Prepares the Related Real Estate Valuation Reports	Responsible Part:	
Name Surname: Muhammed Mustafa YÜKSEL Position: Responsible Valuation Specialist Name Surname: Haydar BİLGEÇ Position: Valuation Specialist	Report Date	Report Number
	15.06.2022	2022/2415
	30.12.2022	2022/5146

The Organization that Prepares the Related Real Estate Valuation Reports	Responsible Part:	
Name Surname: Muhammed Mustafa YÜKSEL Position: Responsible Valuation Specialist Name Surname: Halil Sertaç GÜNDOĐDU Position: Responsible Valuation Specialist Name Surname: Cem ÖZDEMİR Position: Valuation Specialist	Report Date	Report Number
	16.09.2022	2022/3624



The Organization that Prepares the Related Real Estate Valuation Reports	Responsible Part:						
Name Surname: Muhammed Mustafa YÜKSEL Position: Responsible Valuation Specialist Name Surname: Halil Sertaç GÜNDOĞDU Position: Responsible Valuation Specialist Name Surname: Orçun Anıl TÜMER Position: Valuation Specialist	<table border="1"><thead><tr><th>Report Date</th><th>Report Number</th></tr></thead><tbody><tr><td>16.09.2022</td><td>2022/3621</td></tr><tr><td>6.09.2022</td><td>2022/3629</td></tr></tbody></table>	Report Date	Report Number	16.09.2022	2022/3621	6.09.2022	2022/3629
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2. SUMMARY

A—INTRODUCTION AND WARNINGS		
	Heading	Disclosure Obligation
A/L	Introduction and warnings	<ul style="list-style-type: none"> • This summary should be read as an introduction to the prospectus. • Investment decisions regarding capital market instruments should be made as a result of evaluating the prospectus as a whole. • If the allegations regarding the information contained in the prospectus are brought to the court, the plaintiff investor, within the framework of the legal regulations of the country where the public offering took place, may have to bear the costs associated with the translation of the prospectus before legal proceedings are initiated. • Depending on the summary (including its translation), the legal responsibility of the persons concerned is taken only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or does not provide important information that will help the investors to make an investment decision.
A.2	Prospectus→next information on use	The prospectus will not be used again later.
B—EXPORTER		
8.1	Trade name and business	The company's trade name is Hat-San Gemi İnşaa Maintenance Repair Deniz Nakliyat Sanayi ve Ticaret A.Ş. and there is no business name used.
B.2	Legal status of the issuer, legislation, country of establishment and address	Legal status: Joint Stock Company Legislation to which it is subject: R.T. Laws Country of incorporation: Republic of Turkey Address: Florya Cad. Florya Plaza No: 88 Kat: 2 Bakırköy/İstanbul
8.3	Significant factors affecting the current activities of the issuer, including the main product /service categories important with the definition of factors activity information on the industries/markets shown	<p>Within the framework of Article 3 titled "Purpose and Subject" of the Company's Articles of Association, the Company's field of activity is to purchase and lease domestic and foreign shipbuilding facilities, shipyards, hotels, cruise ships, yachts of all tonnages, to construct or have constructed, to operate shipyards and floating docks for the purpose of providing periodic maintenance and repair services to ships and other floating dock vehicles and to carry out other works written in the Articles of Association. The main field of activity of the company, new shipbuilding, ship repair maintenance and ship conversion activities. New Ship building: Hat-San Shipyard builds processing facilities and slips as well as all kinds of ships and it builds all kinds of steel construction for sea or land uses in the shipyard area. Repairs and maintenance Hat-San Shipyard gives service in ship maintenance and repair to its worldwide customer with a floating dock. -Transformation projects: Hat-San Shipyard also operates in special transformation projects. Length extension projects of ships and other floating facilities</p>



Drawing out projects of the ship and other surface facilities, revisions that change the intended use, new machine, equipment, factory construction or heavy steel construction works in ships are among the services offered. While maintenance and repair activities constitute 24% of net sales on average as of financial statement periods, shipbuilding activities accounted for 53%. Ship maintenance and repair activities generally take 2-3 months, but shipbuilding projects take more than one year and it is invoiced after the completion of the shipbuilding. For this reason, the Company calculates progress billings until that time considering the expenses born and the profitability of the projects on a basis of Turkish Financial Reporting Standards within the period until invoicing and records them as revenues to the income statement and then follows the uninvoiced revenues in the contract assets. Ship transformation activities have constituted an average of 12% of the net sales as of the financial statement periods. Besides, the Company carries out floating dock building and sale on demand. The center of Hat-San Gemi is Florya Cad. Situated at Florya Plaza No: 88 Floor: 2 Bakırköy, Istanbul, the activities related to the general financial and administrative management of the Company are carried out at the head office address of the Company. The company carries out shipyard activities in two different locations, a closed area of 13,495.26 m² built on 108.974.51 m², and a closed area of 3.849.00 m² built on a 7.158.13 m² area in Altmova district of Yalova province. The shipyard areas in which the Company operates were leased from the General Directorate of National Real Estate of R.T. in return for a share of revenue until 22.11.2065 in the Altmova district of Yalova province. The total area of the leased area is 108.974.51 m², a closed area was built on 13,495.26 m². Within the said areas; The Company has 3 piers, 2 docks, 5 skids (one of which is inclined), 1 floating dock with a lifting capacity of 25,000 tons, a crane with a lifting capacity of 300 tons and cranes with various lifting capacities. While the shipyard areas of the Company have a wide range of production, such as dry cargo, tankers, pontoons, floating docks, fishing vessels, *within the scope of new shipbuilding activities, on the other hand, the floating dock with a lifting capacity of 25,000 tons (The floating dock is filled with pumps and the tanks are submerged, allowing the ship to enter it. If desired, it can be carried to other places by floating.)* and maintenance and repair of ships with large carrying capacity. Many energy ship conversion projects have been carried out by the company since 2016. According to the reports of IMEAK (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions Chamber of Shipping) Chamber of Shipping, the number of Floating Pools in Turkey, which was 11 in 2002, increased to 17 in 2008 and to 21 in 2012. Maritime trade, which consists of %85 of the world's total trade volume, has often become a current issue during the Covid-19 pandemic. Global trade volume is estimated at 14.1 billion tonnes in 2021, up 5.9% compared to 2020 and up 0.3% compared to 2019, a more normalised year. According to Clarksons Research, global seaborne trade volume recovered by 3.6% (in ton-miles/1/7%) in 2021 returning to almost 12.0 billion tons in line with 2017 levels. For 2022, the global economic backdrop appears to be supportive with global seaborne trade initially estimated to increase by 3.5% (about 4.4% in ton miles) to about 12.4 billion tons.



		<p>control panel. Greece, China, and Japan continue to be the countries with the world's largest trade fleets on a capacity basis. They control 48.6% of the world's tonnage. When the distribution of the world's 30 countries with the largest fleet of easy flags (*) is analyzed, Turkey ranked 15th in the ranking of national and foreign flag vessels (1,000 GT (**)) and above) as of 01.01.2022, with Greece ranked 1st, China ranked 2nd and Japan ranked 3rd. In 2022, the total of Tanker, Bulk Cargo, Container, Dry Cargo, and Passenger ship types was measured as 1,882,784 DWT. Among these ship types, Bulk Cargo type has the highest share in terms of DWT with 48.5%. (*) It is the practice of operating a ship of any country under the flag of another country, which is more advantageous to people, instead of operating their ship under the flag of their own country. (**) Gross Ton: It is the total volume of the spaces where cargo can be placed, except the volumes that the crew of a ship will live in, use for management and etc. According to the data contained in the IMEAK Chamber of Shipping reports, as of 31.12.2021, 250 of the 475 ships in the Turkish Maritime Trade Fleet were imported and 225 were acquired by construction. Dry Cargo ships with a share of 23.8%, Chemical Tankers with a share of 12.2%, and Service ships with a share of 10.3%, of the 475 ships constituting the 1,000 GT and above Turkish Maritime Fleet, take the largest share in terms of units. According to the IMEAK Chamber of Shipping reports, when the age analysis of the Turkish Shipping Fleet is examined, there are 475 ships in the fleet, in which ships with a capacity of over 1,000 GT are taken into account, and the average age of the ships is 23.8 as of 31.12.2021. The average age of Dry Cargo ships, which constitutes 23.8% of the Turkish Maritime Fleet, is 28. The average age of Bulk Carriers, which constitutes 26.2% of the fleet as DWT, is 17. According to the reports of IMEAK Chamber of Shipping, the number of active shipyards, which was 37 in 2003, reached 64 in 2008 and 84 in March 2023. The compound annual growth rate of the number of shipyards (2003-2021) was 4.7%. As of March 2023, 84 shipyards are active and these shipyards are concentrated in the Marmara and Western Black Sea regions. In addition, 10 shipyards are at the investment phase and 15 areas have been determined as shipyard areas. After the global economic crisis that started in the last quarter of 2008 and was felt strongly until the last quarter of 2009, the Covid-19 pandemic that emerged in 2019 negatively affected the shipbuilding industry and many other sectors, and the decline in order books led to the cancellation or postponement of both employment and new investment and modernization works.</p>
6.4	<p>Issuer and information on the latest important trends affecting the industry in which it operates</p>	<p>In 2022, the Russian-Ukrainian War, the global supply chain problem, the global inflationary environment, the commodity crises and the energy crisis in Europe affected the global trade volume and, in parallel, the maritime trade. In addition, rising input costs played an active role in companies' pricing policies. The relative normalization of energy and commodity prices, the easing of disruptions in the supply chain, and the temporary solutions found to the supply problem caused by the Russian-Ukrainian war have led to positive movements in the sector. Container trade volume, and in parallel,</p>



		<p>Container trade volume was severely damaged by the pandemic in 2020, but is now above pre-pandemic levels. 2023 will be a positive year for the LNG market, as 2022 will see an increased interest in the use of LNG due to the energy crisis in Europe. This indicates that the demand for new gas tankers and maintenance and repair of existing gas tankers will increase. Due to the problems in energy supply, energy prices have increased and these increases have led to an increase in the Company's production costs. Increases in production costs are also reflected in sales prices.</p>
8.5	<p>Group and place of the issuer in the group</p>	<p>The issuer is included in the Pskar Grup İnşaat A.Ş. structure and there are related party companies in which PekarGrupİnşaat A.Ş., its ultimate main partner, is a partner. Dortler İnşaat TaahhütLtd. to 701,000 shares of Bekar Grup İnşaat A.Ş.'s 1.001.000 shares with a nominal value of 1.00 TL. Şti., while Mehmed Halid İsmail BEBE, Mustafa Talha PEPE, Mesud Abdurrahman PEPE each have 100,000 shares, and their share in the capital is 9.99%. Pekar Grup İnşaat A.Ş. is the main partner of 4 companies, including the Issuer, the names and shareholding structures of the companies are respectively assigned to 97.0% of Hat-8an İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş., 99.76% of the Issuer, Kar İnşaat TaahhütLtd. It owns 99.9% of the shares of Şti. and 75% of Kar Elektrik Üretim Ltd.Şti. The Company's capital consists of a total of 188.037.093 shares , each with a nominal value of TL 1.00; the main shareholder of the company, Pekar Grup İnşaat A.Ş., has 187,592,988 shares, Mehmed Halid İsmail PEPE has 148.035 shares, Mustafa Talha PEPE has 148.035 shares and Mesud Abdurrahman PEPE has 148.035 shares. There is no company in which the Issuer participates directly or indirectly.</p>
8.6	<p>Information about the names/titles and shareholdings of the persons whose shares, directly or indirectly, are 5% or more in the capital or in the total voting rights.</p> <p>Information on whether the dominant partners of the issuer have different voting rights</p>	<p>The issued share capital of the Company is TL 188.037.093 and consists of 188.037.093 shares with a nominal value of TL 1,00 each. Shares with a nominal value of 187.592,988 TL corresponding to 99.76% of the Company's current capital amounting to 188.037.093 TL, shares with a nominal value of 148.035 TL corresponding to 0.08% of Pekar Grup İnşaat A.Ş. Halid İsmail PEPE, 0.08% of the shares with a nominal value of 148.035 TL belong to Mesud Abdurrahman PEPE, 0.08% of the shares with a nominal value of 148.035 TL belong to Mustafa Talha PEPE. 70.03% of Pekar Grup İnşaat belongs to Dörtler İnşaat Taahhüt Ltd. Şti. 9.99% belongs to Mehmed Halid İsmail PEPE, 9.99% belongs to Mesud Abdurrahman PEPE, and 9.99% belongs to Mustafa Talha PEPE. Dörtler İnşaat ve Taahhüt Ltd. Şti.'s capital is 95.71% owned by Osman PEPE and the remaining 4.29% by Birgül PEPE. In this context, the dominant partner of the Company is the PEPE Family. The shares representing the entire capital of the Company are divided into groups A and B, and group A is 50.000.000 TL registered and B group bearer-written TL 138.037.093. As regulated in Article 12 titled 'General Assembly' of the Company's Articles of Association, Group A shareholders are entitled to 5 votes and Group B shareholders are entitled to 1 vote in ordinary and extraordinary general assembly meetings. Group A privileged shares with a nominal value of 50,000,000 TL</p>



If any, the names/titles of those who have direct or indirect management power of the issuer or those who control the issuer, and information about the source of this control.

Part with a nominal value of 49.880.000 TL to Pekar Grup Construction A.Ş., a part with a nominal value of 40.000 TL to Mehmed Halid İsmail PEPE, a part with a nominal value of 40.000 TL to Mustafa Talha PEPE. A portion with a nominal value of TL 40,000 also belongs to Mesud Abdurrahman PEPE. The PEPE Family has the management dominance of the company and derives this management dominance from their shareholding and privileged Group A shares. Article 9 of the Company's Articles of Association titled "Board of Directors, Term of Office and Board Meetings" As regulated in the article; the members of the Board of Directors shall be elected by the Group A shareholders or among the candidates nominated by the majority of the Group A shareholders. In the event that half of the number of members of the Board of Directors is not a whole number, it shall be rounded down to the next whole number. For the avoidance of any doubt, 2 members of the Board of Directors consisting of 5 members, 3 members of the Board of Directors consisting of 6 members, 3 members of the Board of Directors consisting of 7 members and 4 members of the Board of Directors consisting of 8 members are elected from among Group A shareholders or candidates nominated by the majority of Group A shareholders.

b.7. With selected financial information in the financial position of my issuer and significant changes in the results of activities	Statement of Financial Position (TL)		Special Independent Audited	
	Financial Statement Type	Solo (*)	Consolidated	Consolidated
Period	31.12.2022	31.12.2021	31.12.2020	
Current Assets	494.664.201	295.761.214	170.694.628	
Cash and Cash Equivalents	298.487.731	15.390.072	5.663.936	
Trade Receivables	53.929.426	16.887.399	12.423.937	
Contract Assets	0	183.346.006	29.986.624	
Stocks	62.203.179	26.831.132	40.232.720	
Prepaid Expenses	40.530.433	14.530.815	46.906.004	
Other Current Assets	37.517.897	28.136.548	21.626.947	
Fixed Assets	737.165.433	559.051.595	151.269.538	
Financial Investments	17.358.060	20.376.060	20.376.060	
Trade Receivables	8.797.339	0	0	
Real Estate For Investment Purposes	0	88.892.500	48.952.500	
Tangible Fixed Assets	710.719.718	449.293.383	79.985.015	
Total Assets	1.231.829.634	854.812.809	321.964.166	
Shortdated Liabilities	414.728.821	370.348.214	163.707.621	
Short Term Borrowings	7.853.029	1.668.915	1.031.033	
Short Term Parts of Long Term Borrowings	117.267.929	266.550.709	102.660.929	
Trade Payables	101.242.051	83.394.855	42.478.592	
Deferred Incomes	169.893.392	1.715.900	30.620	
Other Shortdated Liabilities	6.776.828	6.806.458	10.197.164	
Long-Term Liabilities	486.693.042	416.931.789	99.808.485	
Long Term Borrowings	481.778.543	403.565.559	93.346.041	
Deferred Tax Liabilities	2.348.251	10.519.011	3.683.267	
Equities	330.407.771	484.464.595	58.448.060	
Equity Capital of the Parent	330.407.771	58.818.742	53.604.777	
Paid-in Capital	188.037.093	18.037.093	6.351.013	
Difference from capital adjustment	22.876	22.876	22.876	



	Advance dividend paid in the period	-227.893.627	0	0
	Restricted Reserves Separated From Profit	9.418.036	849.849	53.236
	Retained Earnings	39.908.924	32.949.359	40.185.318
	Net profit for the period (Loss)	320.914.469	6.959.565	6.992.254
	Minority Shareholder	0	8.714.064	4.843.283
	Total Resources	1.231.829.634	854.812.809	321.964.166
	<p>(*) Financial statements of the 31.12.2022 period of Hat-San Gemi, based on the disposal of the affiliate companies with Hat-San İnşaat, Kar Elektrik ve Kar İnşaat trade name on 23.09.2022; were prepared perpetual from the beginning of 2022 to 23.9.2022 and solo from 24.09.2022 to the end of 2022. (**) The Company has decided to distribute capital advance amounting to 227.893.627 TL million in total in 2022, of which 170.000.000 TL consists of the capital increase amount within the scope of increasing the Company's capital from 18.037.093 TL to 188.037.093 TL, 49.325.440 TL consists of cash paid to shareholders and the remaining 8.568.187 TL consists of legal reserves. The main field of activity of the company is as follows: shipbuilding and ship maintenance and repair works. It constitutes most of the fixed assets similar to industrial corporations. For the end of 2020, 2021, and 2022, the ratio of the fixed assets to total assets respectively is 47,0%, 65,4%, and 59,8%. Fixed assets mainly consist of land improvements, construction in progress and facility, machinery and equipment, while current assets mainly consist of contract assets, trade receivables, inventories and prepaid expenses. The Company's total assets increased by 165.5% from TL 322.0 million at the end of 2020 to TL 854.8 million at the end of 2021, due to the increase in contract assets and tangible fixed assets. Contract assets increased due to the completion of the relevant parts of the projects in accordance with IFRS and the recognition of revenue, but no invoices were issued, while property, plant and equipment increased due to the investments in the A-21 parcel, the right of use of which was acquired in 2020. The Company's total assets increased from TL 854.8 million at the end of 2021 to 1.2 billion TL at the end of 2022 due to the increase in cash and cash equivalents and tangible fixed assets. The main reason for the increase in cash and cash equivalents is the increased profit amount and decreasing capitalization needs. The reason for the tangible fixed assets is the production field carried out in the A-21 parcel and the investment of 255 meters long NB-18 Panamax Floating Dock. With the said investment, the size of the ships that the Company can build, maintain and repair has increased from small and medium sized ships to large ships. Although the length of the pool has increased by approximately 40%, the workable surface area has increased by 2.5 times. The Company's liabilities, which were TL 263.5 million at the end of 2020, increased by 198.8% to TL 787.3 million at the end of 2021 compared to the end of 2020, and increased to TL 901.4 million at the end of 2022 compared to the end of 2021. The main factor of the increase is the growing financial and trade payables. As of the end of 2020, 2021, and 2022, 74.8%, 85.3%, and 67.3% respectively constitute the Company's liabilities. The Company's financial debts, which were 197.2 million TL in total at the end of 2020, increased to 671.9 million TL at the end of 2021. The most important reason for the said increase</p>			



regulation investments, floating dock investment and working capital requirement. The floating dock investment, which caused a significant need for funding, was covered with long-term loans, which amounted to the necessary funding since it is a long-term investment, and shipbuilding projects are generally longer than 1 year. The floating dock investment, which caused a significant need for funds, has a long-term investment feature. The required fund amount for this investment has been covered by long-term loans. In other words, the reason for the long-term loans of the Company is the increase in shipyard infrastructure investments and the need for capitalization stem from shipbuilding projects, shipbuilding projects are mostly projects with a duration of more than one year, and tangible fixed assets investments are long-term investments by nature. Financial debts decreased by 9.7% at the end of 2022 compared to the end of 2021 and decreased to 607.0 million TL. The Company's capitalization needs decreased as a result of the number of advances received, which was 1.7 million TL at the end of 2021, increased to 169.9 million TL at the end of 2022, and the contract assets, which should be considered as a kind of income accrual decreased from 183.3 million TL to zero. With the effect of increased profits and a partial decrease in investment expenditures compared to 2021, the Company's cash and cash equivalents increased to TL 298.5 million however, there was a limited decrease in financial indebtedness. The main reason for the limited decrease is; This is due to the fact that TL 298.5 million cash and cash equivalents have not yet been used to settle these debts due to the fact that the financial debts are not yet due. Most of the trade payables are because of the debts arising within the scope of the consumables obtained from suppliers for shipbuilding and maintenance & repair works. Trade payables, which were 42.5 million TL at the end of 2020, increased to 83.4 million TL at the end of 2021 with an increase of 96.3% compared to the end of 2020, and at the end of 2022, it was 101.2 million with an increase of 21.4% compared to the end of 2021. The main factors in the increase are the base effect created by the pandemic and the increases in exchange rates and prices. With the decision of the general assembly dated 03.09.2021, it has been resolved to increase the capital of the Company from 6.351.093 TL to 18.037.093 TL by increasing it by 11.686.000 TL, all of which will be covered from retained earnings, and the said issue has been registered on 21.09.2021 and announced in the TTRG dated 21.09.2021 and numbered 10413.(*). The Company has decided to distribute capital advance amounting to 227.893.627 TL million in total in 2022, of which 170.000.000 TL consists of the capital increase amount within the scope of increasing the Company's capital from 18.037.093 TL to 188.037.093 TL, 49.325.440 TL consists of cash paid to shareholders and the remaining 8.568.187 TL consists of legal reserves. With the decision of the General Assembly of the Company dated 14.09.2022, it has been decided to increase the capital of the Company from 18.037.093 TL to 188.037.093 TL by increasing 170.000.000 TL, all of which will be covered from the 6-month interim period profit, and the said issue has been registered on 20.09.2022 and announced in TTRG dated 20.09.2022 and numbered 10664. The capital of the Company, which was increased to TL 188.037.093 with the addition of the interim net period profit to the capital, is subject to capital reduction of the capital amount equal to the interim profit added to the capital at the general assembly meeting held on 02.02.2023.



At the same meeting, it was decided to increase the capital again to TL 188.037.093 to be covered from the net profit for the year 2022. The said simultaneous capital increase and decrease transactions were registered on 03.02.2023 and announced in TTRG dated 03.02.2023 and numbered 10762. In 2022, the equity of the parent increased to 330.4 million TL with the effect of 320.9 million TL profit for the period.

Profit or Loss Statement (TL)		Special Independent Audited		
Financial Statement Type	Solo	Consolidated	Consolidated	
Period	31.12.2022	31.12.2021	31.12.2020	
Revenue	1.132.366.813	458.095.747	384.186.221	
Cost of Sales (-)	-597.977.908	-378.142.047	-336.996.217	
Gross Profit	534.388.905	79.953.700	47.190.004	
Mai Activity Profit	463.454.910	17.086.891	23.662.405	
Activity Profit before Financing Expense	422322334	59.368324	34.961.913	
Profit before tax / (loss)	324.662.728	19331.348	2.370.699	
Tax expense (-)	-5.944.135	-8.501.002	5.571344	
Net profit for the period (Loss)	318.718.593	10.830346	7.942.043	
Distribution of Profit for the Period				
Non- controlling Shares	-2.195.876	3.870.781	949.789	
Parent Shares	320.914.469	6.959.565	6.992.254	

The revenue, which was 384.2 million TL in 2020, increased to 458.1 million TL in 2021 with an increase of 19.2% compared to 2020 and increased to 1.1 billion TL in 2022 with an 147.2% increase compared to 2021. The Company's sales showed a limited increase compared to 2020, as the effects of the pandemic continued in 2021, the Company used some of its resources in the construction of a new investment, the floating dock, and in the arrangement of the parcel on the A-21 parcel, for which the right to use was obtained in 2020. Due to the increasing order quantity, rising exchange rates and the sale of the old floating dock in 2022, with the effect of the pandemic almost over, the Company's revenue increased by 147.2% compared to 2021. During the financial statement periods, the Company's annual compound growth rate of its revenue was 72%.

6.8	Selected important pro forma financial information	None.
6.9	Profit forecast and expectations	None.
6.10	financial statements – prospectus positive opinion on the audit reports on the statements content of matters other than	The Company's special independent audit report dated 31.12.2022 (related to its financial statements; there is a "positive" independent auditor's opinion. together with; In the private independent auditor's opinion on the Company's financial statements dated 31.12.2021 and 31.12.2020; Financial statements dated 31.12.2021 and 31.12.2020; Except for the possible effects of the matter specified in the section titled “Basis for Qualified Opinion”, It is stated that the company presents its financial position as of 31.12.2021 and 31.12.2020, its financial performance and cash flows for the accounting periods ending on the same dates, in all material respects in accordance with IFRS. Basis for Limited Positive Opinion:



As of 31.12.2021 and 31.12.2020, the Company's financial 'As of December 31, 2021, 2020 and 2019, the physical counts of inventories and cash on hand in the statement of financial position could not be observed by us due to the fact that we were not appointed as the independent auditor of the Company on that date, and we attempted to determine the accuracy of the cash on hand and cash on hand amounts through alternative audit procedures, but we could not determine the possible effects of the results that would arise if the cash on hand and cash on hand amounts were not accurate on the financial statements of December 31, 2021, 2020 and 2019. Due to the possible effects of this matter on the comparability of the current period information and the corresponding information, express a limited favourable opinion on the consolidated financial statements.

8.11	Inability of the issuer to meet current liabilities of working capital	The issuance has net business as of 31.12.2022; There is a working capital from the date of this Prospectus. The net working capital by the issuer is as follows:	The financial statement periods of sufficient capital for the 12-month period are shown in the table.		
		Financial Items (TL)	31.12.2022	31.12.2021	31.12.2020
		Current Assets	494.664.201	295.761.214	170.694.628
		Shortdated Liabilities	414.728.821	370.348.214	163.707.621
	Net working Capital	79.935.380	-74.587.000	6.987.007	

C—CAPITAL MARKET INSTRUMENT

c.1	Information on the types and groups of the capital market instruments to be issued and/or traded on the stock exchange, including the securities identification number (ISIN)	The issued capital of the Company amounting to TL 188.037.093 will be increased by TL 33.462.907 in cash equivalent to TL 221.500.000 by restricting the pre-emptive rights of the existing shareholders. In addition, 10.837.093 Group B bearer shares with a nominal value of TL 1 each, with a nominal value of TL 10.837.093 owned by Pekar Grup İnşaat A.Ş., one of the existing shareholders of the Company, will be offered to the public. The capital market instruments to be issued and traded on Borsa Istanbul are bearer shares of the Company. The ISIN number of these shares has not been determined as of the date of this Prospectus. The Publicly Offered Shares are not allocated to any share group and there are no privileges recognised for these shares.
C.2	Currency in which the capital market instrument	Shares will be offered for sale in Turkish Lira.
C.3	Number of issued and fully paid shares and the number of shares, if any, for which the price has not been fully paid Nominal value of each share	The Company's issued capital is TL 188.037.093 and this capital consists of a total of 188.037.093 shares, each with a nominal value of TL 11.00. All of this capital has been paid in full, free of collusion. The nominal value of each share is TL 1.00.
C.4	Information on the rights provided by the capital market instrument	The shares to be issued provide the following rights to the shareholders in accordance with the provisions of the relevant legislation: <ul style="list-style-type: none"> • Right to Dividend • Right to Vote • Right to Buy New Shares • Right to Leave the Partnership • Ending Partnership / Selling Rights Brokerage



		<ul style="list-style-type: none"> • Right to Participate in Liquidation Balance in Liquidation • Right to Free Shares • Invitation and Right to Participate in the General Assembly • Right to Information and Examine • Action to set aside • Minority Rights • Right to Request Special Control
C.5	Issues restricting the transfer and circulation of a capital market instrument Information about	On the shares to be offered to the public and traded in Borsa Istanbul, there is no record that restricts the transfer and circulation of the shares or prevents the
C.6	IPO capital market instruments application to be traded on the stock market- done and Information on the market to be traded, whether or not to do so	An application was made on 09.05.2023 for the shares to be traded in Borsa İstanbul Yıldız Market after the public offering, and Borsa İstanbul's opinion is included in the "I-Exchange Opinion" section of this Prospectus.
C.7	Information about the profit distribution policy	Capital Markets Legislation, Republic of Turkey Laws and Company Articles of Association are complied with in the procedures regarding profit share rate, calculation method and payments. Profit distribution principles of the Company are regulated in Article 15 of the Articles of Association, titled "Determination and Distribution of Profit". The Company acts in accordance with the provisions of the Turkish Commercial Code and capital markets legislation regarding determination and distribution of profit.

D-RISKS

D.I.	Significant risk related to the issuer, its activities and the sector in which it operates Information about	<p>Significant risk related to the issuer, its activities and the sector in which it operates</p> <ul style="list-style-type: none"> • Due to global problems, the Company may have difficulty in obtaining its receivables from its customers, which may adversely affect the Company's profitability. • In order for the company to continue its activities, increases in the costs of equipment and materials needed may increase the Company's investment amounts and adversely affect its operations and financial condition. • The company may lag behind its competitors in terms of costs and product quality, and may lose its competitive advantage. • The ownership of the Hat-San 1 Facility land, where the Company carries out its activities, belongs to the Republic of Turkey Ministry of Treasury and Finance (Treasury), in this context, the changes to be made in the legal regulations covering the relevant Usage Permit Agreements may adversely affect or stop the activities of the Company. • German projects may not be completed on time, in case of default in the signed contracts, the Company may not have protective provisions, as a result, the Company may be forced to pay penal terms and interest. • The trade volume of the Company with the countries to which it exports may decrease.
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		<ul style="list-style-type: none">• The activities of the Company depend on obtaining and maintaining the necessary licenses, certificates, permits and licenses.• Defects or breakdowns that may occur in the machinery and equipment owned by the Company, which it needs to carry out its activities, may adversely affect the profitability of the Company.• Movements in exchange rates may have an impact on the Company's income and financial condition. Sudden decreases in foreign exchange rates may adversely affect the Company's revenue and operations due to the fact that the Company generally obtains its revenues in foreign currency.• Increasing financing costs or blocking financing opportunities may adversely affect the Company.• Loss of key personnel or failure to include key personnel and qualified specialist personnel in time may limit the growth of the Company and adversely affect its activities.• The Company may be exposed to risks due to possible unethical and/or illegal behavior of its employees, suppliers or other persons involved in the Company's activities; such unethical behaviors or violations may cause the Company to face various sanctions and loss of reputation.• There may be risks related to lawsuits and disputes. As part of the Company's ordinary activities, legal proceedings may be initiated against the Company, and the Company may be subject to administrative proceedings. As a result of the aforementioned demands and legal proceedings against the Company, the Company and its executives may be subject to judicial and criminal liability, the Company may be fined or have to pay compensation.• The company may be adversely affected by changes in tax legislation or practice, increases in tax rates or tax audits.• The company is obliged to comply with the legal and other regulatory provisions within the scope of personal data protection regulations, environmental regulations, tax regulations, professional regulations, occupational health and safety and labor law, and to obtain and maintain the permits and licenses stipulated in the legislation to which it is subject. Changes that may occur in such laws and regulations or their interpretations, or violations of such laws and other regulations, may have a negative impact on the Company's reputation, operations, financial condition and results of operations.• Any work accident that may occur during the Company's activities may adversely affect the Company's activities, reputation and profitability.• Failure to renew the necessary insurance for any event that may cause financial loss or damage to the Company, and
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		<p>Failure to do so may adversely affect the Company's operating and financial results.</p> <p>« The company may not provide the confidentiality required by its activities, may not protect the data of its customers due to cyber attacks or any other reason. This situation may adversely affect the operations of the Company.</p> <ul style="list-style-type: none"> • The company may not be able to maintain its level of profitability, and the expected developments in the level of profitability may not occur. • If the banks providing the loans used by the Company recall the loans before the maturity date, the Company may have to pay the loans it has received from banks early, which may adversely affect the Company's operating and financial results. <p>Risks related to the sector of the issuer:</p> <ul style="list-style-type: none"> • Global and national economic developments may adversely affect the shipbuilding industry, as in all other sectors. • The impact of the foreign policies implemented on the country's economy and territorial waters is also directly reflected on the companies operating in the sector. • The inability to provide the required qualified personnel may limit the growth of the sector. • Companies that are already operating in the sector or that will enter the sector can increase the competition in the sector. • The fact that the high capital cost required by the field of activity is higher in Turkey compared to developed countries may create a risk factor for the sector in global competition. • Sudden increases in exchange rates may cause both a decrease in sales due to the contraction in domestic demand and the inability of companies to fulfill their foreign currency-weighted obligations, if any. • The volatility of demand in the shipbuilding sector may affect the activities of companies operating in the sector. • The activities of the companies in the sector may be adversely affected due to the changes that may occur in the current legislation. <p>Other Risks</p> <ul style="list-style-type: none"> • Disruptions caused by widespread public health concerns, including the Covid-19 outbreak, may adversely affect the Company's operations, results of operations, future prospects or financial condition. • Natural disasters such as floods, storms, landslides and earthquakes may adversely affect the Company's operations, results of operations, future expectations or financial condition. • Risks related to war, terrorist incidents, terrorism and threats of war may adversely affect the Company's operations, results of operations, future expectations or financial condition. • Military operations launched by the Russian Federation against Ukraine and the Russian Federation of Ukraine
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The continuation of the war between the two countries for the purpose of occupation by the Company may have an indirect negative impact on the results of the Company's operations.

- The interests of the Company's main shareholders, the PEPE Family, may not be compatible with the Company's interests.

Other Risks Included in Specially Audited Financial Statements

• Credit risk

It is the risk that the Company incurs a financial loss due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations. The Company's credit risk mainly arises from trade receivables and bank deposits from unrelated parties. As of 31.12.2022, 53.893.773 TL (31.12.2021: 16.887.399 TL, 31.12.2020: 12.423.937 TL) trade receivables from related parties (31.12.2021: 0 TL, 31.12.2020: 0 TL) from non-related parties from unrelated parties 70.929 TL (31.12.2021: 8.655.049 TL, 31.12.2020: 4.567.114 TL), from related parties 1.021.898 TL (31.12.2021: 1.730.851 TL, 31.12.2020: 9.268.376 TL) He has other receivables and deposits of 297,323,585 TL (31.12.2021: 14.392.780 TL, 31.12.2020: 5.295.512 TL) in banks. As of 31.12.2022, the Company's trade receivables from non-related parties amounted to 1,360,375 TL (31.12.2021: 750.000 TL, 31.12.2020: 750.000 TL), which were overdue and all provisions were made, and 2.571.025 TL (31.12.2021: 0 TL, 31.12.2020: 0 TL) has other receivables from non-related parties.

• Liquidity Risk

Liquidity Risk: Liquidity risk is the inability of the Company to fulfil its net funding requirements. The occurrence of events that result in a decrease in fund resources, such as deterioration in the markets or a decrease in the credit score, may cause a liquidity risk, if the Company's credibility deteriorates, the Company may face loss if it cannot provide the funds in case of need and if the cost of resources increases. According to the contract, the total cash outflows of the Company's non-derivative financial liabilities are 709.5 million TL in the period 31.12.2022, 144.3 million TL of this amount with a maturity of up to 3 months, 83.4 million TL with a maturity of 3-12 months, 481. 8 million TL of this amount is between 1 and 5 years maturity, 607.0 million TL of this amount consists of financial debts, 101.2 TL of commercial debts and 1.2 million of other debts.

• Market risk

Foreign Currency Risk

Transactions in foreign currency causes exchange rate risk. Currency risk as of the financial statement periods of the Company; It is exposed to exchange rate risk due to the changes in the exchange rates used in the conversion of foreign currency assets and liabilities into Turkish Lira.



		<p>The Company is exposed to exchange rate risk in US Dollar and Euro currencies. In case of an increase in the exchange rates due to the Company's net foreign exchange deficit as of the financial statement periods, it will have a negative impact on the financial statements.</p> <p>Interest Rate Risk</p> <p>Changes in market interest rates may cause fluctuations in the values of financial instruments due to changes in prices in the market. These fluctuations may result from price changes in securities or factors specific to the issuer or factors that affect the entire market. The Company uses all of its financial liabilities with fixed interest rates in order to avoid interest rate risk.</p>
D.3	Information regarding the capital market instrument significant risk factors	<ul style="list-style-type: none"> As the shares of the Company will be traded in a public market for the first time, price and volume fluctuations may occur. After the Company's shares start to be traded in the secondary market, the interests of the main shareholders may conflict with the interests of the shareholders investing in the secondary market, since the main shareholders of the Company will continue to own a significant portion of the Company's capital. Future share sales by the company and the main shareholders may have a negative impact on the share price. Fluctuations in the value of the Turkish lira may affect the share price. Risks arising from the economic conjuncture may adversely affect the share price. The Company may not pay dividends to its shareholders in the future within the framework of its Articles of Association and capital market legislation. Failure to realize the assumptions regarding the price determination report may adversely affect the share price of the Company. The Company's free float ratio is limited, which may have a negative impact on the liquidity of the shares and the share price. Shares to be offered to the public may not be suitable for all investors.

E-PUBLIC OFFERING

E.I	Issuer of public offering / public offering the total cost estimated to be incurred by the recipient with the net income and the demand Demand from investors to be charged to the requesting investors	<p>According to the public offering price [-] TL, the cost is estimated to be [-] TL, the net cash inflow is expected to be [-] TL, and the share income is expected to be [-] TL. "the sum of the IPO proceeds and the cost per share. The Company is expected to realise the net proceeds from the public offering by the Public Offering Shareholders.</p>																								
		<table border="1"> <thead> <tr> <th>Estimated Public Offering Cost (TL)</th> <th>Total</th> <th>Company</th> <th>Partner</th> </tr> </thead> <tbody> <tr> <td>CMB Board Fee</td> <td></td> <td>H</td> <td>H</td> </tr> <tr> <td>Stock Exchange Listing Fee</td> <td>57.330</td> <td>1.025</td> <td>3.305</td> </tr> <tr> <td>MKK Membership Fee</td> <td>232.575</td> <td>232.575</td> <td>0</td> </tr> <tr> <td>Brokerage Commission</td> <td>[.]</td> <td>[.]</td> <td>H</td> </tr> <tr> <td>Public Offering Process Consultancy</td> <td>[.]</td> <td>[.]</td> <td>[.]</td> </tr> </tbody> </table>	Estimated Public Offering Cost (TL)	Total	Company	Partner	CMB Board Fee		H	H	Stock Exchange Listing Fee	57.330	1.025	3.305	MKK Membership Fee	232.575	232.575	0	Brokerage Commission	[.]	[.]	H	Public Offering Process Consultancy	[.]	[.]	[.]
Estimated Public Offering Cost (TL)	Total	Company	Partner																							
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Brokerage Commission	[.]	[.]	H																							
Public Offering Process Consultancy	[.]	[.]	[.]																							



		Advertising / PR Costs	M	t*	tl
		Legal Opinion	[.]	[.]	[.1
		Independent Audit Costs	Hand	I*	[.]
		PDP Service Fee	27.293	27.293	0
		Other	[.]	[.]	[.1
		Total Cost	[.1	[.1	[.]
		Number of Shares Offered to	44.300.000	33.462.907	10.837.093
		Cost per Share	M	[.1	[.]
		Net Income	[.]	.	11
		Detailed explanations regarding the estimated public offering proceeds and costs are provided in section 28 of this prospectus titled "Public Offering Proceeds and Costs". No additional fee will be charged to the requesting investors for making the request. However, investors may have to bear various costs determined by the consortium members themselves, such as opening accounts to make requests, realising transactions such as transfers and EFT etc.			
E.2	Information on the rationale of the public offering, the use of the public offering proceeds and the estimated net income to be obtained	<p>Grounds for the public offering; Strengthening the Company's shareholders' equity and working capital, ensuring the continuity of the Company's growth targets, increasing the Company's recognition in Turkey and abroad, increasing the Company's competitiveness, expanding the Company's activities to international markets, increasing the Company's credibility and reputation in the eyes of potential customers, The creation of a sustainable corporate structure and the development of reporting standards, increasing the level of transparency and accountability, making the Company's shares liquid and thus enabling the Company to borrow at a lower cost in the event that it is required by lenders. Pekar Grup İnşaat A.Ş., the shareholder who has offered its shares to the public, will receive the net proceeds from the sale of 10,837,093 shares, less the public offering costs, at the disposal of Pekar Grup İnşaat A.Ş. The portion remaining after deducting the public offering costs from the resources to be obtained in return for the shares with a nominal value of TL 33,462,907 to be issued by the Company through the capital increase will be used within the framework of the report on the places of use of the fund accepted by the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/13, and the said report is attached to this prospectus (Annex 7). The portion remaining after deducting the public offering costs from the resources to be obtained against the shares with a nominal value of TL 33,462,907 to be issued within the scope of the capital increase;</p> <ul style="list-style-type: none"> - 75% to 85% to be used for the construction and purchase of floating docks in order to increase the Company's ship production and repair & maintenance capacity, - 15% to 25% of the shares of the Company will be used for the establishment of an electricity generation plant to generate electricity for the Company's own use, provided that the Company obtains permission from the Energy Market Regulatory Authority and other necessary institutions and complies with the relevant legislation, and the existing ship 			



		<p>for the improvement and renovation of production and repair & maintenance facilities,</p> <p>- It has been decided that, if needed, it is possible to switch between the above-mentioned fund utilisation items by 10%.</p> <p>Detailed explanations of the utilisation areas of the said fund are given in section 28 of this prospectus titled "Public Offering Proceeds and Costs".</p>
E.3	Information and conditions regarding the public offering	<p>Prior to the commencement of the public offering, in addition to the Board, the opinion of Borsa Istanbul must be obtained in order for the Company shares offered and issued to the public to be traded on the stock exchange. The ratio of shares with a nominal value of TL44,300,000 to be offered to the public through capital increase and shareholder sales to the issued capital, which will reach TL221,500,000 after the public offering, will be 20.00%. TL 33,462,907 nominal value of the shares to be issued will be offered to the public through capital increase and TL 10,837,093 nominal value of the shares to be issued will be offered to the public through shareholder sales. The sale will be carried out by a consortium formed under the leadership of İfo Yatırım through "Fixed Price Demand Collection" and "Best Effort Brokerage" method.</p> <p>Demand will be collected for the Publicly Offered Shares for 2 (two) business days. The exact start and end dates of the book-building shall be announced by the Issuer (www.hat-san.com.tr). Info It will be stated in the sales announcement to the savings holders to be announced on the website of İfo Yatırım (www.infoyatirim.com) and Public Disclosure Platform (KAP) (www.kan.org.tr). The investors who will make demand for the public offering of the Company's shares are Domestic Individual Investors, Domestic Institutional Investors and Foreign Institutional Investors. Shares with a total nominal value of TL 44,300,000 to be offered to the public;</p> <ul style="list-style-type: none"> • [-] TL nominal value (%[-]) to Domestic Individual Investors, • [-] TL nominal value (%[-]) to Domestic Institutional Investors, • [-] TL nominal value (%[♦]) to Foreign Institutional Investors allocated for sales to be realised. <p>Within the framework of dematerialisation principles, the Publicly Offered Shares will be dematerialised by CRA on the basis of right holders and no physical delivery of the shares will be made. Dematerialised shares will be delivered in dematerialised form to the accounts of the Consortium Members at CRA within 2 (two) business days following the delivery of the distribution list to the Consortium Members and provided that the share prices are paid. The results of the public offering will be announced to the public within 2 (two) business days following the day on which the distribution lists are finalised within the framework of the principles set out in the Board's regulations on the sale of capital market instruments, in accordance with the Board's regulations on the public disclosure of material events.</p>



E.4	In the public offering of the Company's shares; Hat-San Gemi,	<p>the issuer company, will obtain equity, the shareholder who offered its shares to the public will obtain share sale income, Consortium Leader Info Yatırım will obtain brokerage commission, AbaküsBağımsız Denetim A.Ş. will obtain independent audit report preparation fee, Özmen Yalçın Attorney Partnership will obtain legal consultancy fee, Mitra Kurumsal Danışmanlık A.Ş. will obtain public offering process consultancy fee.</p> <p>The other Consortium Members who will act as intermediaries for the public offering will also receive an intermediary commission for the public offering.</p> <p>There is no conflict of interest or any conflict of interest between the parties to the public offering, any capital relationship, any economic interest directly or indirectly linked to the success of the public offering, except for the remuneration they will receive.</p>
E.5	<p>Public offering of capital market instruments</p> <p>Name/title of the person issuer By whom and for how long the commitment is made in a way to include share in circulation Commitments not to increase the amount of Information about</p>	<p>Issuer: Hat-San Gemi İnşaat Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.</p> <p>Public Offering Shareholder: Pekar Grup İnşaat A.Ş.</p> <p>With the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/16; For 1 (one) year from the date the shares offered to the public by the Company started to be traded in Borsa Istanbul;</p> <p>(i) No capital increase through rights issue shall be made by the Company and the amount of the Company's shares in circulation shall not be increased in this way,</p> <p>(ii) The Company shares shall not be subject to sale or public offering in a way that will lead to an increase in the amount of shares in circulation of the Company shares,</p> <p>(iii) No decision shall be taken in this direction and/or no application shall be made to Borsa Istanbul or CMB or any other securities regulatory authority, stock exchange or listing authority abroad,</p> <p>(iv) During this period, no announcement was made regarding a new sale or public offering in the future; and</p> <p>(v) In line with these decisions, it has been decided to give the necessary commitments and a commitment dated 08.05.2023 has been given within the scope of these issues.</p> <p>Pekar Grup İnşaat A.Ş., one of the current shareholders of the Company,</p> <p>Mehmed Khalid Ismail PEPE, Masud Abdurrahman PEPE, and Mustafa Talha PEPE, dated 08.05. 2023 dated 08.05.2023; For 6 (six) months from the date the Company's shares started to be traded in Borsa Istanbul, the Company shares that are not subject to public offering will not be subject to sale or public offering in a way that will lead to an increase in the amount of shares in circulation, that no decision will be taken in this direction and/ or no application will be made to Borsa Istanbul or CMB or any regulatory body, stock exchange or quotation authority related to any securities abroad, and that no announcement will be made regarding a new sale or public offering in the future during this period. Pekar Grup İnşaat A.Ş., Mehmed Khalid Ismail PEPE, Mesud Abdurrahman PEPE, and</p>



		<p>Mustafa Talha PEPE with his undertakings dated 08.05.2023; in accordance with Article 8 of the CMB's Share Communiqué no. VH-128. 1 numbered VH-128. 1 of the Capital Markets Board within the framework of Article 8 of the Equity Communiqué; For a period of 1 (one) year from the commencement of trading of the Company shares on Borsa Istanbul, I will not sell the Company shares owned by me on Borsa Istanbul at a price below the public offering price and will not subject these shares to any transaction that will result in the sale of these shares on Borsa Istanbul below the public offering price, In the event that the shares in question are partially or completely sold or transferred outside Borsa Istanbul within the specified period, it has accepted, declared and undertaken that it will make a material event disclosure within the framework of the regulations of the Capital Markets Board regarding the public disclosure of material events and that it will notify the buyers that those who will purchase or transfer the shares it owns outside Borsa Istanbul will be subject to the same restriction. However, pursuant to the Capital Markets Board Resolution numbered i-SPK-128.21 (dated 30/03/2023 and numbered 20/412 p.k.); investors who receive shares from the distribution may not sell the shares transferred to their accounts following the finalisation of the distribution list outside the Exchange, transfer them to other investor accounts or subject them to special order and/or wholesale transactions on the Exchange for 90 days from the date the shares are transferred to their accounts. Pekar Grup İnşaat A.Ş., Mehmed Khalid Ismail PEPE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE, the current shareholders of the Company, have given undertakings dated 08.05.2023 within the scope of the relevant issues.</p>										
E.6	<p>The amount and percentage of the dilution effect arising from the public offering In case of the exercise of the right to purchase new shares, the amount and percentage of the dilution effect in case the existing shareholders do not</p>	<p>purchase shares from the public offering The public offering of the shares of the partnership will be in the form of capital increase and shareholder sales by restricting the pre-emptive rights of the existing shareholders. There will be a dilution effect of [-] % for those who will buy shares from the public offering, and the amount of the dilution effect for the share with a nominal value of TL 1 is TL [♦]. For the existing shareholders, there will be a positive dilution effect at the rate of [-] % and the amount of the dilution effect for a share with a nominal value of TL 1 is TL [-].</p> <table border="1" data-bbox="608 1346 1474 1597"> <thead> <tr> <th>Description</th> <th>TL/Ratio</th> </tr> </thead> <tbody> <tr> <td>Dilution Effect per Share for Existing Shareholders (Positive)</td> <td>[•]</td> </tr> <tr> <td>Dilution Effect per Share for Existing Shareholders (Positive)</td> <td>[•]</td> </tr> <tr> <td>Watering Effect per Share for New Shareholders</td> <td>[•]</td> </tr> <tr> <td>Watering Effect per Share for New Shareholders</td> <td>W</td> </tr> </tbody> </table>	Description	TL/Ratio	Dilution Effect per Share for Existing Shareholders (Positive)	[•]	Dilution Effect per Share for Existing Shareholders (Positive)	[•]	Watering Effect per Share for New Shareholders	[•]	Watering Effect per Share for New Shareholders	W
Description	TL/Ratio											
Dilution Effect per Share for Existing Shareholders (Positive)	[•]											
Dilution Effect per Share for Existing Shareholders (Positive)	[•]											
Watering Effect per Share for New Shareholders	[•]											
Watering Effect per Share for New Shareholders	W											
E.7	<p>Information on the Demand from investors to be charged to the requesting investors</p>	<p>No additional fee will be charged to the requesting investors for making the request. However, investors may have to bear various costs determined by the consortium members themselves, such as opening accounts to make requests, realising transactions such as transfers and EFT etc.</p>										



3. INDEPENDENT AUDITORS

3.1. Trade names and addresses of the independent audit institutions of the issuer as of the financial statement periods in the prospectus (together with the professional organisations they are members of):

The financial statements of the Company for the periods 31.12.2020, 31.12.2021 and 31.12.2022 prepared by Abaküs Bağımsız Denetim A.Ş. in accordance with the accounting/financial reporting standards of the Board and the related special independent audit reports are available at www.hat-san.com.tr and in Annex/I.

Abaküs Bağımsız Denetim A.Ş.	
Financial Statement Period	31.12.2020, 31.12.2021 and 31.12.2022
Responsible Auditor	Doğuş BEKTAŞ
Address	Barış Mah. Akdeniz Cad. Akdeniz Cad.No: 8/1/5 Beyaz Center, Beylikdüzü/Istanbul
Telephone	(0212) 709 09 07
Fax	(0212) 806 97 65
Internet Address	www.abakusbd.com.tr
Membership of Professional Associations	Prime Global, Istanbul Chamber of Certified Public Accountants (ISMMMO)

3.2. Information on the dismissal, withdrawal or change of the independent audit firm/responsible joint lead auditor:

None.

4. SELECTED FINANCIAL INFORMATION

Selected significant financial items from the Company's specially audited statements of financial position and statements of income for the years ended 2020, 2021 and 2022 are presented in the tables below.

Statement of Financial Position (TL)	Special Independent Audited		
	Solo	Consolidated	Consolidated
Financial Statement Type			
Period	31.12.2022	31.12.2021	31.12.2020
Current Assets	494.664.201	295.761.214	170.694.628
Cash and Cash Equivalents	298.487.731	15.390.072	5.663.936
Trade Receivables	53.929.426	16.887.399	12.423.937
Contract Assets	0	183.346.006	29.986.624
Stocks	62.203.179	26.831.132	40.232.720
Prepaid Expenses	40.530.433	14.530.815	46.906.004
Other Current Assets	37.517.897	28.136.548	21.626.947
Fixed Assets	737.165.433	559.051.595	151.269.538
Financial Investments	17.358.060	20.376.060	20.376.060
Trade Receivables	8.797.339	0	0
Real Estate For Investment Purposes	0	88.892.500	48.952.500
Tangible Fixed Assets	710.719.718	449.293.383	79.985.015
Total Assets	1.231.829.634	854.812.809	321.964.166



Shortdated Liabilities	414.728.821	370.348.214	163.707.621
Short Term Borrowings	7.853.029	1.668.915	1.031.033
Short Term Parts of Long Term Borrowings	117.267.929	266.550.709	102.660.929
Trade Payables	101.242.051	83.394.855	42.478.592
Deferred Incomes	169.893.392	1.715.900	30.620
Other Shortdated Liabilities	6.776.828	6.806.458	10.197.164
Long-Term Liabilities	486.693.042	416.931.789	99.808.485
Long Term Borrowings	481.778.543	403.565.559	93.346.041
Deferred Tax Liabilities	2.348.251	10.519.011	3.683.267
Equities	330.407.771	67.532.806	58.448.060
Equity Capital of the Parent	330.407.771	58.818.742	53.604.777
Paid-in Capital	188.037.093	18.037.09V	6.351.093
Capital Adjustment Differences	22.876	22.876	22.876
Advance dividend paid in the period	-227.893.627	0	0
Restricted Reserves Separated From Profit	9.418.036	849.849	53.236
Retained Losses	39.908.924	32.949.359	40.185.318
Net profit for the period (Loss)	320.914.469	6.959.565	6.992.254
Minority Shares	0	8.714.064	4.843.283
Total Resources	1.231.829.634	854.812.809	321.964.166

Profit or Loss Statement (TL)	Special Independent Audited		
	Solo	Consolidated	Consolidated
Financial Statement Type			
Period	31.12.2022	31.12.2021	31.12.2020
Revenue	1.132.366.813	458.095.747	384.186.221
Cost of Sales (-)	-597.977.908	-378.142.047	-336.996.217
Gross Profit	534.388.905	79.953.700	47.190.004
Mai Activity Profit	463.454.910	17.086.891	23.662.405
Activity Profit before Financing Expense	422.322.334	59.368.324	34.961.913
Profit before tax / (loss)	324.662.728	19.331.348	2.370.699
Tax expense (-)	-5.944.135	-8.501.002	5.571.344
Net Profit For the Period /(Loss)	318.718.593	10.830.346	7.942.043
Distribution of Period Profit			
Non- controlling Shares	-2.195.876	3.870.781	949.789
Parent Shares	320.914.469	6.959.565	6.992.254

Ratios&nbsp;	31.12.2022	31.12.2021	31.12.2020
Current Rate (Current Assets / Short TermLiabilities)	1,19	0,80	1,04
Liquidity Ratio ((Current Assets - Other Receivables -Contract Assets - Inventories - Prepaid Expenses- Current Period Tax Related Assets - Other	0,85	0,99	0,71



Equity / Short and Long Term Liabilities	0,37	0,09	0,22
Short and Long-Term Liabilities/ TotalResources	0,73	0,92	0,82
Return on Equity (Net Profit / Equity of the Parent)	0,97	0,12	0.13
Receivable Collection Period (Average TradeReceivables *365/Net Sales) - Days	11	12	14
Inventory Turnover Period (Average Inventories / Cost of Sales	27	32	35
Debt Payment Period (Average Trade Payables/ Cost of Sales *365) - Days	56	61	56

"Before making an investment decision, the investor should also consider sections 10 and 23 of this prospectus, which contain detailed information on the financial status and operating results of the issuer."

5. RISK FACTORS

Investing in the Publicly Offered Shares involves various risks. Before making an investment decision, the following risk factors should be carefully assessed in the context of this prospectus as a whole. The risks set out below are risks that the Company's management anticipates may materially affect the Company and, therefore, any investment in the Offered Shares as at the date of this Prospectus. If any of these risks materialise, the value of the Publicly Offered Shares may decrease and the investment may be lost in whole or in part.

The following risks do not cover all risks that may be encountered. There may be other risk factors that are currently unknown or not considered material by the Company management, but which, if they materialise, could harm the Company's operations, results of operations, liquidity, financial position and future prospects. The following presentation ranking of risk factors should not be considered as a ranking determined by the Company management based on an assessment of the likelihood or importance of the risks in question.

Investors should make their own assessment within the framework of the information provided in this prospectus and decide whether it is appropriate for them to invest in the Publicly Offered Shares.

5.1. Risks related to the Issuer and its activities: - Due to global problems, the Company may face difficulties in securing receivables from its customers, which may adversely affect the Company's profitability.

The Company's cash flows and consequently its financial position may be adversely affected and the need for working capital may increase in the event that the Company is unable to fulfil its payment obligations on time or defaults on its debts as a result of financial difficulties that customers may experience due to economic crises and uncertainties, political, geopolitical and pandemic developments that may occur in the country and in the world. The Company may have to meet its increasing working capital needs through financial borrowing and in this case, financial expenses may increase and net profitability may decrease.

- In order for the company to continue its activities, increases in the costs of equipment and materials needed may increase the Company's investment amounts and adversely affect its operations and financial condition.**

The Company's operations may require capital expenditures and the Company's working capital requirement and financial indebtedness may increase due to ongoing investment activities. Increases in the cost of equipment and materials needed for capital expenditures, as well as increases in labour costs, may increase the Company's investment amounts and adversely affect its operations and financial position.



- **The company may lag behind its competitors in terms of costs and product quality, and may lose its competitive advantage.**

In terms of economic theories, in order to increase the competitive advantage of the sector, the costs of economic factors should be reduced relatively and the quality should be increased, and in order to achieve a more competitive structure in the shipbuilding industry, it is essential to achieve a balance between price and quality. Failure to achieve this balance on the part of the Company may cause the Company to lose its competitive advantage in the sector. This may adversely affect the Company's cash flows and accordingly its financial position.

- **The ownership of the Hat-San 1 Facility land, where the Company carries out its activities, belongs to the Republic of Turkey Ministry of Treasury and Finance (Treasury), in this context, the changes to be made in the legal regulations covering the relevant Usage Permit Agreements may adversely affect or stop the activities of the Company.**

The Company's Hat-San 1 Facility is located in Yalova province Altinova district of Yalova province, Yalova - Altinova Shipyards Region, Hersek - Subaşı Villages A20 and A21 parcels with immovable numbers 77020200097, 77020200098, 77020200152, 77020200171 and 77020200171 and these areas are under the private property of the Treasury. In this direction, the Company uses these areas with the certificate of occupancy agreements dated 04.04.2017, 23.06.2020, 23.06.2020, 17.02.2021 and 23.12.2021, respectively, which it has concluded separately for each immovable with the General Directorate of National Real Estate, which has been given the duty and authority to establish limited real rights on the immovables in the private property of the Treasury, to lease the places under the provision and saving of the state and to grant the certificate of occupancy for these places when deemed necessary, with the subparagraph (b) of Article 101 of the Presidential Decree No. 1.

Under the aforementioned agreements, the Company has the right to use these immovable properties for shipyard investment until 22.11.2065, free of charge and with a one per thousand revenue share.

The use permits granted to the Company pursuant to the agreements shall expire on 22.11.2065, however, after the expiry of the term, if requested by the Company and the conditions determined by the Republic of Turkey Ministry of Treasury and Finance are accepted by the Company without any objection, the General Directorate of National Real Estate may grant a direct use permit to the Company for the relevant immovables subject to the agreements. In the event of expiry of the utilisation permit or termination of the agreements for the reasons specified in the agreements, all structures and facilities on the immovable properties granted utilisation permits, except for those in the nature of movable structures, shall be transferred to the Treasury in sound and functional condition without compensation or consideration. In the event that the Company ceases its operations or causes the termination of the contract before the expiry of the authorization period in the aforementioned contracts, the revenue share until the date of cessation of operations or termination of the contract shall be paid to the Treasury by the Company.

Changes in the legal regulations covering the use permit agreements in question may adversely affect the Company's operations. If these contracts are terminated for any reason, the Company's operations may be suspended and the Company's financial position may be adversely affected.

- **The projects undertaken may not be completed on time, the contracts signed may not contain provisions protecting the Company in the event of default, as a result of which the Company may be obliged to pay penalty clauses and interest.**

The Company may not be able to complete the projects it has been awarded on time, the contracts signed may not contain provisions protecting the Company in case of default, as a result of which the Company may be obliged to pay penalty and interest. In particular, if the contracts do not contain provisions



protecting the Company against force majeure events such as the Covid-19 pandemic, bottlenecks in the supply chain, global and/or local economic crises, it may become unforeseeably difficult for the Company to avoid default. If these risks arise, the Company's financial position and operations may be materially adversely affected.

- **The Company's trade volume with the countries to which it exports may contract.**

The Company's trade volume with the countries to which it exports may contract, and sanctions such as trade embargoes, additional taxes, export quotas, export controls, customs tariffs and other trade restrictions may be imposed on Turkey by these countries. As a result, the Company may not be able to meet its expected export targets, may not be able to procure inputs such as raw materials, materials and components required for its production from abroad, and its growth momentum may slow down. Product development and production costs incurred by the Company for export markets may not be amortised. As a result, the Company's operations may be adversely affected.

- **The Company's activities are dependent on obtaining and maintaining the necessary licences, certificates, permits and permits.**

The Company's activities may be harmed in the event that the Company fails to obtain various licences, certificates, permits and permits that are required to be renewed in certain periods, or acts in violation of the licences, certificates, permits and permits obtained, or the authorities do not issue the relevant licences, certificates, permits and permits or they are not renewed in time by the Company, or the previously issued licences, certificates, permits and permits are cancelled, or the required licences, certificates, permits and permits are issued subject to severe conditions.

If the licences, certificates, permits and permits required for the Company's operations are cancelled or if the Company fails to obtain the licences, certificates, permits and permits required for its operations, the Company's operations may be disrupted and adversely affected. In addition, in connection with such instances of non-compliance, a negative impression may arise about the Company before public institutions and the public, which may adversely affect the Company's ability to market its brand and products, sales volume, revenues and profitability.

- **Any breakdowns or malfunctions that may occur in the machinery and equipment that the Company owns and needs to carry out its activities may adversely affect the Company's profitability.**

Unforeseen breakdowns or malfunctions that may occur in the machinery and equipment that the Company needs to perform its activities may affect the Company's operations and adversely affect its revenue and profitability.

- **Movements in foreign currency exchange rates may have an impact on the Company's income and financial position. Due to the fact that the Company's revenues are generally earned in foreign currencies, sudden declines in foreign exchange rates may adversely affect the Company's revenues and operations.**

Almost all of the Company's revenues are denominated in foreign currencies. Sudden declines in foreign exchange rates may adversely affect the Company's revenue, decrease its TL denominated revenues, and accordingly, the Company may experience difficulties in meeting its TL denominated costs and a decrease in profitability margins may occur.

- **Increasing financing costs or blockage of financing facilities may adversely affect the Company's operations.**

The Company may not be able to find the financing it needs due to macroprudential measures such as the increase in market interest rates, the conditions of the financing it can find may deteriorate and restrictions may increase. Unavailability or difficulty in accessing finance. It may adversely affect the Company's activities, expectations, financial status and results of operations.



- **The loss of key personnel or the failure to recruit key personnel and specialised personnel in a timely manner may limit the Company's growth and adversely affect its operations.**

The success of the Company's operations is based on the experience of management, executive directors and other key employees and the services provided by them. In addition to senior managers who can effectively manage the company's activities, the employment of qualified employees with technical expertise or sector expertise is also important for the continuity of operations. Failure to recruit, motivate and retain key personnel and qualified employees (particularly where necessary for the expansion of the Company's activities) may result in the loss of the Company's know-how and leadership capabilities. These reasons may adversely affect the Company's ability to expand its current operations. Any of these circumstances may adversely affect the Company's business, financial condition and results of operations.

- **The Company may be exposed to risks due to possible unethical behaviour and/or unlawful conduct of its employees, suppliers or other persons involved in the Company's activities; such unethical behaviour or violations may cause the Company to face various sanctions and loss of reputation.**

The Company, its employees, suppliers or other third parties involved in the Company's activities. No guarantee can be given that they will not act in violation of the Company's internal policies and/or applicable laws.

Unethical behaviour of the Company's employees, suppliers or other persons involved in the Company's activities, or violations of anti-corruption rules, regulations on international sanctions, any laws and regulations, including anti-money laundering, may result in the Company being subject to significant fines. Third parties may persuade or force the Company's employees to disclose such confidential information in order to gain access to the Company's data or the data of the Company's customers, and data security breaches experienced for such a reason may cause the Company to be subject to various administrative or judicial sanctions and may also be subject to various compensation claims.

In the event that the Company's employees, suppliers or other persons involved in the Company's activities do not comply or are suspected of not complying with such applicable laws, rules or procedures, the Company may be adversely affected by the loss of reputation that it may suffer as a result. Such violations by the Company's employees, suppliers or other persons involved in the Company's activities may adversely affect the Company's business, financial condition and results of operations.

- **There may be risks related to litigation and disputes. Within the scope of the Company's ordinary activities, legal proceedings may be initiated and lawsuits may be filed against the Company, and the Company may also be subject to administrative proceedings. In the event that such claims and legal proceedings are concluded against the Company, the Company and its executives may incur judicial and criminal liabilities, the Company may be fined and may have to pay compensation.**

Within the scope of the Company's ordinary activities, legal proceedings may be initiated and lawsuits may be filed against the Company, and the Company may also be subject to administrative proceedings and arbitration decisions. Cases and claims may be about labour disputes, commercial disputes, legal or administrative proceedings. The Company may be a party to legal proceedings that may be initiated by its customers, suppliers, employees and/or third parties. The Company may be faced with various lawsuits and/or different lawsuits related to the activities that may be filed against the Company, including overtime work/compensation claims that may be filed by employees who voluntarily leave their jobs or whose employment contract is terminated by the Company. Although the Company recognises legal provisions for legal proceedings, such provisions may not be adequate. As a result of such claims and legal proceedings being concluded against the Company, the Company and the Company's executives may incur judicial and criminal liabilities, the Company may be fined, may be obliged to pay compensation and the Company's business, financial status, results of operations and reputation may be adversely affected as a result of the unfavourable outcome of any legal proceedings. In addition to these



issues, negative publicity/impressions made in relation to the aforementioned legal proceedings and lawsuits involving the judge may adversely affect the Company's activities, financial position and operational results.

- **The Company may be adversely affected by changes in tax legislation or practice, increases in tax rates or tax audits.**

The Company's effective tax rate may be affected by changes in tax laws or their interpretation, or changes in the Company management's ability to utilise deferred tax assets. The Company may also be exposed to new taxes or increases in applicable tax rates.

As of the date of this Statement, the corporate tax rate is 23% for corporate profits for the taxation year 2022. For 2023 corporate earnings, this rate will be applied as 20% within the framework of the legislation in force as of the date of this Explanation.

On the other hand, there is no guarantee that the corporate tax rate will not increase subsequently. The factors that make up the Company's effective tax rate for any fiscal year may not be relevant for the subsequent fiscal year or years. An increase in the Company's effective tax rate in future periods could have a material adverse effect on the Company's operations, financial position and prospects.

The Company may also be subject to tax audits, which may expose it to additional tax liabilities and costs. Therefore, audits conducted by tax authorities may adversely affect the Company's operations and financial position.

- **The Company is obliged to comply with the provisions of personal data protection regulations, environmental regulations, tax regulations, professional regulations, occupational health and safety and other legal and other regulations within the scope of labour law and to obtain and maintain the permits and licences stipulated in the legislation to which it is subject. Changes in the aforementioned laws and regulations or their interpretation, or violations of such laws and other regulations may have an adverse effect on the Company's reputation, operations, financial position and results of operations.**

The Company is obliged to comply with the provisions of legal and other regulations within the scope of personal data protection regulations, environmental regulations, tax regulations, professional regulations, occupational health and safety and labour law, and to obtain and maintain the permits and licences stipulated in the legislation to which it is subject. Changes in these laws and regulations or their interpretation, or changes in the interpretation of these laws and regulations, or compliance with changes in the interpretation of these laws and regulations, stricter enforcement of applicable regulations, or defence against claims and investigations for violations of these laws and regulations, may expose the Company to additional costs or other liabilities. In addition, if it is determined that the laws and regulations that the Company is obliged to comply with are violated, the Company may be subject to sanctions and this may adversely affect the Company's reputation, financial status and results of operations.

- **Any occupational accident that may occur during the Company's operations may adversely affect the Company's operations, reputation and profitability.**

No matter how meticulous the Company is about occupational safety measures, occupational accidents may occur and the Company may be obliged to pay compensation as a result of accidents. This may adversely affect the Company's operations, reputation and profitability.

-The Company's operating and financial results may be adversely affected if the Company fails to renew and maintain the necessary insurances for any event that may cause material loss or damage to the Company.



The Company

may not be able to obtain adequate insurance coverage for its assets even though it has taken out the necessary insurances. This may arise from market conditions or the Company's insurance claim history.

In addition, if the insurance premiums payable increase, the Company may not be able to maintain its current insurance coverage or the Company may have to incur a significantly higher cost to maintain the current status. An increase in insurance premiums could have an adverse effect on the Company's business, financial condition, results of operations, future growth prospects and returns to investors.

In addition to the Company's direct loss, if the Company is required to terminate the agreements to which it is a party due to any accident or damage, the Company may be liable to the counterparties of the relevant agreements.

The occurrence of damages or liabilities that are not insured or exceed the scope of the insurances may damage the Company's reputation and cause significant loss of production capacity. This may have a negative impact on the Company's business, financial position and results of operations.

- The Company may not be able to provide the confidentiality required by its activities, may not protect the data of its customers due to cyber attacks or any other reason. This may have a negative impact on the Company's operations.

Although the Company takes all kinds of precautions, there is a risk of cyber-attack. In cases where the data or trade secrets that the Company is obliged to keep about its customers or personnel are seized by unauthorised third parties despite all the efforts and measures taken by the Company and the necessary security against cyber-attacks cannot be provided sufficiently, the personnel or customer in the victim position may initiate legal proceedings. If the lawsuits are concluded against the Company, the Company's reputation may be damaged, market loss may occur, and the Company may be liable for compensation. In addition to these, the Company may face administrative fines due to failure to comply with the KVKK. All these situations may adversely affect the Company's activities, financial status, operations, reliability and reputation.

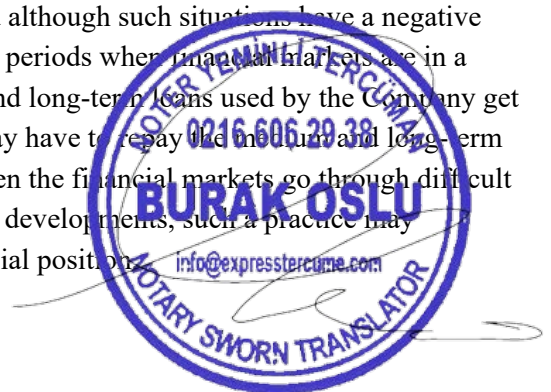
- The Company may not be able to maintain its profitability level and the expected improvements in profitability level may not be realised.

The Company cannot guarantee the continuation of profitability. Achieving the Company's sustainable profitability target depends on many factors. These include the magnitude and duration of future operating losses, the level and timing of future investments and projects, the Company's ability to adapt to new technologies, market and regulatory developments, its ability to sell at targeted prices and many other factors, including the risks mentioned in this and other sections of the prospectus.

In the event that the banks providing the loans used by the Company call back the loans before their maturity dates, the Company may have to repay the loans received from the banks early, which may adversely affect the Company's operating and financial results.

Banks may recall their commercial loans early from time to time, and although such situations have a negative impact on the reputation of banks, banks may resort to this method in periods when financial markets are in a difficult situation. In the event that the banks providing the medium and long-term loans used by the Company get into difficulties and recall the loans before maturity, the Company may have to repay the medium and long-term loans obtained from the banks early. Considering that the periods when the financial markets go through difficult times are periods when the economy is generally exposed to negative developments, such a practice may adversely affect the Company's cash flow and consequently its financial position.

5.2. Risks related to the sector in which the issuer operates:



- **Global and national economic developments may adversely affect the shipbuilding sector as in all sectors.**

Global and national economic developments may adversely affect the shipbuilding sector, as in all sectors, and may lead to a decrease in the current business volume, postponement of new investments and downsizing of the sector. Economic crises and uncertainties that may occur in the world and in Turkey, political and geopolitical developments, changes in competition and investment conditions, volatility in exchange rates, epidemics, etc. may cause deterioration of the economic confidence environment, and decreases in demand conditions may adversely affect the business potential, sales and profitability of companies operating in the sector.

The policy decisions of the central banks of advanced economies regarding monetary easing and interest rates and their expectations for the future may have a negative impact on the activities of companies operating in the sector through exchange rates and economic growth channels.

Economic, political and geopolitical developments in the world and in Turkey may adversely affect the activities of companies operating in the sector through competition and investment conditions.

Since the income and costs of companies operating in the sector are affected by global and local macroeconomic conditions, adverse developments in these conditions may cause an increase in operational cost items.

In 2022, many ships faced long waiting times in China and Shanghai ports due to disruptions in the supply chain, and such disruptions and developments that may occur for any reason may constitute a risk factor for the sector. In 2022, the continuation of the decline in global trade volume with the slowdown in economic activity may adversely affect the activities of companies operating in the sector.

However, the sales and profitability of companies operating in the sector may be adversely affected as a result of demand shortages that may be caused by various global or national problems. In addition, the increase in the share of air cargo transport in the transport sector may cause the sector to shrink.

- **The impact of the foreign policies implemented on the country's economy and territorial waters is also directly reflected on the companies operating in the sector.**

The effects of the regimes to be implemented within the scope of Turkey's foreign policies on the Turkish economy and Turkish territorial waters may cause significant effects on the activities of companies operating in the sector.

- **Failure to provide the required qualified specialised personnel may limit the growth of the sector.**

In addition to senior managers who can effectively manage the activities of sector companies, the employment of qualified employees with technical expertise or sector expertise is also important for the continuity of their activities. Failure to recruit, motivate and retain specialised personnel of the required quality may adversely affect the ability of sector companies to expand their existing activities. Each of these situations may adversely affect the activities, financial status and results of operations of the sector companies.

However, insufficient vocational trainings may make it difficult to develop qualified labour force, which may reduce the efficiency and quality of the sector.

- **Firms already operating in the sector or new entrants to the sector may increase competition in the sector.**

Competition in the sector is increasing due to globalisation, technological developments and new competitive



countries and companies. As a result of the increase in the competitive environment in the sector, the Company may not be able to maintain its market share, which may pose a risk to the Company's operations and financial performance.

The Company's existing competitors in the sector or competitors that will enter the sector in the future may be more advantageous than the Company in these areas. Competitors may have greater business and technical know-how, recognition and other additional advantages compared to the Company. The occurrence of any of these may adversely affect the Company's position in the sector and the Company's operations and financial performance.

In addition, the Company's existing or new competitors may follow a significantly lower pricing policy compared to the Company in their pricing for the services they offer to customers and may offer more qualified services or solutions compared to the Company. In these possibilities, if the Company's customers find the conditions offered by the Company's competitors more advantageous, there may be a decrease in their willingness to demand the Company's services. At the same time, competitors that are structurally smaller than the Company may exert price pressure on some or all of the activities performed by the Company. There is also a possibility that these competitors may compete with the Company in terms of personnel employment.

In order for the Company to compete successfully with its competitors, it is important for the Company to provide the best service to its customers and to determine the advantageous price for these services according to the market conditions. If the Company is unable to compete effectively with its competitors in the sectors in which it operates due to the above reasons or other factors, the Company's financial position and results of operations may be adversely affected.

In addition to all these issues, excess capacity supply on a global basis also constitutes a risk factor for companies operating in the sector.

- **The high capital cost required by the field of activity in Turkey compared to developed countries may constitute a risk factor for the sector in global competition.**

The main factors that have a negative impact on the competitiveness of the sector in the global market are capital costs (loan interest, equity, collateral etc.), lack of co-operation between shipyards, input (steel etc.) costs, automation, tax and social security premium etc. costs. The fact that Turkey is more expensive compared to developed countries in factors such as capital cost, input cost, exchange rate risk, etc. may be a risk factor for sector companies in global competition.

- **" Sudden increases in exchange rates may cause both a decrease in sales due to a contraction in domestic demand and the inability of companies to fulfil their foreign currency-weighted obligations, if any.**

The sudden rise in exchange rates may adversely affect companies' foreign currency denominated liabilities and financing expenses, and may also lead to a contraction in domestic demand in the sector.

- **Volatile demand in the shipbuilding sector may affect the activities of companies operating in the sector.**

The fact that the shipbuilding sector is a niche sector, that ships are built in line with customer orders and that customer demands vary poses risks for companies operating in the sector.

- **The activities of the companies in the sector may be adversely affected due to the changes that may occur in the current legislation.**

Possible changes in the legislation concerning the sector may directly affect the activities of the companies operating in the sector. If companies operating in the sector fail to comply with the relevant regulations on time or at all, the range of products they offer and the customer base they can reach may shrink. Companies operating in the sector may become unable to fulfil their activities in the sector as required or at all.



The activities of companies operating in the sector are also subject to occupational health and safety, personal data protection, environmental legislation and other regulations in Turkey. In the event that companies operating in the sector fail to comply with the said regulations or changes to be made in its application, this may result in the Company having to bear additional costs and other expenses. In the event that companies operating in the sector are found to have violated the laws and regulations to which they are subject, companies may face judicial and administrative sanctions and/or compensation claims. This situation may adversely affect the financial position and performance of companies operating in the sector.

5.3. Other risks:

"

Disruptions caused by widespread public health concerns, including the Covid-19 pandemic, may adversely affect the Company's operations, results of operations, prospects and financial condition.

Due to the Covid-19 pandemic, the Company's operations and the Turkish and global economies in general have been and continue to be adversely affected. The ongoing Covid-19 pandemic has led to significant measures taken by the public administration to control the pandemic, including lockdowns, closure of some workplaces and travel restrictions. Such restrictions and future preventive measures in connection with the Covid-19 pandemic or widespread public health concerns are likely to have an adverse impact on the Company's operations, customers, suppliers and the overall economy.

As of the date of this Prospectus, the effects of the Covid-19 pandemic continue. Increasing energy, raw material, freight prices and supply problems may cause a contraction in demand, increase the Company's costs, and cost increases may not be reflected in the sales price. If the impact of the Covid-19 pandemic increases and a new pandemic emerges, the Company's revenues may decrease due to the liquidity problems of the Company's customers. The extent to which the Covid-19 pandemic will affect the Company's activities depends on factors that involve uncertainties such as the duration, spread and intensity of the pandemic and the effects of preventive measures to be taken in the future. If the impact of the Covid-19 pandemic persists or increases, or if widespread public health concerns re-emerge in the future, the Company's business, financial condition or results of operations could be adversely affected.

- Natural disasters such as floods, storms, landslides and earthquakes may adversely affect the Company's operations, results of operations, future prospects or financial position.

Natural disasters such as floods, storms, landslides, earthquakes, etc. may adversely affect the sustainability of the Company's activities, as well as the injury or death of the Company's employees as a result of the occurrence of such situations, may cause disruption in the Company's activities, may cause the Company to incur compensation obligations within the framework of the relevant laws and provisions, and may adversely affect the Company's activities and reputation.

Turkey is a high-risk earthquake zone due to its geographical location and a large part of Turkey's population and most of its economic resources are located in first degree earthquake risk zones. On 06.02.2023, an earthquake disaster occurred with the epicentre in Kahramanmaraş and affected 10 provinces (Kahramanmaraş, Kilis, Hatay, Osmaniye, Adıyaman, Gaziantep, Şanlıurfa, Diyarbakır, Malatya and Adana). Although the earthquake disaster did not directly affect the Company's activities, the economic, financial, social and political decisions to be taken due to the damage that the earthquake disaster will cause in the economy of our country may have a negative impact on the Company.

Risks related to war, terrorist incidents, terrorism and threats of war may adversely affect the Company's operations, results of operations, future expectations or financial position.



Threats of war, terrorist attacks or other types of conflicts in Turkey or in neighbouring countries, especially in foreign countries, or actual attacks and their macro-economic effects, effects on consumer habits may have a significant negative impact on the Company's financial position and activities and may cause a decrease in the Company's revenues.

- **The military operations launched by the Russian Federation against Ukraine and the continuation of the war between the two countries for the purpose of occupation of Ukraine by the Russian Federation may have an indirect negative impact on the Company's results of operations.**

During 2021 and 2022, Russia's increased military presence on the border with Ukraine increased tensions between Russia and Ukraine and negatively affected relations between Russia and Ukraine and the North Atlantic Treaty Organisation (NATO), leading the United States and the European Union to impose various sanctions on Russia. On 24.02.2022, Russia launched military operations and attacks against Ukraine, which led Ukraine to cut diplomatic ties with its eastern neighbour. In addition to NATO's statement calling on Russia's leaders to take full responsibility for the consequences of their actions, the US President has stated that the United States and its allies will respond to this invasion in a united and determined manner.

The Russia-Ukraine War significantly affected the maritime trade and the sector in which the Company operates. Russia and Ukraine, which are leading countries in grain and steel, had many economic activities disrupted by the war, and this situation was also reflected in maritime trade. Although maritime activities in Russia and Ukraine are more vigorous compared to the beginning of the war, the ongoing war continues to be an important pressure factor on the sector.

Before the war, the company imported mainly sheet metal from Ukraine. With the war, they started to be supplied domestically or from countries other than Ukraine, which led to a prolonged supply period in terms of logistics. In addition, the non-operation of the shipyards in the Black Sea region has brought about an advantageous situation in terms of the Company's activities.

As at the date of this Prospectus, the duration of the anticipated sanctions and disruptions to energy supplies or regional and global trade flows remains uncertain and the continuation of commercial activities in Ukraine is dependent on the state of developments in the region. A possible escalation of tensions between Turkey and Russia or the US over the situation in Ukraine could have a significant negative impact on the Turkish economy.

- **The interests of the PEPE Family, the main shareholders of the Company, may not be compatible with the interests of the Company.**

The main shareholders of the Company are the PEPE Family, and in the event of reputational damage to the personal reputations of the members of the PEPE Family, this may have a negative impact on the Company's investors and shareholders. This may negatively affect the Company's profitability and business volume. However, despite the steps taken by the

Company in terms of institutionalisation and the commitment of the PEPE Family, the main shareholders of the Company, to the Company, if they sell their shares in the Company and thus withdraw from the management and activities of the Company, the Company's activities may be disrupted, the Company's activities may stop, business processes may be adversely affected, and accordingly, the Company's sales and profitability may be negatively affected.

5.3. risks related to the shares to be issued:

- **Since the Company's shares will be traded in a public market for the first time, price and volume fluctuations may occur.**

Prior to the public offering, the Company's shares were not traded in any public market in Turkey or abroad.



There is no assurance that a market for the shares offered to the public will be formed and develop after the public offering is realised, or that such a market will continue to exist even if it develops. In addition, the liquidity of the market for the publicly offered shares will depend on the number of holders of the publicly offered shares, the interest of investors in creating a market for the publicly offered shares and other factors. There may not be an active trading market for the shares offered to the public, or such market may not be sustainable, and this may adversely affect the ability of investors to purchase and sell the shares purchased within the scope of the public offering. The limited market for the publicly offered shares may adversely affect the ability of the holders of the publicly offered shares to sell these shares in the desired amount, price and time, and may affect the variability of the price at which the publicly offered shares are traded, and the price may fall below the public offering price.

The public offering price may not reflect the price at which the publicly offered shares are traded in the market where they will be offered to the public or their future performance. In addition, the Company's results of operations or financial performance may not meet the expectations of analysts or investors due to the risk factors or other circumstances referred to in this prospectus. The value of the shares offered to the public may be subject to significant fluctuations in response to changes in the financial performance of the Company and its subsidiaries, global macroeconomic conditions and other factors, as well as the conditions addressed within the scope of the risk factors referred to in the prospectus set or other conditions. Fluctuations in the Company's operating results or failure to meet the expectations of analysts or investors may lead to a decrease in the price at which the publicly offered shares are traded, and investors may never have the opportunity to sell the shares purchased in the public offering at or above the public offering price.

As a result, investors who purchase the shares offered to the public within the scope of the public offering may lose all or part of their investment in the shares offered to the public.

• **After the Company's shares are traded on the secondary market, the Company's main shareholders will continue to hold a significant portion of the Company's capital, and the interests of the main shareholders may conflict with the interests of the shareholders who invest in the secondary market.**

Following the completion of the public offering, the PEPE family, the main shareholder of the Company, will continue to control the majority of the Company's capital. The PEPE Family, the main shareholder of the Company, also has the privilege of election of the members of the Board of Directors and voting rights, which is explained in detail in Section 19.3 of this prospectus, due to its ownership of the privileged Group A registered shares of the Company. Therefore, the main shareholders of the Company may have influence on the transactions that require the approval of the shareholders, such as the appointment of the members of the Board of Directors, dividend distribution, liquidation decision and issuance of new shares.

In the event that the interests of the main shareholders of the Company conflict with the interests of the minority shareholders, the Company's decisions may adversely affect the minority shareholders.

- **Future share sales by the Company and the main shareholders may have a negative impact on the share price.**

With the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/16
For 1 (one) year from the date of commencement of trading of the Publicly Offered Shares by the Company on Borsa Istanbul;

- (i) No capital increase through rights issue shall be made by the Company and the amount of the Company's shares in circulation shall not be increased in this way,
- (ii) Not to subject the Company's shares to sale or public offering in a way to increase the amount of shares in circulation,
- (iii) No decision is taken in this direction and/or no application is made to Borsa Istanbul or the CMB or any



securities regulatory authority, stock exchange or quotation authority abroad,

(iv) During this period, no announcement should be made regarding a new sale or public offering in the future; and

(v) In line with these German decisions, it has been decided to give the necessary commitments and a commitment dated 08.05.2023 has been given within the scope of these issues.

Bekar Grup İnşaat A.Ş., one of the current shareholders of the Company, Mehmed Khalid Ismail BEBE, Masud Abdurdurrahman BEBE and Mustafa Talha BEBE with their undertakings dated 08.05. 2023 dated 08.05.2023; For 6 (six) months from the date on which the Company shares start to be traded in Borsa Istanbul, the Company shares that are not subject to public offering will not be subject to sale or public offering in a way that will lead to an increase in the amount of shares in circulation, no decision will be taken in this direction and/or no application will be made to Borsa Istanbul or CMB or any regulatory body, stock exchange or quotation authority related to any securities abroad and no announcement will be made regarding a new sale or public offering in the future during this period.

Bekar Grup İnşaat A.Ş., one of the current shareholders of the Company, Mehmed Halid Ismail BEBE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE with their undertakings dated 08.05.2023; within the framework of Article 8 of the CMB's Share Communiqué No. VII-128. 1 numbered Equity Communiqué of the CMB within the framework of Article 8; For a period of 1 (one) year from the commencement of trading of the Company shares in Borsa Istanbul, they will not sell the Company shares they own in Borsa Istanbul at a price below the public offering price and will not subject these shares to any transaction that will result in the sale of these shares in Borsa Istanbul below the public offering price, In the event that the shares in question are sold or transferred partially or completely outside Borsa Istanbul within the specified period, it has accepted, declared and undertaken that it will make a material event disclosure within the framework of the regulations of the Capital Markets Board regarding the disclosure of material events to the public and that it will notify the buyers that those who will purchase or transfer the shares it owns outside Borsa Istanbul will be subject to the same limitation. However, pursuant to the Capital Markets Board Resolution numbered i-SPK-128.21 (dated 30/03/2023 and numbered 20/412 p.k.); investors who receive shares from the distribution may not sell the shares transferred to their accounts following the finalisation of the distribution list outside the Stock Exchange, transfer them to other investor accounts or subject them to private trading and/or wholesale transactions in the Stock Exchange for 90 days from the date the shares are transferred to their accounts. Pekar Grup İnşaat A.Ş., Mehmed Khalid İsmail PEPE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE, the present shareholders of the Company, have given undertakings dated 08.05.2023 within the scope of the relevant issues.

When the above-mentioned periods expire, the Company may make a capital increase through rights issue or the existing shareholders of the Company may sell their shares on the Stock Exchange. Such transactions may have a negative impact on the share price and the stock price may decrease.

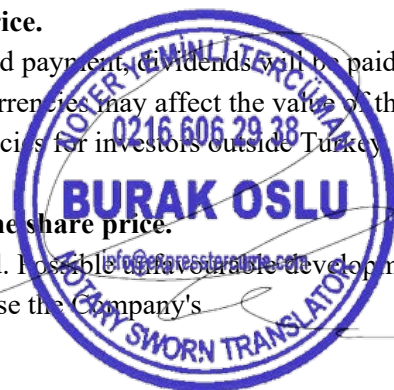
In addition, in the event that investors' rights to purchase new shares are restricted in whole or in part or if they do not exercise their rights in future capital increases, the ratio of investors' shares to total capital may decrease since the number of shares held by investors will not increase while the Company's capital increases.

- **Fluctuations in the value of the Turkish Lira may affect the share price.**

The Company's shares will be quoted in Turkish Lira and in case of dividend payment, dividends will be paid in TL. Therefore, fluctuations in the value of the Turkish Lira against other currencies may affect the value of the shares and the value of dividend payments to be converted into other currencies for investors outside Turkey.

- **Risks arising from the economic conjuncture may adversely affect the share price.**

Risks arising from the economic conjuncture may occur in the shares issued. Possible unfavorable developments in both the global economic conjuncture and the Turkish economy may cause the Company's activities to



fail to meet expectations and, accordingly, the share price may fall. The Company's activities may slow down, temporarily or permanently stop, its financial structure may deteriorate due to the situation arising from the economic conjuncture. In such cases, BİAŞ may suspend the trading of the Company's shares for a short or long period of time, and in cases such as permanent or temporary closure of the trading queue, removal of the Company's shares from the Exchange quotation by the Board of Directors of the Exchange, etc., the suspension of trading of the Company's shares may adversely affect the share price, an active or sustainable trading market may not be formed or maintained, and the exchange of shares may become restricted or impossible.

Share sales by the Company's existing shareholders due to the economic conjuncture may cause a decrease in the Company's share value or a change in the control of the Company and the Company's management approach/style may change. In the event of insolvency of the Company, the shares held by the Company's shareholders may completely lose value.

- The Company may not pay dividends to shareholders in the future within the framework of its Articles of Association and capital markets legislation.

According to the Capital Markets Law No. 6362, publicly traded joint stock companies distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation. In this context, there is no guarantee that the Company will distribute dividends to investors in the future, nor is there any commitment that the Company will make a profit.

In order for the Company to be able to distribute dividends, firstly, the Company's profit for the relevant year must be recognised and the previous year's losses, if any, must be closed. Even if the Company fails to declare a profit for the relevant year, the Board of Directors is required to propose to the general shareholders' meeting a resolution on how the profit will be used, and dividend distribution can only take place after the approval of the general shareholders' meeting. However, it may or may not distribute retained earnings. In addition, the Company may not have sufficient profit or the Company may decide to retain the profit within the Company and not distribute it.

" Failure to realise the assumptions related to the price determination report may adversely affect the Company's share price.

In the event that the assumptions stated in the price determination report, which constitutes the basis for determining the public offering price of the Company's shares, do not materialise, the Company's financial performance may be below expectations and this may adversely affect future expectations regarding the Company and the Company's share price may decrease.

Since the realisation or non-realisation of the assumptions in the price determination report will affect the course of the Company's share prices after the public offering, investors should make their investment decisions after a detailed examination of these assumptions.

- The Company's public float is limited, which may have a negative impact on the liquidity and share price of the shares.

After the completion of the public offering, shares with a total nominal value of TL 40,300,000 will be traded on the BIST. 20.00% free float may adversely affect the liquidity of the shares, cause low trading volume of the shares and consequently have a negative impact on the share price.

In the event that there is no liquidity for the shares after the shares start to be traded on the Stock Exchange, the shareholders may not be able to sell their shares at the amount, time and price they want.



- The shares to be offered to the public may not be a suitable investment for all investors.

Each potential investor of the shares offered to the public must determine the suitability of the investment on its own terms. Especially for the potential investor:

- Lack of sufficient knowledge and experience to meaningfully assess the benefits and risks of investing in publicly offered shares;

does not have access to and knowledge of analytical tools appropriate to assess, within the framework of its own financial situation, the investment in the shares offered to the public and the impact of this investment on its entire investment portfolio;

- It does not have sufficient financial resources and liquidity to bear all the risks, including currency risk, of an investment in the shares offered to the public;
- he/she does not have a detailed understanding of all the terms of the shares offered to the public and is not familiar with the behaviour of the relevant indices and
- financial markets, and is not in a position to assess (alone or with the assistance of a financial advisor) possible scenarios regarding economic factors, interest rate factors and other factors that may affect his/her investment or his/her ability to bear the applicable risks

An investment in the Company's shares traded on the Stock Exchange may not be an appropriate investment.

Potential investors;

- How the publicly offered shares will perform under changing conditions,
- The effects of this situation on the value of the shares offered to the public and
- Unless they have the necessary expertise (either alone or with the assistance of a financial advisor) to assess the impact of this investment on the potential investor's entire investment portfolio, they should not invest in the shares offered to the public. The investment activities of investors are subject to applicable investment laws and regulations and/or to review or regulation by certain authorities, and any investor who does not consult legal advisers or appropriate regulatory authorities runs the risk that such investment may not be suitable.

5.5. Other risks disclosed in the specially audited financial statements

- Credit Risk

The risk that the Company will incur a financial loss as a result of the failure of a party to a financial instrument to fulfil its contractual obligations. The Company's credit risk mainly arises from trade receivables from third parties and bank deposits.

TL	Receivables				Deposits in Banks	Total
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
31.12.2022	35.653	53.893.773	1.021.898	70.929	297.323.585	352.345.838
31.12.2021	0	16.887.399	1.730.851	8.655.049	14.392.780	41.666.079
31.12.2020	0	12.423.937	9.268.376	4.567.114	5.295.512	31.554.939

As of 31.12.2022, TL 53.893.773 (31.12.2021: TL 16.887.399, 31.12.2020: TL 12.423.937) trade receivables from third parties, TL 35.653 (31.12.2021: TL 0, 31.12.2020: TL 0) trade receivables from related parties, TL 70.929 (31.12.2021: TL 8.655.049, 31.12.2020: TL 4.567.114), other receivables from related parties amounting to TL 1.021.898 (31.12.2021: TL 1.730.851, 31.12.2020: TL 9.268.376) and deposits in banks amounting to TL 297.323.585 (31.12.2021: TL 14.392.780, 31.12.2020: TL 5.295.512).



As of 31.12.2022, the Company has trade receivables from third parties amounting to TL 1.360.375 (31.12.2021: TL 750.000, 31.12.2020: TL 750.000) and other receivables from third parties amounting to TL 2.571.025 (31.12.2021: TL 0, 31.12.2020: TL 0).

• **Liquidity Risk**

Liquidity risk is the possibility that the Company will not be able to fulfil its net tonnage obligations. The occurrence of events that result in a decrease in funding sources, such as deterioration in the markets or a decrease in the credit score, may cause liquidity risk to occur, and if the Company's creditworthiness deteriorates, the Company may face losses if it is unable to provide the funds it needs and the cost of resources increases.

The Company's liquidity risk is shown below by periods.

	31.12.2022	31.12.2021	31.12.2020
Current Assets	494.664.201	295.761.214	170.694.628
Shortdated Liabilities	414.728.821	370.348.214	163.707.621
Current Assets/Short Term Liabilities	1,19	0,80	1,04

The total contractual cash outflows of the Company's non-derivative financial liabilities amounting to TL 709.5 million as of 31.12.2022 is TL 144.3 million with maturities up to 3 months, TL 83.4 million with maturities between 3 - 12 months, TL 481.8 million with maturities between 1 - 5 years, TL 607.0 million of this amount consists of financial liabilities, TL 101.2 million consists of trade payables and TL 1.2 million consists of other payables.

According to the Contract Maturities (31.12.2022)	Book Value	Contract According to Cash Exits Total	Less than 3 Months	Between 3-12 Months	Between 1-5 Years	More Than 5Years
Non-derivative Financial Liabilities	709.525.598	709.525.598	144.333.083	83.413.972	481.778.543	0
Financial Liabilities	607.040.746	607.040.746	41.848.231	83.413.972	481.778.543	0
Trade Payables	101.242.051	101.242.051	101.242.051	0	0	0
Other Payables	1.242.801	1.242.801	1.242.801	0	0	0
Total	709.525.598	709.525.598	144.333.083	83.413.972	481.778.543	0



Contract According to Maturities (31.12.2021)	Book Value	Contract According to	Less than 3 months	3-12 months Between	Between 1-5 years	Longer Than 5 Years
Non-derivative Financial Liabilities	758.899.849	758.899.849	152.373.289	201.259.784	405.266.776	0
Financial	671.911.937	671.911.937	67.086.594	201.259.784	403.565.559	0
Trade Payables	83.394.855	83.394.855	83.394.855	0	0	0
Other Payables	3.593.057	3.593.057	1.891.840	0	1.701.217	0
Total	758.899.849	758.899.849	152.373.289	201.259.784	405.266.776	0

Contract According to Maturities (31.12.2021)	Book Value	According to the Contract Cash	Less than 3 months	Between 3-12 Months	Between 1-5 years	More Than 5Years
Non-Derivative Financial Liabilities	242.423.216	242.423.216	69.176.878	77.890.234	95.356.104	0
Financial Liabilities	197.199.686	197.199.686	25.963.411	77.890.234	93.346.041	0
Trade Payables	42.478.592	42.478.592	42.478.592	0	0	0
Other Payables	2.744.938	2.744.938	734.875	0	2.010.063	0
Total	242.423.216	242.423.216	69.176.878	77.890.234	95.356.104	0

The breakdown of the Company's financial liabilities by financial statement periods is as follows

Financial Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Short Term Financial Liabilities	7.853.029	1.668.915	1.031.033
Short-term portion of long-term liabilities	117.267.929	266.550.709	102.660.929
Other Financial Liabilities	141.245	126.754	161.683
Long Term Borrowings	481.778.543	403.565.559	93.346.041
Total financial payables	607.040.746	671.911.937	197.199.686
Cash and Cash Equivalents (-)	298.487.731	15.390.072	5.663.936
Net financial debt	308.553.015	656.521.865	191.535.750

The Company's net financial debt increased from TL 191.5 million at the end of 2020 to TL 656.5 million at the end of 2021. The most important reason for this increase is the floating dock investment and the need for working capital. Since the floating dry dock investment, which caused a significant amount of funding requirement, is a long-term investment and shipbuilding projects are generally longer than one year, the required amount of funding was met with long-term loans. At year-end 2022, net financial debt decreased by 53.0% compared to year-end 2021 to TL 308.6 million. In 2021, the Company's working capital requirement decreased as a result of the increase in the amount of advances received from TL 1.7 million in 2021 to TL 169.9 million in 2022 and the decrease in contract assets, which should be considered as accrued income, from TL 183.3 million to zero. The Company's cash and cash equivalents increased to TRY298.5 million and net financial debt decreased by 53.0% at the end of 2022 compared to the end of 2021 due to increased profitability and partially lower capital expenditures compared to 2021.



• **Market risk**

Foreign Currency Risk

Transactions in foreign currencies expose the Group to foreign currency risk. The Company is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency denominated assets and liabilities into Turkish Lira.

The Company is exposed to foreign currency risk in US Dollar and Euro.

Foreign Currency Position	31.12.2022	31.12.2021	31.12.2020
Foreign Currency Assets	366.375.178	32.085.448	56.524.711
Foreign Currency	837.671.084	800.938.250	258.000.235
Net foreign currency	-471.295.906	-768.852.802	-201.475.524
Profit Effect of a 10% Increase in Exchange Rates	-47.129.591	-76.885.280	-20.147.552

Since the Company has a net foreign currency deficit as of the financial statement periods, an increase in foreign exchange rates will have a negative impact on the financial statements.

Interest Rate Risk

Changes in market interest rates can lead to changes in market prices and thus fluctuations in the value of financial instruments. Such fluctuations may result from price changes in securities or from factors specific to the issuer or affecting the entire market. The Company uses all of its financial liabilities with fixed interest rates in order to avoid interest rate risk.

6. INFORMATION ABOUT THE ISSUER

6.1 General information about the issuer

6.1.1. Trade name and business name of the issuer

The trade name of the Company is Hat-San Gemi İnşaat Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret Anonim Şirketi and there is no business name used.

6.1.2. Trade registry and registration number where the issuer is registered

Affiliated Trade Registry Office	Istanbul Trade Registry Directorate
Trade Register Number	671858-0
MERSIS Number	0730034753700010
Registration date of Trade Registry	08.07.2008



6.1.3. The date of incorporation of the issuer and, if not indefinite, its anticipated duration

The Company was established on 08.07.2008 with the title of Pkr Gkr Gemi İnşaat ve Deniz Nakliyat Sanayi ve Ticaret A.Ş. with the registration number 671858 at the Istanbul Trade Registry Office and the articles of association of the Company was published in TTSG dated 14.07.2008 and numbered 7104. On 05.12.2013, the title of the Company was registered as Hat-San Gemi İnşaa Bakım OnarımDeniz Nakliyat Sanayi ve Ticaret A.Ş., which is the final title of the Company, and the said change was published in TTSG dated 11.12.2013 and numbered 8462.

6.1.4. The legal status of the issuer, the legislation to which it is subject, the country of incorporation of the issuer, the address, internet address, telephone and fax numbers of its registered office and its actual head office

Legal Status	Joint Stock Company
Subject to Legislation	T.R. Laws
Country of Establishment of the Issuer	Republic of Turkey
Address of Registered Office	Florya Cad. FloryaPlaza No:88 Kat: 2Bakırköy/Istanbul
Internet Address	www.hat-san.com.tr
Phone Number	+90 212 662 95 96
Fax Number	+90 212 662 95 97
Via KEP (Registered Electronic Mail) Address	hatsangemiürhsOl.kep.tr

Subject to Legislation

Shipyards and Coastal Legislation

a) Shipyards Regulation

Under the Shipyards Regulation, the procedures and principles regarding the planning of the location, capacity and similar qualifications of the existing and new facilities to be established on inland waters, coastal and coastal strip and areas gained through filling and drying, procedures and principles regarding their establishment, expansion investments, increasing their capacities, examination and approval of projects within the framework of modern production and management, inspection and certification within the framework of minimum safety conditions and the operating procedures and principles of floating docks are determined.

Under the Shipyards Regulation, shipyards, boatyards and boatyards are defined as "facilities". Accordingly, under the Shipyards Regulation, facilities must operate with a partial operating licence or an operating licence issued by the administration. In order to be able to use a floating pool in the facilities, a floating pool operation preliminary permit and a floating pool operation permit certificate must also be obtained from the administration. The floating dock is considered as an integral part of the facility and is located in the facility. If the floating dock is deployed in another facility for more than three months, a floating dock operation permit certificate is obtained by the new facility operator upon completion of the floating dock operation preliminary permit and project. In addition, a floating dock operation permit is obtained for each floating dock, and if the floating dock is intended to be used as a watercraft outside the facility, a watercraft conformity certificate must also be obtained. The partial operation permit, operation permit certificate or floating dock operation permit certificate of the facilities whose activities are terminated, allocation or lease period expires shall expire.

The operating licence and floating dock operating licence are checked at the end of every five years to ensure that the facilities comply with the provisions of the Shipyards Regulation. The facility operator must apply to the relevant administration at least 60 days before the completion of five years for the renewal of the operation permit and/or floating dock operation certificate.



In addition, facility operators are responsible for having the following works or operations carried out by the organisations authorised as TÜRKAK A-type inspection body:

- To make controls of windlass, lifting and forwarding machines,
- To have portable or non-portable pressurised equipment and pipelines inspected,
- To make grounding measurements, electrical cables and panels controls,
- Maintain regular maintenance records of all windlasses, lifting and conveying machinery, portable or non-portable pressurised equipment and pipelines.

Positive reports to be prepared as a result of the work and procedures to be carried out by the TÜRKAK TYPE A inspection body and the records of the maintenance and maintenance of all windlass, lifting and conveying machines, portable or non-portable pressure equipment and pipelines regularly carried out by the facility operator should be made available at the facility to be submitted to the administration.

All facilities are obliged to register with the GSVP and update all the information requested in the GSVP. In case the information related to GSVP is not entered, the relevant person is warned by the port authority. In case of failure to fulfil the requirements despite the warning, the operations of the facility are not carried out by the port authority. In the applications made by the facility authority to the port authority for any transaction, the information of the facility in GSVP is checked before the transaction is made by the port authority, and the transactions are not carried out until the outdated information is renewed.

b) Ports Regulation

Within the framework of the Ports Regulation, ships and marine vessels to be unloaded from shipyards, boatyards, boatyards and floating docks may berth, moor and anchor at the places determined by the port authority, and ships and marine vessels to be unloaded from these facilities or to be taken to the facilities may berth or dock in front of the facilities or at the docks of the facilities, provided that they do not constitute an obstacle to other facilities.

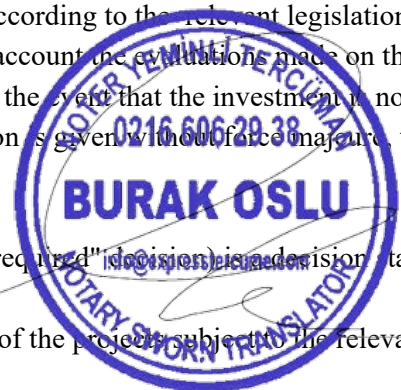
Environmental Legislation

Environmental impact assessment is defined under the Environmental Law as the studies to be carried out in determining the positive and negative impacts of the projects planned to be realised on the environment, the measures to be taken to prevent negative impacts or to minimise them to the extent that they do not harm the environment, the measures to be taken to determine and evaluate the selected location and technology alternatives, and the monitoring and control of the implementation of the projects. The procedures and principles regarding environmental impact assessment are regulated by the EIA Regulation, which entered into force on 29.07.2022 (and repealed the regulation dated 25.11.2014).

Within the scope of the EIA Regulation, it is possible for the Ministry of Environment, Urbanisation and Climate Change to make 4 types of decisions in terms of assessing the environmental impacts of the relevant project:

The decision that environmental impact assessment is not required (EIA Not Required) is the decision stating that the realisation of the project is not objectionable for the environment upon the determination that the possible negative effects of the project on the environment are at acceptable levels according to the relevant legislation and scientific principles as a result of the measures to be taken, taking into account the evaluations made on the projects subject to the relevant preliminary examination and evaluation. "In the event that the investment is not started within 5 years for the project for which "EIA is not required" decision is given without force majeure, the "EIA is not required" decision is deemed invalid.

- An environmental impact assessment is required decision ("EIA is required" decision) is a decision stating that an environmental impact assessment report should be prepared in order to examine the environmental impacts of the projects subject to the relevant



preliminary examination and evaluation and to examine their environmental impacts in more detail.

Prior to the commencement of the projects listed in Annex-T of the EIA Regulation for which environmental impact assessment will be applied or upon the decision of the Ministry of Environment, Urbanisation and Climate Change that "EIA is required" for a project, an EIA Report must be prepared for the said project. The EIA Report shall be prepared in accordance with the relevant form attached to the EIA Regulation and submitted to the relevant commission established by the Ministry of Environment, Urbanisation and Climate Change. For the projects for which "EIA is required" decision is given, EIA application file should be prepared and application should be made to the Ministry of Environment, Urbanisation and Climate Change. However, if the conditions for the "EIA is necessary" decision change, a new application can be made.

- Environmental impact assessment positive decision ("EIA Positive" decision) is the decision stating that the realisation of the project is not objectionable for the environment upon the determination that the possible negative impacts of the project on the environment are at acceptable levels according to the relevant legislation and scientific principles as a result of the measures to be taken, taking into account the evaluations made by the relevant commission on the EIA Report. "In case the investment is not started for the project for which "EIA Positive" decision is given within 5 years without force majeure, the "EIA Positive" decision shall be deemed invalid.
- A negative decision on environmental impact assessment ("EIA Negative" decision) is a decision stating that, taking into account the assessments made by the relevant commission on the EIA Report, the realisation of the project is environmentally disadvantageous due to its possible negative impacts on the environment.

Unless an "EIA Positive" decision or "EIA Not Required" decision is taken in accordance with the legislation, approvals, permits, incentives, building and use licences cannot be granted for projects within the scope of the EIA Regulation; investments cannot be started for such projects and they cannot be tendered. Activities commenced without obtaining an EIA Positive Decision or EIA Not Required Decision shall be suspended without giving a deadline and the suspension decision regarding the investment shall not be lifted unless the "EIA Positive" or "EIA Not Required" decision is obtained. Pursuant to the EIA Regulation, it

is obligatory to prepare an EIA Report for (i) the projects listed in the relevant annex of the said regulation, (ii) the projects for which "EIA is Required" decision has been issued by the ministry, and (iii) the projects for which the new capacity of the project, together with the sum of the existing project capacity and capacity increases, is at or above the threshold value specified in the relevant annex, if capacity increase and/or expansion is planned for the projects that were previously considered out of scope. The EIA Report shall be prepared by institutions and organisations qualified by the Ministry of Environment, Urbanisation and Climate Change in accordance with the form and content of the EIA Regulation.

The By-Law on Environmental Permits and Licences regulates the environmental permits and licences to be obtained pursuant to the Environmental Law and classifies the enterprises subject to environmental permits and licences into two categories. These are: enterprises with a high level of polluting impact on the environment and enterprises with a polluting impact on the environment. Pursuant to the Environmental Permit and Licence Regulation, as determined by the activities of the companies: "Environmental Permit Certificate" (consisting of at least one permit for air emission, environmental noise, wastewater discharge and deep sea discharge); or "Environmental Permit and Licence Certificate" (consisting of the above-mentioned environmental permit and permits required for the collection, recycling and discharge of wastes).

Pursuant to the Regulation on Environmental Management Services, facilities subject to inspection under the regulations enacted on the basis of the Environmental Law are required to assess whether their activities comply



with environmental laws and secondary regulations and whether the measures taken are effectively implemented.

Enterprises listed in Annex-1 of the Environmental Permit and Licence Regulation are obliged to establish environmental management units or receive environmental management services from environmental consultancy firms. The enterprises listed in Annex-2 of the Environmental Permit and Licence Regulation are obliged to employ an environmental officer or environmental engineer permanently or to establish environmental management units or to receive environmental management services from environmental consultancy firms. In the event of the departure of the personnel working within their structure, the cancellation or suspension of the environmental management unit they have established, the cancellation of the environmental management service purchase contract with the environmental consultancy firm; Within 30 days from these dates at the latest, they must employ another staff, establish an environmental management unit or receive a new environmental management service from an environmental consultancy firm.

Environmental management unit qualification certificate must be obtained for environmental management units established within the enterprise. If the service is outsourced, the relevant company must have an environmental consultancy qualification certificate. Qualification certificates are valid for 4 years and visa application must be made through the system at least 30 days before the end of the 4-year period. Environmental officer, environmental engineer, environmental management unit or companies whose authorisation to provide environmental management services is cancelled cannot provide environmental management services for 2 years.

Legislation on Occupational Health and Safety

The purpose of the Occupational Health and Safety Law is to regulate the duties, authorities, responsibilities, rights and obligations of employers and employees in order to ensure occupational health and safety in all public and private sector workplaces and to improve existing health and safety conditions. The employer is obliged to ensure the occupational health and safety of the employees and within this framework, he/she must take all kinds of measures including the detection, evaluation and prevention of occupational risks, training and information, organisation, provision of necessary tools and equipment, adaptation of health and safety measures to changing conditions and improvement of the current situation.

In order to ensure occupational health and safety in terms of hazardous class jobs, some additional rules and regulations are included in the relevant legislation. The hazard category of different business lines is determined according to the list in the annex of the Workplace Hazard Classification Communiqué on Occupational Health and Safety.

The employer is required to appoint an occupational safety specialist, occupational physician and other health personnel in the workplace among its employees in the workplace and in workplaces classified as very dangerous with ten or more employees. In the event that there are no personnel with the specified qualifications among the employees, the employer may fulfil all or part of this service by receiving services from joint health and safety units. Occupational safety specialists are required to have a class (A) certificate in order to work in workplaces classified as very dangerous, at least class (B) certificate in order to work in workplaces classified as dangerous, and at least class (C) certificate in workplaces classified as less dangerous.

In workplaces with 1,000 or more employees classified as less dangerous, at least one occupational physician for each 1,000 employees should be assigned to work full-time, in workplaces with 500 or more employees classified as dangerous, at least one occupational physician for each 500 employees should be assigned to work full-time and in workplaces classified as very dangerous, one occupational physician for each 250 employees and one occupational safety specialist for each 250 employees should be assigned to work full-time. In such cases where an occupational physician and occupational safety specialist must be assigned full-time, the employer must establish a workplace health and safety unit. In workplaces with 50 or more employees and where continuous



work is carried out for more than 6 months, the employer must establish an occupational health and safety committee to carry out work related to occupational health and safety.

Legislation on the Protection of Personal Data

The LPPD provides for administrative sanctions for the unlawful collection, processing, deletion, anonymisation and transfer of personal data. Pursuant to KVKK, personal data cannot be processed and transferred without the explicit consent of the data subject, without prejudice to the exceptions in KVKK. Personal data shall be deleted, destroyed or anonymised by the data controller ex officio or upon the request of the data subject in the event that the reasons requiring its processing disappear. Data controllers and natural or legal persons who process data have an obligation to inform during the acquisition of personal data. Natural and legal persons who process personal data are obliged to register with the Data Controllers Registry.

Social Security and General Health Insurance Legislation

The Law on Social Insurance and General Health Insurance guarantees persons in terms of social insurance and general health insurance, determines the persons who will benefit from these insurances and the rights to be provided, the conditions for benefiting from these rights, the financing and coverage methods, and regulates the procedures and principles regarding the functioning of social insurance and general health insurance. Pursuant to the Law, the employer is obliged to submit the workplace declaration, the sample of which will be prepared by the SSI, to the SSI at the latest on the date he starts employing insured persons. If the establishment of the company is notified to the trade registry offices, this notification is deemed to have been made to the SSI and a workplace declaration is not issued by those concerned. In addition, the employer has obligations regarding occupational safety.

Industrial Legislation

Pursuant to the Industrial Registry Law, all industrial facilities must be registered with the relevant industrial registry and obtain an "Industrial Registry Certificate" before starting production activities. In the scope of the Industrial Registry Law, the places that manufacture or produce continuously and in series by changing the quality, shape, feature or composition of a substance partially or completely with the help of machinery, devices, looms, tools or other means and forces or only by manual labour, or by processing these substances, and the places where mines are extracted and processed are considered industrial enterprises, the works carried out in these places are considered industrial works and those who operate these places are considered industrialists. For the issuance of workplace opening and working licences to industrial enterprises, the letter stating that it is registered in the industrial registry is sought by the administrations issuing workplace opening and working licences. Industrial registry certificates are electronically visaed every 2 years as of the date of issue. The Industrial Registry Certificate is valid unless the enterprise ceases its production activities. In accordance with the Industrial Registry Communiqué, if an enterprise has more than one production site, each production site is registered separately in the industrial registry. According to the provisions of the Industrial Registry Law, administrative fines are imposed on those who do not register their industrial enterprises in time.

In accordance with Article 4 of the Industrial Registry Communiqué, a capacity report must be prepared and submitted for the registration phase of the Industrial Registry Certificate, which must be obtained for industrial facilities. In this way, it has been made compulsory to obtain the capacity report, otherwise the Industrial Registry Certificate will not be issued.

According to Article 9 of the Chambers and Commodity Exchanges Law, merchants registered in the trade registry and according to Article 5, all real and legal persons who have the title of industrialist and sea trader and their branches and factories are obliged to register with the chamber where they are located. Those who fail to fulfil the registration obligation within 1 month shall be registered ex officio by the chambers and the situation shall be notified to them. Those who are obliged to register with the chambers are obliged to notify the



chambers in which they are registered of any changes in their status, which are required to be registered and announced according to the TCC, within 1 month from the date of realisation. When the obligation to register with the chambers is fulfilled, a chamber registration certificate is issued to the relevant real and legal persons and their branches and factories.

6.1.5. significant events in the development of the issuer's activities:

- The Company was established on 08.07.2008 with the title Pkr Gkr Gemi İnşaat ve Deniz Nakliyat Sanayi ve Ticaret A.Ş. with the registration number 671858 at the Istanbul Trade Registry Office and the articles of association of the Company was announced in the TTSG dated 14.07.2008 and numbered 7104. The Company was established with a capital of TL 500.000, of which TL 460.000 belongs to Hasan Osman ÇELİK, TL 25.000 to Cüneyt TURKUT, TL 5.000 to Nureddin ÇELİK, TL 5.000 to İmran ÇELİK and TL 5.000 to Abdulvahap ÇELİK.
- In 2011, the Company made its first delivery by delivering the 1,500 DWT Bunker Tanker "M/T Kaya Bener".
- In 2012, 1 purse seine/trawler fishing boat was delivered to its Norwegian owners.
- In 2013, 1 purse seine/trawler fishing boat was delivered to its Norwegian owners.
- The Company's capital was increased from TL 500.000 to TL 5.101.093 in accordance with the General Assembly resolution dated 28.11.2013. All of the increased capital of TL 4.601.093 has been covered from Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş., which was divided by partial spin-off, and the capital increase transaction was registered on 29.11.2013 and announced in TTSG dated 05.12.2013 and numbered 8458.
- The Company's title was registered on 05.12.2013 as Hat-San Gemi İnşaat Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş., which is the final title of the Company, and the said change was published in the TTRG dated 11.12.2013 and numbered 8462.
- In 2014, the Company decided to start ship repair services and HS10 Type 10.000 tonnes *has started its first repair in the floating dock with lifting capacity (Source: <https://www.star.com.tr/ekonomi/en-bi-ji-uk-verli-denize-indi-haber-881655/an-en-bu-uk-vu-er-havuzu-uretti>).*
- Again in 2014, 1 purse seine/trawler fishing boat was delivered to its Norwegian owners.
- In 2015, Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş. Tuzla Branch, registered to Istanbul Trade Registry Directorate with the registration number 671858, was opened and announced in the TTSG dated 17.12.2015 and numbered 8948. In this branch, a pipe processing workshop was rented to be used during the construction of the floating dock and production started. This branch was closed in 2016 when the construction of the floating dock was completed.
- 1 tugboat, the construction of which was completed in 2015, was delivered.
- In 2015, 1 purse seine/trawler fishing boat was delivered to its Norwegian owners.
- In 2015, 1 pontoon with a capacity of 6.000 tonnes was delivered.
- In 2016, the construction of 1 chemical tanker with a capacity of 5,200 DWT was completed and delivered.
- In 2016, 1 purse seine/trawler fishing boat was delivered to its Norwegian owners.
- One energy ship completed as a conversion project was delivered.
- In 2017, the world's largest energy ship "Karadeniz Powership Osman Khan" was delivered to its owner as a transformation project. In the same year, another energy ship was completed and delivered as the second transformation project.
- Also in 2017, the construction of a 10,000 tonne floating dock for use in the shipyard was completed and put into operation.
- Within the framework of the general assembly decision dated 14.12.2017 the capital of the Company was increased from TL 5.101.093 to TL 6.351.093. The increased capital of TL 1.250.000 was fully covered from the paid-in capital of Pekar İnşaat ve Yatın A.Ş., which was registered with the Istanbul Trade Registry Office with the registration number 652375, by being taken over through dissolution with all its assets and liabilities, and the capital increase transaction was registered on 22.12.2017 and announced in the TTSG dated



- 28.12.2017 and numbered 9483.
- In 2018, 1 unit of 55 tonne BP ice towboat was completed and delivered.
- In 2019, 3 energy vessels were completed and delivered as conversion projects.
- In 2019, a contract was signed with ASTAT Askeri Fabrika ve Tersane İşletme A.Ş. for a floating dock with a lifting capacity of 10,000 tonnes to be delivered to the Republic of Turkey Navy. In the first half of 2020, the floating dock was completed and delivered to the Turkish Navy.
- In 2020, 1 floating dock of 10,000 tonnes was completed and delivered to its Danish owners and 1 live fish carrier vessel was delivered to its Norwegian owners.
- One energy ship, which is a conversion project, was completed and delivered.
- The Company has decided to construct the Panamax floating dry dock "Hulk" in order to increase the capacity of its maintenance and repair activities.
- The Company acquired 4% shares of Yalova Altinova Tersane Girişimcileri A.Ş. for the A-21 parcel next to the existing A-20 parcel (the parcel where Hat-San Shipyard is located) for TL 16.505.000 on 21.09.2020 and started both infrastructure investment and shipyard construction in the second shipyard area and increased its capacity to 116.133 m². Since the two shipyards are next to each other, they are currently used as a single area.
- The capital of the Company was increased from TL 6,351,093 to TL 18,037,093 within the framework of the general assembly decision dated 03.09.2021. All of the increased capital of TL 11,686,000 has been covered from previous years' profits and the capital increase transaction has been registered on 21.09.2021 and announced in TTSG dated 21.09.2021 and numbered 10413.
- In 2021, AMT Commander, one of the largest and longest barges in Europe, was lengthened and 5 megablocks were installed.
- The 2nd and 3rd fishing vessels were delivered to their Norwegian owners in February 2021 and June 2021, respectively.
- The 4th fishing vessel was delivered to its Norwegian owners in January 2022 and the 5th in August 2022.
- The Panamax floating dry dock, which was under construction to increase the maintenance and repair capacity of the Company's shipyard, was completed and put into operation in May 2022.
- With the decision of the General Assembly dated 14.09.2022, it has been decided to increase the capital of the Company from TL 18.037.093 to TL 188.037.093 by increasing it by TL 170.000.000, all of which will be covered from the 6-month interim period profit, and the said issue has been registered on 20.09.2022 and announced in the TTSG dated 20.09.2022 and numbered 10664. It has been resolved that the capital of the Company, which was increased to TL 188.037.093 with the addition of the net profit of the interim period to the capital, be subject to capital reduction of the capital amount up to the interim period profit added to the capital in the general assembly convened on 02.02.2023 and that the capital be increased again to TL 188.037.093 to be covered from the net profit of 2022 simultaneously in the same meeting. The said simultaneous capital increase/decrease! The transactions were registered on 03.02.2023 and announced in TTSG dated 03.02.2023 and numbered 10762.
- In April 2023, the Company, which has put the process of going public on its agenda, has made its articles of association in accordance with the CMB legislation with a registered capital ceiling of TL 940,000,000 and switched to the registered capital system.

6.1.6. Information about the issuer of the depository receipt

None.

Investments:

6.2.1. Information on the significant

investments of the issuer as of the financial statement periods required to be included in the prospectus and the financing methods of these investments:

The details of the Company's property, plant and equipment as of the financial statement periods are given in the table below and the information on the investments in property, plant and equipment is also given below.



Tangible fixed asset-Net Book Value (TL)	31.12.2022	31.12.2021	31.12.2020
Lands and Parcels	0	2.998.031	2.998.031
Underground and Surface Organisations	112.996.944	121.399.298	14.236.243
Buildings	4.566.508	4.710.308	4.854.108
Machinery, Facility and Devices	450.086.793	30.906.177	27.780.862
Vehicles	2.587.775	2.742.385	2.785.513
Fixtures	5.440.070	3.518.752	3.630.214
Private Costs	0	532	777
Misguided Investments	135.041.628	283.017.900	23.677.267
Total	710.719.718	449.293.383	79.985.015

- Tangible Fixed Assets- Chaffery (TL)	31.12.2022	31.12.2021	31.12.2020
Underground and Surface Organisations	0	109.780.961	0
Machinery, Facility and Devices	74.186.254	6.596.967	424.204
Vehicles	1.918.293	872.198	1.135.096
Fixtures	2.973.023	675.429	1.698.729
Ongoing Investments	256.273.937	259.340.633	16.071.187
Total	335.351.507	377.266.188	19.329.216

The Company acquired the 4% shares of YalovaAltinova Shipyard Entrepreneurs A.Ş. for the A-21 parcel next to the existing A-20 parcel (the parcel where Hat-San Shipyard is located) on 21.09.2020 for 16.505.000TL and started both infrastructure investment and ship block construction in the second shipyard area and increased its capacity to 116.133 m². Parcels A-20 and A-21, which the Company currently has the right to use, are side by side and are currently used as a single area.

The Company has invested in land improvements, machinery, plant and equipment, vehicles and fixtures in order to increase its capacity and efficiency. The Company recognises its uncompleted investments in construction in progress.

In 2020, the Company made the investments detailed in the table below. In 2020, the Company started to invest in the NB18 Panamax Floating Dock, which was completed in May 2022.

31.12.2020 -Abrar	Total (TL)
Machinery, Facility and	424.204
<i>Water Jet Machine 1.450 Bar</i>	<i>342.752</i>
<i>Corner Welding Robot</i>	<i>49.102</i>
<i>Other</i>	<i>32.350</i>
Vehicles	1.135.096



<i>Passenger Vehicles</i>	1.111.714
<i>Other</i>	23.382
Fixtures	1.698.729
<i>Container Type Converter</i>	411.677
<i>Steel Platform</i>	203.390
<i>Welding Machine with</i>	168.000
<i>Other</i>	915.662
Ongoing Investments	16.071.187
<i>Floating Dock Investment</i>	12.732.131
<i>21. Parcel Investments</i>	1.724.633
<i>Shipyards Investments</i>	1.614.423
Total	19.329.216

In 2021, the Company made the investments detailed in the table below.

31.12.2021-Investments	Total (TL)
Underground and Surface Organisations	109.780.961
<i>A-21 Parcel Pier and Infrastructure Investments</i>	95.927.173
<i>A-21 Shipyards Underground and Aboveground Layout</i>	13.853.787
Machinery, Facility and Devices	6.596.967
<i>Forklift</i>	1.694.439
<i>Tower Crane</i>	1.552.948
<i>Cnc Cutting Machine</i>	631.503
<i>Scaffolding and Connection Equipment</i>	550.000
<i>Forklift</i>	391.552
<i>Welding Machine</i>	375.000
<i>Ship launching Balloon</i>	314.895
<i>Scaffolding and Connection Equipment</i>	273.250
<i>Sheet Metal Lifting Magnetics</i>	252.106
<i>Other</i>	561
Vehicles	872.198
<i>Passenger Vehicles</i>	830.876
<i>Other</i>	41.322
Fixtures	675.429
Ongoing Investments	259.340.633
<i>Floating Dock Investment</i>	253.340.633
<i>Shipyards Investments</i>	6.000.000
Total	377.266.188

Underground and above-ground investments refer to works such as flat earth filling, jetty and ground improvement on the A-21 parcel shipyard land, which was obtained the right of use in 2020. The majority of the investments are for the construction of the NB18 Panamax Floating Dock in the said area as a result of the acquisition of the right of use of the A-21 parcel in 2020.



In 2022, the Company made the investments detailed in the table below.

31.12.2022-Abras	Total (TL)
Machinery, Facility and Devices	74.186.254
<i>Floating Dock (Nbl8) Additional Costs</i>	<i>48.545.011</i>
<i>Crane Head Set</i>	<i>6.171.521</i>
<i>Compressed Air Compressor</i>	<i>5.914.885</i>
<i>Telescopic Platform</i>	<i>4.002.696</i>
<i>Double Girder Bridge Travelling Crane 6</i>	<i>2.942.876</i>
<i>Mini Loader</i>	<i>1.241.991</i>
<i>Forklift</i>	<i>986.949</i>
<i>Crane 85 Tonnes</i>	<i>800.000</i>
<i>Compressed Air Dryer and Filter</i>	<i>595.264</i>
<i>Lathe Machine</i>	<i>459.787</i>
<i>Milling Machine</i>	<i>389.177</i>
<i>Pipe Processing Machine</i>	<i>373.228</i>
<i>Fender</i>	<i>326.237</i>
<i>Other</i>	<i>1.436.632</i>
Vehicles	1.918.293
<i>Truck</i>	<i>896.610</i>
<i>Tractor</i>	<i>601.852</i>
<i>Trailer</i>	<i>380.000</i>
<i>Other</i>	<i>39.831</i>
Fixtures	2.973.023
<i>Container 9 pieces</i>	<i>565.000</i>
<i>Tower Staircase</i>	<i>444.634</i>
<i>Tower Ladder 12 Metres</i>	<i>233.040</i>
<i>Pdks System</i>	<i>232.965</i>
<i>Mobile Compressor Container</i>	<i>71.746</i>
<i>Other</i>	<i>1.425.638</i>
Ongoing Investments	256.273.937
<i>Floating Dock Investment</i>	<i>129.690.790</i>
<i>21. Parcel Investments</i>	<i>108.925.868</i>
<i>NB21 Floating Dock Investments</i>	<i>17.656.079</i>
<i>Shipyards Investments</i>	<i>1.200</i>
Total	335.351.507

The Company has financed its investments in property, plant and equipment through both equity and financial borrowings. The Company has utilised USD 11.000.000 for shipyard investments and USD 20.000.000 for floating dock investments in the A-21 parcel, which it acquired the right to use in 2020. These loans were allocated to the Company on a piecemeal basis during the financial statement periods as the related portions of the investments were completed.



Credit	Amount (USD)	TRY Equivalent
Shipyard	11.000.000	89.936.983
Floating Dock	20.000.000	156.170.666
Total	31.000.000	246.107.649

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

Investment Made on Parcel A-21

As of 31.12.2022, the balance of the investments in progress for the investment on parcel A-21 is TL 135,041,628 and additional expenditures may be made in 2023 according to the developments in the sector and the market. The related investment was financed by bank loans and equity. With the floating dock, which is a part of the aforementioned investment and completed in May 2022, the size of the vessels that the Company can build and maintain & repair has increased from small and medium size vessels to large size vessels. The length of the dock was increased by approximately 40% but the workable surface area was increased by 2.5 times.

6.2.3.

Information about the decisions, agreements and other initiatives taken by the management body of the issuer binding the issuer on significant investments for the future:

Except for the investment plans mentioned in section 28.2 of this Prospectus, there is no investment plan that is subject to the decision of the Board of Directors.

6.2.4. Information on incentives, subsidies, etc. related to the Issuer and their conditions: The supports and incentives that the

Issuer benefits from are listed below;

Incentive Income (TL)	31.12.2022	31.12.2021	31.12.2020
5510 numbered Social Insurance and General Health Insurance Insurance Premium Employer's Share Incentive in line with the	1.778.810	867.115	598.356
4857 Numbered Labour Law No. Employer Share Premium Incentive	16.006	0	5.428
New Generation Manufacturing and Informatics Support in line with the Law No. 7103 on Amendments to Tax Laws and Certain Laws and Decree Laws	418.179	13.771	68.642
Law No. 6111 on Restructuring of Certain Receivables and Amendments to the Social Security and General Health Insurance Law and Certain Other Laws and Decree Laws	0	0	5.930
Premium Reduction arising under Law No. 16322	685.545	896.296	552.690
Total	2.898.541	1.777.181	1.231.046



7. GENERAL INFORMATION ABOUT 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 required to be included in the prospectus:

Within the framework of Article 3 titled "Purpose and Subject" of the Company's Articles of Association, the Company's field of activity is to purchase and lease domestic and foreign shipbuilding facilities, shipyards, hotels, cruise ships, yachts of all tonnages, to construct or have constructed, to operate shipyards and floating docks for the purpose of providing periodic maintenance and repair services to ships and other floating dock vehicles and to carry out other works written in the Articles of Association.

As of the financial statement periods, the use of revenue of the Company on a main categories basis is stated below.

Distribution of Revenue on a basis of Product/Service Groups (TL)	31.12.2022	%	31.12.2021	%	31.12.2020	%
Maintenance Repair	245.404.383	22	85.104.373	19	116.191.230	30
Floating Dock	354.186.217	31	0	0	0	0
Ship Construction	525.668.333	46	280.910.881	61	190.945.047	50
Ship Conversion	4.089.708	0	83.817.850	18	68.615.641	18
Other	558.387	0	500.411	0	1.672.114	0
Real estate activities (Associate)	2.459.785	0	7.762.232	2	6.762.189	2
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

The utilisation of the Company's revenue on domestic and foreign basis as of the financial statement periods is presented in the table below.

Revenue [TL]	31.12.2022	%	31.12.2021	%	31.12.2020	%
Domestic Sales	117.609.333	10	13.751.274	3	34.093.557	9
Sales Returns (-) (Domestic)	0	0	-11.500	0	-7.800	0
Sales Discounts (-) (Domestic)	-2.684.555	0	-3.335	0	0	0
Other Sales	799.472	0	797.587	0	651.954	0
Abroad Sales	1.018.776.837	90	443.727.621	97	349.448.510	91
Sales Returns (-) (Abroad)	0	0	0	0	0	0
Sales Discounts (-) (Abroad)	-2.134.274	0	-165.900	0	0	0
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

In 2020, 2021 and 2022, 91%, 97% and 90% of the Company's revenue is generated from international sales, respectively, and sales to foreign customers are dominant in the Company's revenue. The Company's domestic customers are mainly Istanbul Sea Buses (İDO) and similar local companies that provide ship maintenance & repair services. Other sales consist of scrap sales and SSI premium incentives. Income within the scope of real estate activities is the income from former subsidiaries of the Company, and these companies were excluded from the Company in 2022.



Core businesses of the Company are new shipbuilding, ship maintenance and repair, and ship conversion. Maintenance and repair activities constitute on average 24% of the net sales as of financial statement periods, and shipbuilding activities constitute 53% of the sales. Ship maintenance and repair activities generally take 2-3 months, but shipbuilding projects take more than one year and it is invoiced after the completion of the shipbuilding. For this reason, the Company, based on TFRS rules in the period until the invoice; Considering the costs incurred and the profitability of the project, it calculates the progress payments up to that point in the project and records it as income in the income statement, and follows these uninvoiced incomes in the contract assets. Ship conversion activities have constituted an average of 12% of the net sales as of the financial statement periods. The company also builds and sells floating docks on demand.

The revenue, which was 384.2 million TL in 2020, increased to 458.1 million TL in 2021 with an increase of 19.2% compared to 2020, and increased to 1.1 billion TL in 2022 with an increase of 147.2% compared to 2021. Due to the continuing effects of the pandemic in 2021, the Company's use of some of its resources for the construction of a new investment, the construction of the floating dock, and the arrangement of the section for which the right to use was obtained in 2020 on the A-21 parcel, the Company's sales showed a limited increase compared to 2020. Due to the increasing order quantity, rising exchange rates, and the sale of the old floating dock in 2022, with the effect of the pandemic almost over, the Company's revenue increased by 147.2% compared to 2021. During the financial statement periods, the Company's annual compound growth rate of its revenue was 72%.

The center of Hat-San Gemi is Florya Cad. The Company operates at Florya Plaza No:88 Kat:2 Bakırköy/İstanbul and the activities related to the general financial and administrative management of the Company are carried out at the Company's head office. The Company carries out its shipyard activities in two different locations in Altınova district of Yalova province, Yalova with a closed area of 13.495,26 m² on an area of 108.974,51 m² and a closed area of 3.849,00 m² on an area of 7.158,13 m². The shipyard areas in which the Company operates are leased from the General Directorate of National Real Estate of the Republic of Turkey until 22.11.2065 in Altınova ilç., Yalova province in return for revenue share. The total area of the leased area is 108,974.51 m² and a closed area of 13,495.26 m² has been built (green and blue marked areas in the picture below). 3.849,00 m² closed area (red marked area in the picture below) built on an area of 7.158,13 m, is leased from Kar Elektrik Üretim Ltd. Şti. until 2030 together with the building and equipment on it to be an additional facility for pre-production. A hangar building was constructed for rent to Kar Elektrik Üretim Ltd. and the rent liability has been paid.





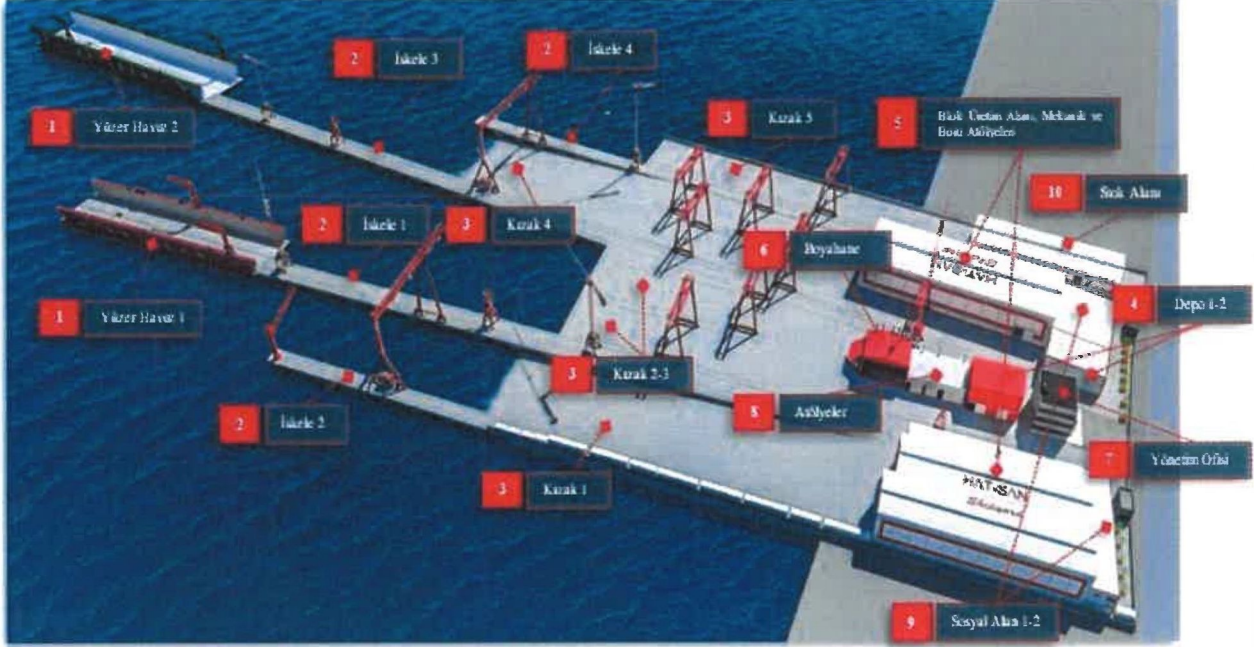
There are 3 piers, 2 berths, 5 slipways (one of which is inclined), 1 floating dock with a lifting capacity of 25.000 tonnes, 1 crane crane with a lifting capacity of 300 tonnes and cranes with various lifting capacities. The Company's shipyard areas have a wide range of production types such as dry cargo, tanker, pontoon, floating dock, fishing vessels, etc. within the scope of new shipbuilding activities, while on the other hand, the floating dock with a lifting capacity of 25,000 tonnes (*Floating dock is a type of ship that is filled by filling the tanks within the floating dock with pumps and the ship is allowed to enter into it. They can be floated to other places if desired*) and can carry out maintenance and repair of ships with large carrying capacity. In addition to these, the Company also carries out ship conversion activities. Since 2016, many energy ship conversion projects have been realised by the Company. According to IME EC (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions Chamber of Shipping) Chamber of Shipping reports, the number of floating docks in Turkey increased from 11 in 2002 to 17 in 2008 and 21 in 2012. Currently, there are 32 floating and 10 dry docks in the shipyards of our country.



The company has ISO 14001 (Environmental Management System), OHSAS 45001 (Occupational Health and Safety System) and ISO 9001 (Quality Management System) Certificates issued by NipponKaiji Kyokai in order to document its responsibility for quality, employees and the environment.

In addition, the Company has been awarded the "Company Compliance" award by theMRS in relation to the construction, repair and conversion of ships (Source: <https://www.hat-san.com.tr/certificates-policy/>).

Shipyard Profile and Equipment





- **The lifting capacity of Floating Dock 1** is 10,000 tonnes. It is 180 meters long and 30 meters wide. Each wing wall of the quay is equipped with 10 tonne 19 metre moving hydraulic cranes. The keel block height is 1,65 metres and 440 V/60 Hz can be provided with the necessary service lines for the ships. On 15.06.2022, Adriatic 42 was sold to Adriatic 42 D.O.O. operating in Montenegro for USD 18.400.000 in cash. The sale price was determined by negotiation method upon the customer offer. The Company constructs floating docks within its own organisation, uses them for a certain period of time and then sells them. This is part of the Company's core activities and is a process that is repeated periodically.

- The lifting capacity of **Floating Dock 2** is 25,000 tonnes. It is 250.5 metres long and 38 metres wide. On each wing wall of the quay, there are 20 ton 23 metre moving hydraulic cranes. The keel block height is 1,65 metres and 440 V/60 Hz can be provided with the necessary service lines for the ships.

- **Pier 1** is 215 metres long and 15 metres wide. Equipped with 1 15 ton 20 metre and 2 8ton 63 metre cranes.

- **Pier 2** is 150 meters long and 10 Pier 2 has a length of 150 metres and a width of 10 metres. wide. Equipped with 1 10 tonne crane.

- **Pier 3** has a length of 406 metres and a width of 15 metres. Equipped with 1 85 tonne and 2 10 tonne cranes.



- **Pier 4** has a length of 150 metres and a width of 10 metres. (In the current situation, the fillings of Pier 4 have been made and concrete has not been poured yet).
- **Slide 1** has a length of 180 metres, a width of 52 metres and an 1 degree angle. . The ships are launched by means of airbags.
- **Slide 2** has a length of 170 metres, a width of 25 metres and a flat surface. The ships are launched from the floating dock.
- **Slide 3** has a length of 170 metres, a width of 28 metres and a flat surface. The ships are launched from the floating dock.
- **Slide 4** has a length of 200 metres, a width of 65 metres and an 1 degree angle. . The ships are launched by means of airbags. (In the current situation, the filling has been made and concrete has not yet been poured, it is in a state that can be manufactured on it).
- **Slide 5 & Repair Area** is 160 metres long and 35 metres wide. The ships are launched from our floating centre. (In the current situation, filling has been done and concrete has not been poured yet).
- **Warehouse 1** has a closed area of 1,500 m² for consumables and spare materials.
- **Warehouse 2** has an area of 3,000 m² for consumables and spare materials. (In the current situation, the building has not been constructed and there is ground concrete).
- **Block Production Area** has a closed area of 4.500 m². Ship blocks and floating dock blocks are manufactured in this area.
- **Mechanical and Pipe Workshop** has a closed area of 2,4,200 m². In the mechanical workshop, all kinds of equipment can be revised. The pipes in all sizes are manufactured according to international standards.
- **Dyehouse** has a closed area of 600 m². Its size is 30x20x22 meter. Megablocks up to 28x18 meter are sandblasted and dyed in the dyehouse.
- **Workshops** have a closed area of 700 m². All kinds of isolation and furnishing works are carried out in the workshops.
- **Social building 1** has a closed area of 2.600 m². New building construction and maintenance and repair departments are in this building. In addition, customer representatives, engineers, foreman rooms, meeting rooms, shower baths, changing rooms, and a dining hall are here.

Social building 2 has a closed area of 5000 m². New building construction and maintenance and repair departments are in this building. In addition, customer representatives, engineers, foreman rooms, meeting rooms, shower baths, changing rooms, and a dining hall are here. It is still in the planning phase.



-*Storage yard* has an open steel plate of 5000 m² profile ad pipe storage area.

Hat-San 2 Workshop has a total area of 7,158.13m², of which 3.849 m² is covered. There are 3 sets of CNC cutting machines as steel finishing equipment and 2 sets of bending press machines. The workshop has been rented and its rental has been paid in advance until 2030.



Services Offered

The Company carries out its shipyard activities in 3 different groups: new shipbuilding, maintenance, and repair and conversion.

- *New Shipbuilding:*

Hat-San Shipyard builds processing facilities and slips as well as all kinds of ships and it builds all kinds of steel construction for sea or land uses in the shipyard area.

- *Repairs and Maintenance:*

Hat-San Shipyard gives service in ship maintenance and repair to its worldwide customers with a floating dock.

Services given as part of ship repair as

- follows: Sandblasting and dying, reparation of Rudder, shaft and propellers, purification of Cargo and cballast tank, maintenance of
- empty propellers, maintenance of main and
- auxiliary engine, maintenance and repair of boiler, heat exchanger, pump, revision
- of Turbocharger,
- regulators, Electric works, Mechanical works, Sailing
- equipment services, Fire and security
- system services, Ballast water management (BWTS)
- , installation, Scrubber system installation, Steel and pipeworks
- , Regulated services.

- *Conversion Projects:*

Hat-San Shipyard operates also in special conversion projects. Drawing out projects of the ship and other surface facilities, revisions that change the intended use, new machine, equipment, factory construction or heavy steel construction works in ships are among the services offered.

Operation and Description of Business Model

The Company gives its services on an offer basis in all branches of shipyard activities.

- > Customers get in touch with the Company within the scope of a plan or job list.
- > Details in the plan or job list are reviewed by the marketing department and calculated the needs of material/workmanship. Then the unit price is appraised from the market by purchasing department for the material/workmanship expenses.
- > The marketing department makes a pre-offer to the customer by calculating an average cost with the marketing survey results.
- > Following the positive answer from the customer, the contract phase begins.

- > Following the contract, advance payment and a letter of guarantee are received and then the contracts are made on the basis of the offers from the supplier and subcontractors.

- > In the new shipbuilding contracts, the duration is 1 year or more by the caption of the project, in the ship maintenance-repair, it is 1 week-3 month. The project is delivered at the end of the work and the received letter of guarantee is returned concurrently. In the event of issuing, custom clearance is.
- > Regarding the job carried out, the delivery note and payment guarantee bill are signed. After receiving the downpayment in the payment guarantee bill, sailing of the ship is allowed.



Certificate of Occupancy of Shipyard Land

The Company's Hat-San 1 Facility is located in Yalova province Altinova district of Yalova province, Yalova - Altinova Shipyards Region, Hersek - Subaşı Villages A20 and A21 parcels with immovable numbers 77020200097, 77020200098, 77020200152, 77020200171 and 77020200171 and these areas are under the private property of the Treasury. In this direction, the Company uses these areas with the certificate of occupancy agreements dated 04.04.2017, 23.06.2020, 23.06.2020, 17.02.2021 and 23.12.2021, respectively, which it has concluded separately for each immovable with the General Directorate of National Real Estate, which has been given the duty and authority to establish limited real rights on the immovables in the private property of the Treasury, to lease the places under the provision and saving of the state and to grant the certificate of occupancy for these places when deemed necessary, with the subparagraph (b) of Article 101 of the Presidential Decree No. 1. All of these contracts were prepared by the Treasury and have very similar terms and conditions.

Under the aforementioned agreements, the Company has the right to use these immovable properties for shipyard investment until 22.11.2065, free of charge and with a one per thousand revenue share. In this context, the Company shall use the leased immovables only for the purpose of shipyard investment and shall not operate in such a way as to change the purpose of the use or expand the area of use of the immovable with the certificate of occupancy.

In addition, upon the completion of the shipyard investment made on the immovable properties granted a certificate of occupancy pursuant to the aforementioned agreement, in cases where the relevant shipyard will be operated by the owner of the certificate of occupancy, one-thousandth of the total annual revenue obtained from the operation of the facility must be paid to the Treasury. Hat-San 1 Facility is operated by the Company and accordingly, one-thousandth of the total annual revenue of Hat-San 1 Facility shall be paid to the Treasury by the Company. Total annual revenue under the contract consists of the consideration received or accrued for the goods or services sold or accrued for the goods or services sold within the framework of the activities of the enterprise on the immovable property granted the certificate of occupancy, interest and exchange rate differences, interest and rental income and other income and is determined over the sum of net sales, ordinary income, and profits from other activities and extraordinary income and profits in the income statement in the uniform accounting system. If the revenue shares are not deposited within 30 days from the due date for 2 consecutive years, the relevant certificate of occupancy agreement shall be terminated by the Republic of Türkiye Ministry of Treasury and Finance.

The certificate of occupancy granted to the Company pursuant to the agreements shall expire on 22.11.2065, however, after the expiry of the term,

if requested by the Company and the conditions determined by the Republic of Türkiye Ministry of Treasury and Finance are accepted by the Company without any objection, the General Directorate of National Real Estate may grant a direct certificate of occupancy to the Company for the relevant immovables subject to the agreements. In the event of expiry of the certificate of occupancy or termination of the agreements for the reasons specified in the agreements, all structures and facilities on the immovable properties granted utilization permits, except for those in the nature of movable structures, shall be transferred to the Treasury in sound and functional condition without compensation or consideration. In the event that the Company ceases its operations or causes the termination of the contract before the expiry of the authorization period in the aforementioned contracts, the revenue share until the date of cessation of operations or termination of the contract shall be paid to the Treasury by the Company.

In the event of any change in the owners of the shares representing 50% or more of the Company's capital during the continuation of the contracts of the aforementioned certificate of occupancy, this will be deemed as a transfer of the contract and this transfer will only be deemed as a transfer of the contract and this transfer will only be deemed as a transfer if the debts, if any, to the Treasury are paid in full together with the default interest, if any,



and the violations of the provisions of the contract are eliminated within the period determined by the Ministry of Treasury and Finance of the Republic of Turkey. Ministry of Treasury and Finance, unconditional and unconditional waiver of any lawsuits filed against the Treasury due to the certificate of occupancy due to these shareholders by assuming all judicial expenses, and acceptance of the terms of the new contract to be prepared by the Ministry of Treasury and Finance, with the approval of the Ministry of Treasury and Finance and the Ministry of Transport and Infrastructure. Within the scope of the public offering of the Company's shares, it is planned to offer Group B shares representing 20.0% of the Company's capital to the public, and therefore, the public offering planned within the scope of the aforementioned certificate of occupancy agreements shall not be deemed as a contract transfer and accordingly, this procedure described above shall not be required to be applied.

7.1.2. Information declared to the public in the quality that it will not disclosure the trade secret about the product and services which have important quality under the survey and development phase and the phase of the survey and development process of this product and services:

None.

7.2. Main sectors/markets:

7.2.1. Information regarding the advantage and disadvantages of the situation of operated sectors/markets and issuer in this sectors/markets:

In summary, the Company's field of activity is to purchase, lease, build or have built domestic and foreign shipbuilding facilities, shipyards, hotels, cruise ships and yachts of all tonnages, to operate shipyards and floating docks with the aim of providing periodic maintenance and repair services to ships and other floating dock vehicles.

In this context, detailed explanations regarding the maritime and shipbuilding sector are given below:

Briefly Maritime and Shipbuilding Sector

Maritime trade, which consists of %85 of the world's total trade volume, has often become a current issue during the Covid-19 pandemic. Global trade volume is estimated at 14.1 billion tons in 2021, up 5.9% compared to 2020 and up 0.3% compared to 2019, a more normalized year. According to Clarksons Research, global seaborne trade volume recovered by 3.6% (in ton-miles/1/7%) in 2021 returning to almost 12.0 billion tons in line with 2019 levels. For 2022, the global economic backdrop appears to be

supportive, with global seaborne trade initially estimated to increase by 3.5% (about 4.4% in ton miles) to about 12.4billion tons.

With the Covid-19 pandemic, the real economy has come to a standstill and the disruptions in the supply chain have also been reflected in the world trade volume, with an annual decline of 5.3% in 2020. Following the positive developments in the number of cases with the vaccination efforts, the quarantine measures were loosened and the real economy started to recover again. Global seaborne container trade grew by 6.5% in 2021, driven by consumer demand in key regions. According to IMEAK (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions) Chamber of Shipping reports, container trade is expected to grow at a more stable rate of 4.2% in 2022, with growth rates expected to be more normalized after a strong recovery in 2021.

The volume of seaborne dry bulk trade grew by 4.0% (4.8% in ton-miles) to 5.4 billion tons in 2021. In 2022, dry bulk trade is forecast to grow by a more moderate 1.6% initially (2.2% in ton miles), with grain and small bulk trade on track for steady expansion and the recent gains in coal trade. Expectation trends of China in the steel sector have created a reverse effect on the iron ore trade.



<i>Billion Ton</i>	World Trade Volume	World Maritime Trade	, % of Maritime Trade
2014	12,5	10,6	%85
2015	12,8	10,8	84%
2016	13,0	11,1	86%
2017	13,6	11,6	%85
2018	14,0	11,1	%85
2019	14,1	12,0	%85
2020	13,3	11,3	87%
2021Y	14,1	12,0	%85
2022T	14,8	12,4	84%

Source:

Clarksons

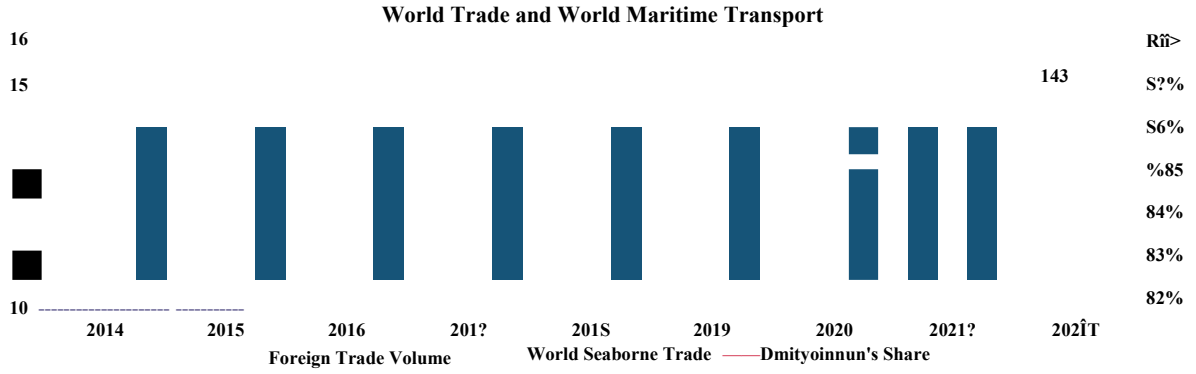
Research

February

Seaborn

Y: Approximate, T: Predict



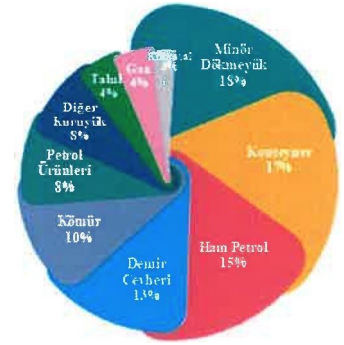


Of the approximately 12 billion tons transported in seaborne worldwide in 2021, 18% was minor bulk, 17% was containers and 15% was crude oil.

MüvonTon	2014	2015	2016	2017	2018	2019	2020	2021?	2022T
Iron Ore	1.340	1364	1.418	1.472	1475	1.455	1.502	1.524	1.525
Kättiör	1.217	1.138	1,141	1.203	1264	1.284	1.165	1.239	1.259
Grain	409	430	450	476	475	478	512	530	544
Minor Bulk Cargo	1.847	1.891	1.880	1.936	2.012	2.036	1.990	2.086	2.135
Crude oil	1.807	1.875	1.957	2.019	2.030	2.008	1.860	1.829	1.963
Petrol Orttskri	943	1.012	1.058	1.075	1.087	1.033	908	962	1.017
Gas	332	344	371	399	433	478	480	507	529
K numerical	298	314	321	342	362	371	365	371	389
Container	1.557	1.591	1.666	1.761	1.838	1.879	1.851	1.959	2.045
Other Conteyner	80S	830	855	888	914	927	903	942	966
Total	10560	10.788	11.117	11.571	11.889	11.949	11.538	11.951	12.373

Annual Change 3.40% 2.29% 3.00% 4.19% 2.70% 0.50% -3.40% 3.60% 3.50%

Source: Clarksons Research February Seaborn. İME. AK Dent Chamber of Commerce Maritime Sector Report, 2022T: Approximate, T: Estimate



Source: https://www.denizticaretodasi.ori.tr/media/SharedDocuments/sektorranoru/sektor_raporu_tr_2021_.pdf

The total of Tanker, Bulk Cargo, Container, Dry Cargo and Passenger ship types, which make up 90% of the world's trade fleet on a DWT basis, increased by 2.9% in 2021 compared to the previous year and became 1,882,784 DWT.

Greece, China, and Japan continue to be the countries with the world's largest trade fleets on a capacity basis. They control 48.6% of the world's tonnage. When the distribution of the world's 30 countries with the largest fleet of easy flags

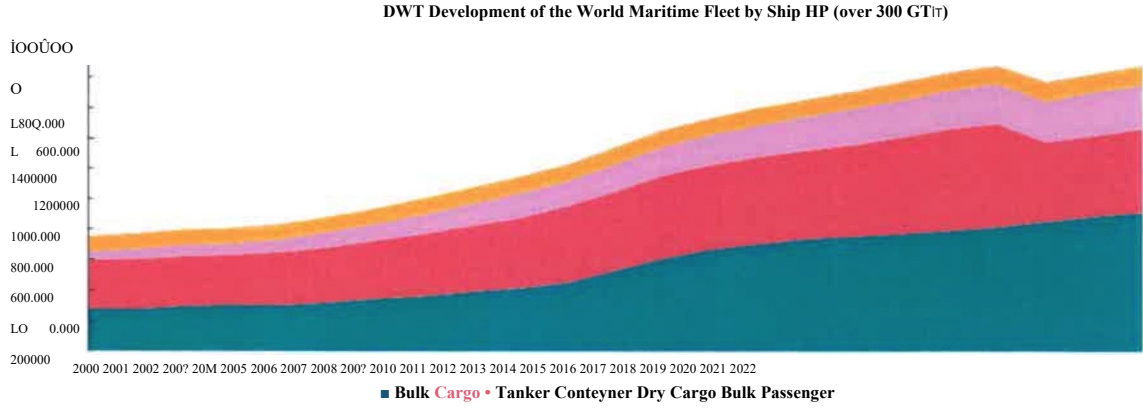
(*) is analyzed, Turkey ranked 15th in the ranking of national and foreign flag vessels (1,000 GT (**) and above) as of 01.01.2022, with Greece ranked 1st, China ranked 2nd and Japan ranked 3rd. In 2022, the total of Tanker, Bulk Cargo, Container, Dry Cargo, and Passenger ship types was measured as 1,882,784 DWT. Among these ship types, Bulk Cargo type has the highest share in terms of DWT with 48.5%.

(*) It is the practice of operating a ship of any country under the flag of another country, which is more advantageous to people, instead of operating their ship under the flag of their own country.

(**) Gross Ton: It is the total volume of the spaces where cargo can be placed, except the volumes that the crew of a ship will live in, use for management and etc.

Panama maintains being the world's largest registered country with 343 million DWT and 6,553 ships. It is followed by Liberia with 327 million DWT and Marshall Islands with 282 million DWT.





Source: ISL. IMEAK Chamber of Shipping Calculations

According to the data contained in the IMEAK Chamber of Shipping reports, as of 31.12.2021, 250 of the 475 ships in the Turkish Maritime Trade Fleet were imported and 225 were acquired by construction. The DWT of imported ships is 4.5 million, and of built ships is 1.3 million.

Dry Cargo ships with a share of 23.8%, Chemical Tankers with a share of 12.2%, and Service ships with a share of 10.3%, of the 475 ships that constitute the Turkish Maritime Trade Fleet of 1,000 GT or more.

The Turkish Merchant Marine Fleet of 1,000 GT or more is 5.8 million DWT and 5.0 million GT. The majority of the Merchant Marine Fleet, which is 5.8million DWT, on a DWT basis consists of 26.2% Bulk Carriers, 21.6% Oil Tankers, 17.7% Container Ships, 11.4% Chemicals. Tankers and Dry Cargo ships constitute 10.3%, respectively. The DWT percentage of other ship types is 12.8%



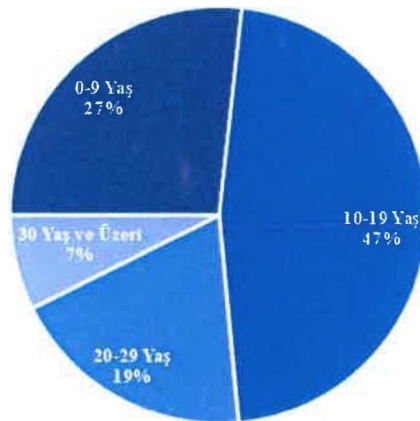
Ship Type	Unit				Deathreia		ht Ton		Gros Ton			
	Impo	Cons	Total	Share,	Impo	Construct	Total Share, %	Impo	Total	Construct,	%	
Dry Cargo Ship	31	82	113	23.3	195.412	408.555	603.967	103	136.188	260.678	396.866	7.9
Bulk Cargo Ship	30	3	33	7.4	1.417.730	119.368	1.537.098	26.2	806.668	73.531	880.199	17.4
Conteyner	35	12	47	9.9	829.166	206.278	1.035.444	17.7	668.579	160.576	829.155	16.4
Dry Cargo-Conteyner	4	4	8	1.7	12.369	26.763	39.132	0.7	8.066	17.837	25.903	0.5
Chemical Substances Tanker	31	27	58	12.2	465.834	199.925	665.759	11.4	298.485	133.566	432.051	3.5
LPG Tanker	5	0	5	1.1	27.804	0	27.804	0.5	25.574	0	25.574	0.5
LNG Tanker	1	0	1	0.2	93.513	0	93.513	1.6	108.919	0	108.919	2.2
Asphalt Tanker	1	3	4	0.9	6.603	54.850	61.453	1	5.832	43.630	49.462	1
Ro-Ro ship	10	0	10	2.1	122.276	0	122.276	2.1	274.681	0	274.681	5.4
Ro-Ro Ferry-Passenger	S	11	20	4.2	28.495	2283	30.778	0.5	48.363	27.265	75.628	1.5
Ferry	r	27	28	5.9	0	23.014	23.014	0.4	1.815	35.438	37253	0.7
Train Ferry	0	6	6	1.3	0	2.960	2.960	0.1	0	9.835	9.835	0.2
Passenger Passenger Cargo	s	4	12	2.5	4.078	2221	6.299	0.1	33.4	15.092	48.503	1
Fishing Ships	2	0	2	0.4	3876	0	3876	0.1	3.591	0	3.591	0.1
Scientific Research Ship	4	1	5	1.1	4.480	0	4.480	0.1	20.931	4.789	25.720	0.5
City Lines	1	0	1	0.2	0	0	0	0	1.043	0	1.043	0
City Lines With Car	0	4	4	0.8	0	1264	1.264	0	0	4.874	4.874	0.1
Tug Boat	1	0	1	0.2	0	0	0	0	1.565	0	1.565	0
Service Ships	34	15	49	10.3	122.470	45221	167.691	2.9	316.044	85.349	401.393	8
Oil tanker	11	12	23	4.9	1.076.621	190.478	1.267.099	21.6	580.844	101.446	682.290	13.5
Train Ferry-'Ro-Ro	1	0	1	0.2	6.266	0	6.266	0.1	15.195	0	15.195	0.3
Dry CargoRo-Ro	11	1	12	2.5	124.901	17.183	142.084	2.4	336.188	60.465	396	7.8
Marine vehicles	19	13	32	6.7	8.000	7.331	15.331	0.2	227.974	102.940	330.914	6.5
General Total	250	225	475	100	4.549.394	1307.694	5.857.588	100	3.919.956	1.137.311	5.057.267	100

Source: İMEAK DTO Statistics

https://www.demziticaretodasi.org.tr/media/Shareddocuments/sectorrpararu/sectorjaporu_tr_2021.pdf

According to the reports of the İMEAK Chamber of Shipping, when the age analysis of the Turkish Shipping Fleet is examined, there are 475 ships in the fleet, which takes into account the ships with a capacity of over 1,000 GT, and the average age of these ships is 23.8 as of December 31, 2021. The average age of Dry Cargo ships, which constitutes 23.8% of the Turkish Maritime Fleet, is 28. The average age of Bulk Carriers, which constitutes 26.2% of the fleet as DWT, is 17.

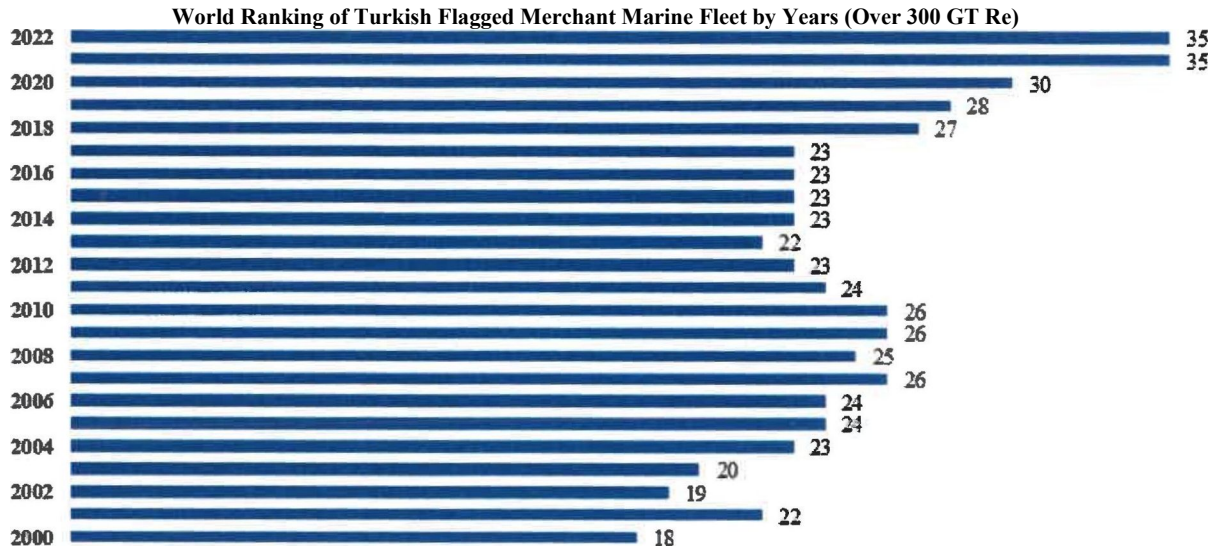
Distribution of Turkish Merchant Marine Fleet by Tonnage and Age Groups (1(50 GT and above)



When the ranking of the World Merchant Fleet by national flags on the basis of forty countries of 300 GT and above is analyzed, Panama, which has 16.3% of the world fleet in terms of DWT, ranks 1st, Liberia, which has 15.6%, ranks 2nd, and Marshall Islands, which has 13.4%, ranks 3rd.

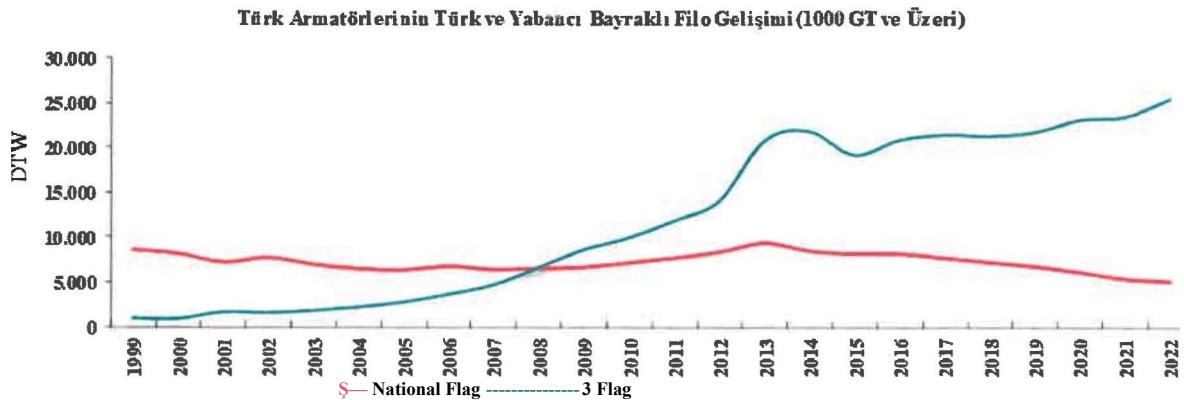


According to the flags, the world fleet (300 GT and above) is 2,096,245,000 DWT and 1,404,509,000 GT with 58,228 ships on the basis of 155 countries. Turkey ranks 35th in the World Maritime Fleet with a decrease of 3.8%.



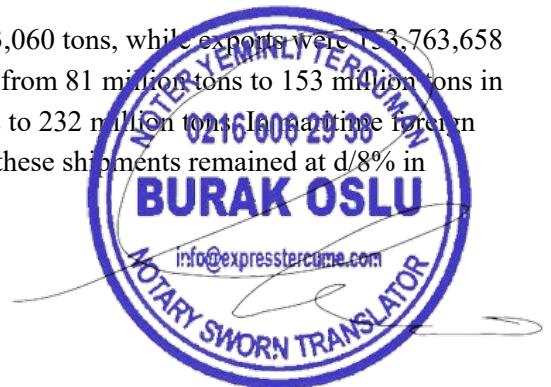
In 1999, the fleet under the control of Turkish shipowners was 9.6 million DWT, of which 90.5% were Turkish flagged vessels and 9.5% were foreign flagged vessels. As of the beginning of 2022, 16.8% of the 30.6 million DWT, taking into account the vessels of Turkish shipowners of 1,000 GT and above, was under Turkish flag and 83.2% was under foreign flag.

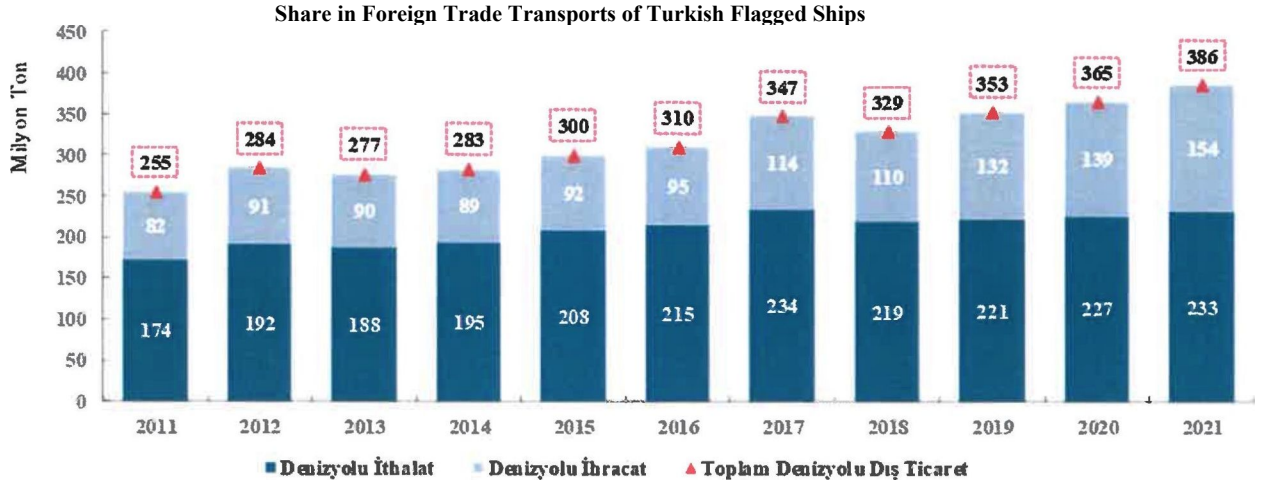
As of January 1, 2022, according to the Shipping Statistics and Market Review source, the tonnage of Turkish flagged ships is 5.1 million DWT for ships of 1,000 GT and above, and the tonnage of foreign-flagged ships for Turkish shipowners is 25.5 million DWT.



Source: ISL January-February 2022

In 2021, Turkey's imports by maritime transport were 232,633,060 tons, while exports were 153,763,658 tons. Compared to 2020, Turkey's export shipments increased from 81 million tons to 153 million tons in 2021, while import shipments increased from 173 million tons to 232 million tons. In maritime foreign trade transportation, the share of our Turkish flagged ships in these shipments remained at d/8% in 2021.

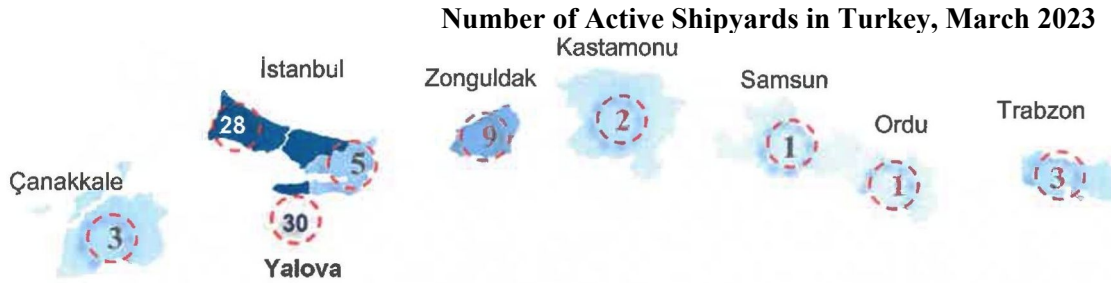


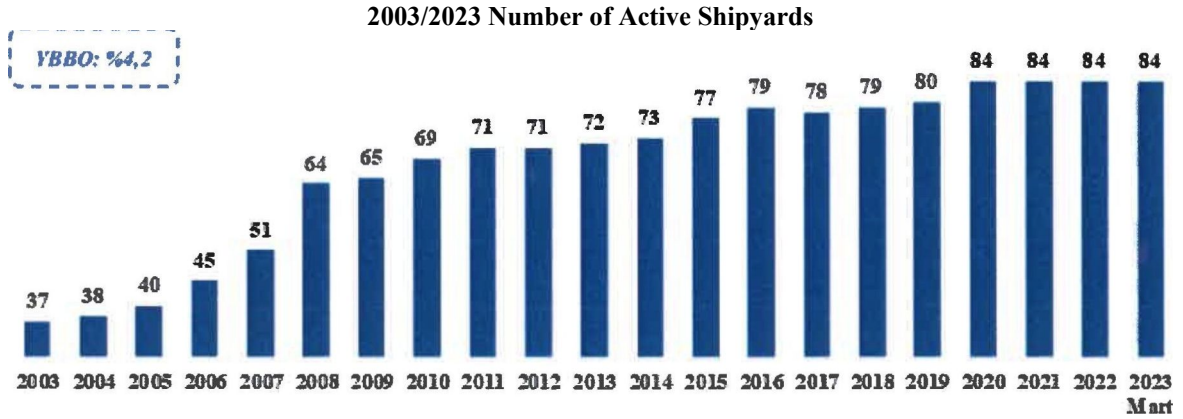


Source: UAB General Directorate of Maritime Affairs

Ship Construction Industry

According to the reports of İMEAK Chamber of Shipping, the number of active shipyards, which was 37 in 2003, reached 64 in 2008 and 84 in March 2023. As of March 2023, 84 shipyards are active and these shipyards are concentrated in the Marmara and Western Black Sea regions. In addition, 10 shipyards are at the investment phase and 15 areas have been determined as shipyard areas. After the global economic crisis that started in the last quarter of 2008 and was felt strongly until the last quarter of 2009, the Covid-19 pandemic that emerged in 2019 negatively affected the shipbuilding industry and many other sectors, and the decline in order books led to the cancellation or postponement of both employment and new investment and modernization works.





Source: Ministry of Transport and Infrastructure

Shipbuilding industry, in all countries where it is supported and developed;

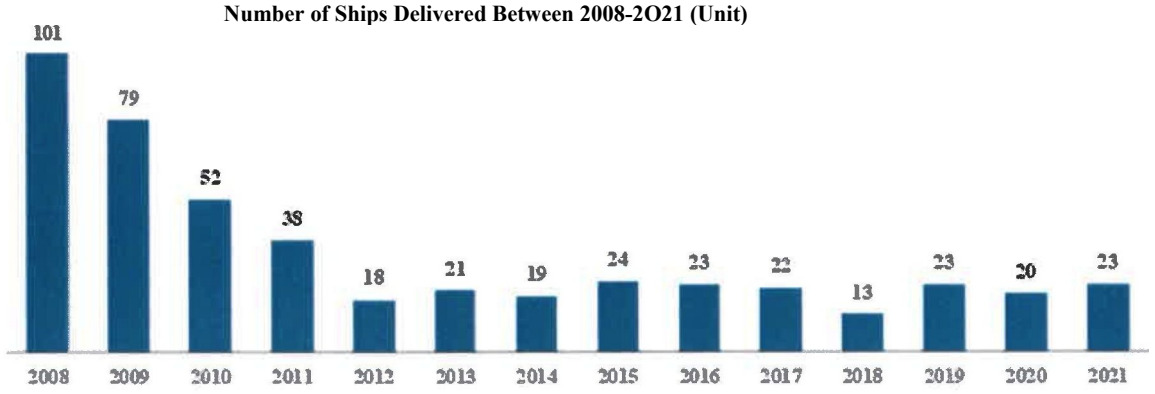
- Creating rapid development in the sub-industry sectors,
- Providing foreign currency inflow,
- Increasing the qualified workforce in its region,
- Helping the development, growth and strengthening of regional trade,
- Increasing the welfare and cultural level of the people living in the region,
- It is a

strategic heavy industry branch that creates a significant employment potential together with the sub-industry.

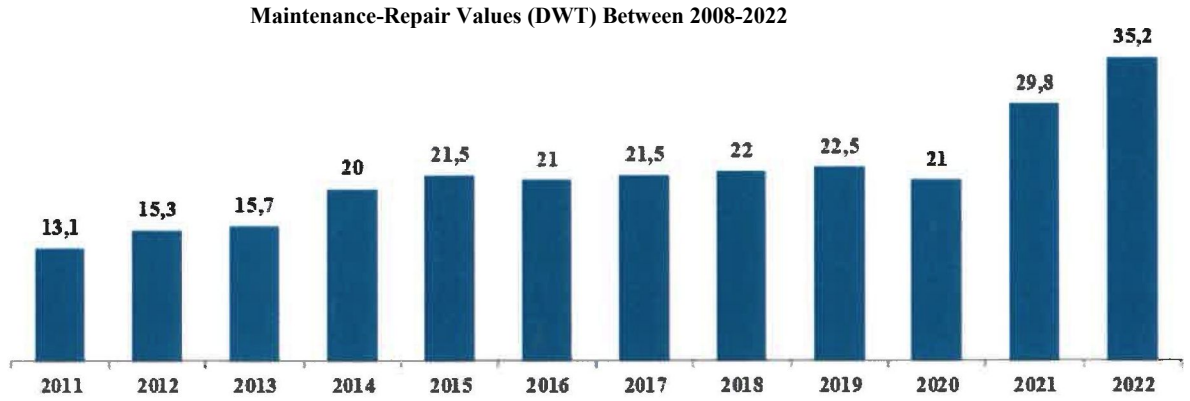
Until the 2008 global economic crisis, our shipyards, advanced to fourth place in the world, especially in chemical tanker orders, with the decline in orders after the crisis, the ships delivered in 2019 decreased to 133,669 DWT in total tonnage and 23 units, while the ships delivered in 2020 were 20 units and a total of 101,114 DWT, while the ships delivered in 2021 were 23 units and a total of 100,793 DWT.

According to the IMEAK sector reports, the sector experiences difficulties in terms of new ship orders. Based on this, emphasis was placed on the maintenance-repair part. After the 2008 crisis, the number of delivered ships showed a sharp decline and followed a fluctuating course. Things went relatively better on the maintenance and repair side, with maintenance and repair values increasing by 41.9% year-on-year from 21 million DTWT in 2020 to 29.8 million DTWT in 2021 and by 18% to 35.2 DTW in 2022. T.R. According to the Ministry of Transport and Infrastructure data, 79,886 people are employed in the sector.





Kaynak: Clarksons Research

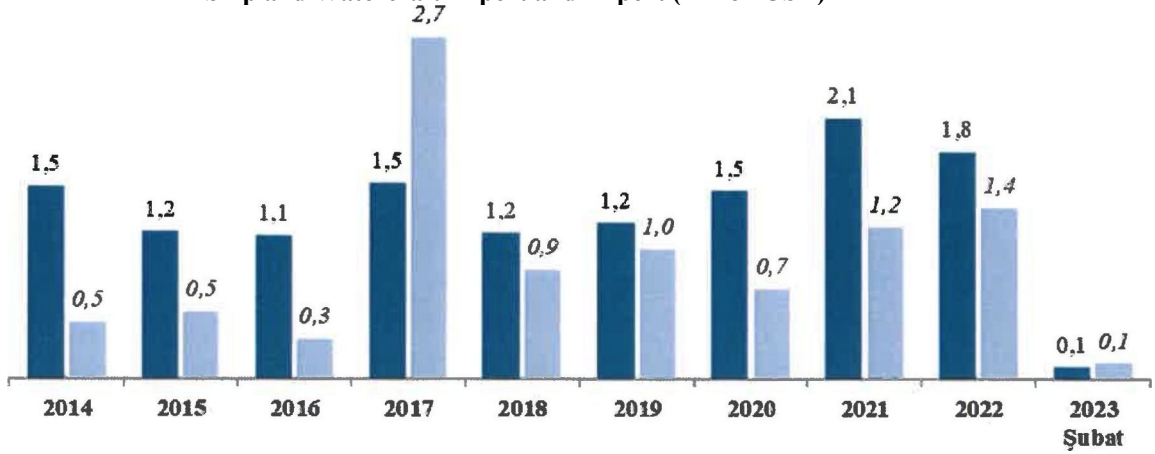


Kaynak: Ulaştırma ve Altyapı Bakanlığı

Turkish shipyards built most of the ships they produced between 2002-2008 for export purposes and almost all of these ships were exported to European Union countries. Especially in the production of small tonnage chemical tankers, Türkiye has become a brand in those years. As a result of this, the size of the ship, yacht, and sub-industry exports increased to the level of 2.6 billion USD in 2008. The share of the ship supply industry in exports is USD 53 million in 2021.



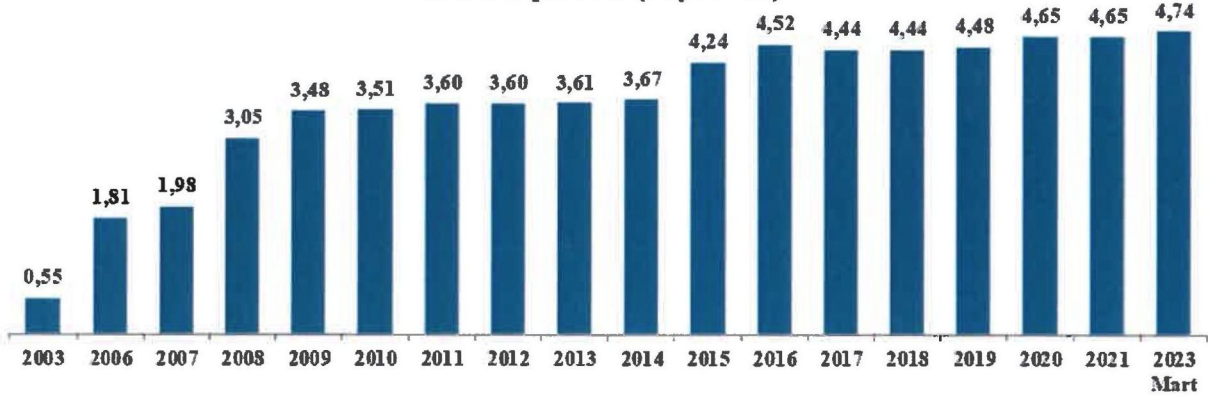
Ship and Watercraft Export and Import (Billion USD)



Source: T.R. Ministry of Transport and Infrastructure

The installed capacity of the shipyards in Turkey, which was 0.6 million DWT in 2003, increased to 4.74 million DWT in March 2023.

Tersane Kapasiteleri (Milyon DWT)

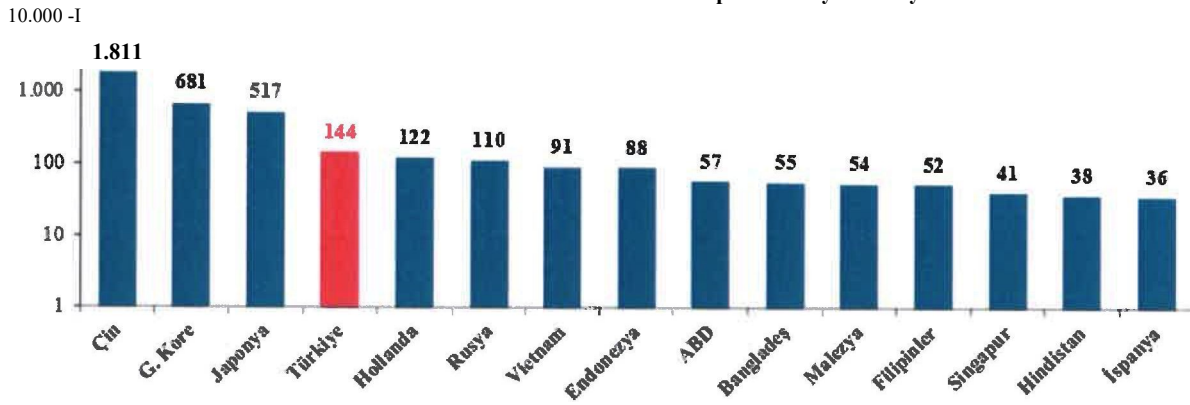


Kaynak: T.C. Ulaştırma ve Altyapı Bakanlığı, <https://tkygmistatistikleri.uab.gov.tr/tersane-kapasitesi>

Shipyards in Turkey are one of the countries that have a say in the global market, especially in the construction of small and medium-tonnage chemical tankers. Turkey, which has been at the top of the list of countries receiving tanker orders for many years and has risen to the 3rd rank, ranks 13th in terms of tonnage (Million CGT (*)) and 6th in terms of units in 2021 due to decreasing orders.(*)) Compensated Gross Tonnage; It is an indication of the amount of work required to build a particular ship and is calculated by multiplying the tonnage mm of a ship by a coefficient determined by the type and size of a particular ship.



Numerical Distribution of Ship Orders by Country



Shipping industry SWOT Anlaysia



STRONG FEATURES

The shipbuilding industry has an important place in Turkey's export - and its contribution to the economy is high.

Turkey has an experienced workforce and technological field in the shipbuilding industry.

*Turkey has an important position in maritime transportation due to its geographical location and transportation also provides an advantage for the shipbuilding industry.

** Turkey, European Union, North It is located close to the African and Middle Eastern markets, which offers opportunities in terms of export.



OPPORTUNITIES

*Turkey has a rapidly growing market potential in maritime transport, which provides new challenges to the shipbuilding industry.

Turkey's shipbuilding industry could meet the increasing global shipbuilding appreciation driven by worldwide economic growth.

Turkey's shipbuilding industry is renewable energy sector may differentiate the types of ships that can be used by developing new products.

* The shipbuilding industry is in a weak position in terms of market share compared to its worldwide competitors.



WEAK FEATURES

The types of ships produced by Turkey in the shipbuilding industry are limited and producing a limited variety creates a competitive disadvantage.

Turkey's energy costs in the shipbuilding industry are high, which may increase costs.

The shipbuilding industry worldwide has a very competitive environment in terms of cost competitiveness and this may create competition for the shipbuilding industry for Turkey.



THREATS

Global economic recessions may lead to a decrease shipping trade around the world and may pose a threat to Turkey's shipbuilding industry.

Environmental effects of the shipbuilding industry, with the increase in environmental arrangements, shipbuilding industry of Turkey may create.



Advantages of the company

- The Company has a 150x2 Crane with a capacity of 300 tons, with which the Company can deliver large tonnage to ships by walking on the landing stage. Hat-San, which is currently the only shipyard in the country that provides service with a 300-ton capacity crane on the water, gains a competitive advantage as well as leasing this service to its competitors.



Crane with a 300-ton capacity 150x2

- The floating dock project for the defense industry has increased the technical capability of the Company, and the Company is an institution that builds and delivers military floating docks (Source: <https://asfat.com.tr/urunler/deniz/10000-tonluk-vuzer-havuz>)
- The company has built 6 floating docks and has sufficient knowledge and experience in this regard.
- Ship conversion requires specialized capability and technical competence. For this reason, the ship conversion business does not take place in every shipyard, and it brings the Company to the fore in the sector.
- With the floating dock investment completed in 2022, the Company has become able to provide maintenance and construction services to larger ships at the same time.
- Being one of the few shipyards that may appeal to countries in the Mediterranean and Black Sea Basin increases the Company's potential.
- The fact that the Russia-Ukraine War caused some shipyards in the Black Sea to be disabled may have a positive impact on the Company's activities.

Disadvantages of Company

- If a high-tonnage shipbuilding contract is not signed, the revenues of the Company may be affected more than other sector companies, since the construction times of high-tonnage ships are longer than those of low-tonnage shipbuilding.
- Almost all of the Company's revenues are based on foreign currency, and if the exchange rates do not increase, its revenues and profitability may be negatively affected compared to the sector companies that only have domestic sales in the sector.
- Due to the fact that the Company addresses the countries in the Mediterranean and Black Sea Basin, the negative effects that may occur in these geographies may negatively affect the Company's revenues and profitability compared to other sector companies.



- Since all of the shipyards and piers owned by the Company are located in Yalova, and the negative effects that may occur in the relevant geography, especially regarding the quality and number of employees, may negatively affect the Company's activities.
- One of the ship types that the Company has delivered the most in the past is a trawler/purse seiner fishing vessel, and a negative situation that may occur in the target sectors may put the company at a disadvantage compared to other sector companies.
- Due to the fact that the Company's trade volume with Scandinavian countries is higher than other sector companies, any economic or political problems that may occur between the relevant countries and Turkey may affect the Company more negatively than other sector companies.

7.2.2. (Information about the distribution of the issuer's net sales amount according to the field of activity and the geographical structure of the market as of the financial statement periods, which should be included in the prospectus:

As of the financial statement periods, the use of revenue of the Company on a main categories basis is stated below.

Distribution of Revenue on a basis of Product/Service Groups (TL)	31.12.2022	%	31.12.2021	%	31.12.2020	%
Maintenance and Repair	245.404.383	22	85.104.373	19	116.191.230	30
Floating Dock	354.186.217	31	0	0	0	0
Ship Construction	525.668.333	46	280.910.881	61	190.945.047	50
Ship Conversion	4.089.708	0	83.817.850	18	68.615.641	18
Other	558.387	0	500.411	0	1.672.114	0
Real estate activities (Associate)	2.459.785	0	7.762.232	2	6.762.189	2
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

As of the financial statement periods, the use of revenue of the Company on a domestic and abroad basis is as follows.

Revenue [TL]	31.12.2022	%	31.12.2021	%	31.12.2020	%
Domestic Sales	117.609.333	10	13.751.274	3	34.093.557	9
Sales Returns (-) (Domestic)	0	0	-11.500	0	-7.800	0
Sales Discounts (-) (Domestic)	-2.684.555	0	-3.335	0	0	0
Other Sales	799.472	0	797.587	0	651.954	0
Abroad Sales	1.018.776.837	90	443.727.621	97	349.448.510	91
Sales Returns (-) (Abroad)	0	0	0	0	0	0
Sales Discounts (-) (Abroad)	-2.134.274	0	-165.900	0		0
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

In 2020, 2021 ve 2022, %91, %97 and %90 of the revenue of the Company consist of abroad sales, and abroad sales have a dominant position in the Company revenue. In addition, both domestic and abroad sales are almost on a basis of foreign currency. Domestic customers of the Company are usually Istanbul Maritime Buses (IDO) and similar local firms that provide ship maintenance and repair. Other sales consist of scrap sales and SSI premium incentives. Revenues within the real estate activities are the revenues from the old affiliate companies of the Company and these firms have been removed from the Company structure in 2022.



Core businesses of the Company are new shipbuilding, ship maintenance and repair, and ship conversion. Maintenance and repair activities constitute on average 24% of the net sales as of financial statement periods, and shipbuilding activities constitute 53% of the sales. Ship maintenance and repair activities generally take 2-3 months, but shipbuilding projects take more than one year and it is invoiced after the completion of the shipbuilding. For this reason, the Company calculates progress billings until that time considering the expenses born and the profitability of the projects on a basis of Turkish Financial Reporting Standards within the period until invoicing and records them as revenues to the income statement and then follows the uninvoiced revenues in the contract assets. Ship conversion activities have constituted an average of 12% of the net sales as of the financial statement periods. Besides, the Company carries out floating dock building and sale on demand.

The revenue, which was 384.2 million TL in 2020, increased to 458.1 million TL in 2021 with an increase of 19.2% compared to 2020 and increased to 1.1 billion TL in 2022 with a 147.2% increase compared to 2021. The Company's sales showed a limited increase compared to 2020, as the effects of the pandemic continued in 2021, the Company used some of its resources in the construction of a new investment, the floating dock, and in the arrangement of the parcel on the A-21 parcel, for which the right to use was obtained in 2020. Due to the increasing order quantity, rising exchange rates, and the sale of the old floating dock in 2022, with the effect of the pandemic almost over, the Company's revenue increased by 147.2% compared to 2021. During the financial statement periods, the Company's annual compound growth rate of its revenue was 72%.

The use of the revenue of the Company on a basis of geographical regions is as follows.

Revenue [TL]	31.12.2022	31.12.2021	31.12.2020
Marmara Region	78.152.643	14.163.766	12.240.786
Aegean Region	37.507.429	303.808	711.242
Central Anatolia Region	64.176	66.452	21.785.684
Abroad Sales	1.016.642.565	443.561.721	349.448.510
Total	1.132.366.813	458.095.747	384.186.221

The use of the revenue of the Company on a basis of the country is as follows.

Revenue [TL]	31.12.2022	31.12.2021	31.12.2020
Turkey	115.724.248	14.534.026	34.737.711
USA	8.658.438	0	0
Germany	76.160.411	3.856.323	1.844.766
United Arab Emirates	7.366.157	1.175.550	12.652.532
Belgium	5.397.546	3.848.631	0
United Kingdom	4.089.708	84.029.078	59.620.079
China	9.584.675	0	0
Denmark	0	3.749.918	45.926.291
Estonia	30.271.685	0	0
France	3.252.173	0	0
Netherlands	0	20.416.606	29.384.256
Hong Kong	32.331.726	3.128.829	16.447.334
British Virgin Islands	0	0	2.541.980



Sweden	27.916.037	0	0
Switzerland	12.519.528	0	0
Montenegro	346.860.728	0	0
Kuwait	0	0	452.524
Latvia	29.290.762	0	0
Liberia	54.175.171	9.929.622	0
Lithuania	12.135.298	0	0
Malta	21.638.836	1.928.287	6.601.478
Marshall Islands	87.037.727	12.269.118	70.711.748
Monaco	0	0	2.671.235
Norway	126.629.587	295.425.736	123.233.072
Panama	12.182.845	0	0
Romania	282.982	0	0
Russia	0	16.462.740	0
Slovakia	0	3.946.423	0
Greece	108.860.545	3.788.012	3.002.216
Total	1.132.366.813	458.095.747	384.186.221

The Company has no sales made through companies or organizations established in countries, administrative units, or environments that are not subject to strict regulation.

7.3. Information on the situation where the information listed in Articles 7.1.1 and 7.2. is affected by extraordinary factors:

There are no issues other than the risk factors in the 5th section of the prospectus, titled Risk Factors.

7.4. Summary information on patent, license, industrial, commercial, financial, etc. agreements that are important for the commercial activities and profitability of the issuer and the extent to which the issuer's activities and financial position depend on these agreements or new production processes:

Company's intellectual property rights Company's trade name is Hat-San Gemi İnşaa Maintenance Repair

DenizNakliyat Sanayi ve Ticaret A.Ş. and the brands listed in the table below.

Serial No	Registration No	Brand Name	Fig.	Application Date	Protection Date	Nice Class
1.	2009 40609	PP	PP	29.07.2009	29.07.2029	35/37/39/40/
2nd	2009 40608	PKR	PKR	29.07.2009	29.07.2029	01 / 02 / 03 / 04 / 05 / 06 / 07 / 08 / 09 / 10 / 11 / 12 / 13 / 14 / 15 / 16 / 17 / 18 / 19 / 20 / 21 / 22 / 23 / 24 / 25 / 26 / 27 / 28 / 29 / 30 / 31 / 32 / 33 / 34 / 35 / 36 / 37 / 38 / 39 / 40 / 41 / 42 / 43 / 44 / 45 /



In addition, in accordance with the non-exclusive trademark license agreement signed with Hat-San İnşaat and dated 02.01.2023, the "hat-san şekil" trademark, dated 29.07.2009 and registered number 2009 40607, on all goods and services for which the trademark is registered, from 01.01.2023. has the right to use it free of charge for 10 years from the date of the contract, and contract can be renewed unless a request is made by any of the parties regarding the non-renewal of the contract before the expiry of this 10-year period of the aforementioned trademark license contract.

7.5. The foundation of the statements from the issuer regarding the competition position:

Data and information related to the sector in which the Company operates consist of publicly available information published by official institutions and organizations and professional organizations and information obtained from the Company.

-T.R. Ministry of Transport and Infrastructure

-Clarksons Research Data,

-IMEAK (Istanbul and Marmara, Aegean, Mediterranean, Black Sea Regions) Maritime Chamber of Commerce Data,

-Shipping Statistics and Market Review (SSMR) Data.

7.6. Information about all kinds of contracts enabling staff to provide funds to the issuer:

None.

7.7. Information on any interruption of work that has significantly affected or may affect the financial position in the last 12 months:

None.

8. ABOUT THE GROUP

8.1. Summary about the group of the issuer, subjects of activity of the group companies, their relationship with the issuer, and issuer's place in the group:

The issuer is included in the Pskar Grup İnşaat A.Ş. structure and there are related party companies in which Pekar Grup İnşaat A.Ş., its ultimate main partner, is a partner. Related parties and the Group diagram of the Company are as follows.

Dörtler İnşaat Taahhüt LM. Şti.
Partnership Structure
Osman PEPE S5.71%
BirofiPEPE

Pekar Grup İnşaat A.Ş.
Partnership Structure
Dertler İnşaat Taahhüt Ltd. Branch 7D,33%
Mustafa Talha PEPE A.S.L9
Mehmed Haw İsmail PEPE 9%.M
Mesud Abdurrahman PEPE 9,G3%
----- TTT -----

Hat-San İnşaat Madencilik
Turizm Gemi İnşaat ve Deniz
Nakliyat Sanayi ve Ticaret
A-Ş.
Partnership Structure
Pekar Grup İnşaat AŞ WS7.2
Mustafa Talka PEPE 3% J

Deniz Nakliyat Sanayi ve Ticaret A.Ş.
Partnership Structure
Pekar Grup İnşaat AŞ ASS.76
Mehmed Halid İrsiril PEPE S60.OS
Mustafa Tafha PEPE S60,O8
v Mesud Abdurrahman PEPE 560,08 >

Kar İnşaat Taahhüt Ltd. Şti.
Partnership Structure
Kar Elektrik Öretim Ltd. Şti.
Orfakfrk Y.Örg.
Pekar Grup İnşaat AŞ. 15
Mustafa Talha PEPE A.S.
Other 20%
Mustafa Takta PEPE 0.1%



The summary regarding the present companies is as follows.

Trade Name of the Partnership	Field of Activity
Dörtler İnşaat ve Taahhüt Ltd. Şti.	It operates in the Construction-Undertaking.
Pekar Grup İnşaat A.Ş.	It is the roof firm of the Group and the main partner of all firms within the Group.
Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş.	It operates in construction works, shipbuilding, and maritime transportation.
Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti.	It operates in the Construction-Undertaking and rent a
Kar Elektrik Üretim Ltd. Şti.	It operates in the production of electric energy and operation.

Dörtler İnşaat ve Taahhüt Ltd. Şti. (Dörtler İnşaat)

The company was corporated in Kocaeli in 1994 with the title of Dörtler İnşaat ve Taahhüt Limited Şirketi and registered with the Kocaeli registry office with the registration number 9530-16547. Dörtler İnşaat, operating in the field of construction and contracting works, moved its head office to Istanbul on 15.04.2007, and since the day it was founded, it has undertaken many residences, luxury residences and high-rise construction projects.

Distribution of the capital of 70.000 TL of Dörtler İnşaat among the partners is as follows:

Dörtler İnşaat Partnership Structure		
Trade Name Of the Partner/ Name	The Amount of Capital	Share of Capital (%)
Osman PEPE	67.000	95.71
Birgül PEPE	3.000	4.29
Total	70.000	100

Pekar Grup İnşaat A.Ş. (Pekar Grup)

The Company was corporated in 2007 in Istanbul with Kar Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş. (Kar Gemi) title and registered with 639811 registration number to Istanbul registry office.

Pekar İnşaat ve Yatırım A.Ş., registered with the Istanbul Trade Registry Directorate under registration number 652375,05 Hat-San Gemi shares (with a nominal value of TL 5.086.093 corresponding to 99,70% of the capital of Hat-SanGemi İnşaa BakımOnarım Deniz Nakliyat Sanayi ve Ticaret A.Ş. with a nominal value of TL 5.086.093), which were monitored in the 242 subsidiaries account in the balance sheet dated 10.10.2017, were transferred to Kar Gemi on 01.12.2017 with the partial division agreement signed on 17.11.2017 and became a 0,1% shareholder of Kar Gemi by receiving the shares of Kar Gemi in return.

It transferred its shares from Pekar İnşaat ve Yatırım A.Ş., Kar Gemi on 22.12.2017 to Dörtler İnşaat Taahhüt Ltd. and left the partnership. Kar Gemi changed its title on 20.02.2018 and became Pekar Grup İnşaat A.Ş. title.

After the partial division, Pekar İnşaat ve Yatırım A.Ş. with trade registry number 652375 which was registered on 22.12.2017, merged with Hat-San Gemi through merger and ceased its



operations. While the capital of Hat-San Gemi with trade registry number 671858 was TL 5.101.093 before the merger, as a result of the merger, the capital of Pekar İnşaat ve Yatırım A.Ş. with trade registry number 652375 amounted to TL 6.351.093 by adding TL 1.250.000.

70.03% of Pekar Grup İnşaat belongs to Dörtler İnşaat Taahhüt Ltd. Şti. and the distribution of the capital of the Company corresponding to 1.001.000TL is as follows:

Partnership Structure of Pekar Grup		
Trade Name Of the Company/ Name	The Amount of Capital (TL)	Share of Capital (%)
Dörtler İnşaat ve Taahhüt Ltd. Şti.	701.000	70,03
Mehmed Halid İsmail PEPE	100.000	9.99
Mustafa Talha PEPE	100.000	9.99
Mesud Abdurrahman PEPE	100.000	9.99
Total	1.001.000	100.00

Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş. (Hat-San İnşaat)

The Company corporated with Hat San Yapı Ticaret ve Sanayi Limited Şirketi title and 6.000.000 TL capital corresponding to 240 shares in Kocaeli and registered with its 13117-20752 registration number to Kocaeli Registry Office. The Company, operating in construction works, moved its registered office to Ankara in 29004, and with the registration dated 11.06.2004 of Ankara Trade Registry Office, its trade registration number changed to 191499 after the announcement of Turkish Trade Registry Gazette dated 17.06.2004 and number 603. While its trade title changed to Hat-San Yapı İnşaat Madencilik Turizm Sanayi ve Ticaret Ltd. with the registration of Ankara Trade Registry Office dated 12.10.2004, with the same resolution, the Company's capital was distributed to 20.000 shares and increased to 500.000 capital (500.000.000.000 TL with the old currency with six zeros). The title of the Company changed again with the registration of Ankara Trade Registry Office dated 11.11.2004 and its new title is Hat-San İnşaat Madencilik Turizm Gemi İnşaat ve Deniz Nakliyat Sanayi ve Ticaret Ltd. Şti. With the registration of Istanbul Trade Registry Office dated 31.08.2007, the Company changed kind and become an Incorporated Company. Its trade title is Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş. and the trade registry number is 54451. With this title change, it started to operate in shipbuilding and maritime transportation. Its registered office moved to Istanbul with the registration of Istanbul Trade Registry Office dated 28.02.2005. With the registration of Istanbul Trade Registry Office dated 23.10.2008, the Company's capital was increased from TL 500,000 (TL 500,000,000,000,000 in old currency with six zeros) to TL 5,000,000.00 divided into 5,000,000 shares of TL 1.00 each. It has been decided to allocate the increased capital of TL 4.500.000 to Pekar İnşaat ve Yatırım A.Ş. with trade registry number 652375, by restricting the pre-emptive rights of the company shareholders.

With the registration of Istanbul Trade Registry Office dated 11.02.2011, the registered office of the Company moved to Florya Cad. Florya Plaza No:88, Kaçma Bahçesi, Florya, İstanbul that it operates today. With the registration of Istanbul Trade Registry Office dated 24.12.2012, the capital of the Company was increased by

9.000.000 TL to 14.000.000. All of the increased capital of 9.000.000,00 TL was covered by the other capital reserves. After this increase, the Company has a capital of TL 14.000.000 divided into 14,000,000 shares with a nominal value of TL 1.00 each, and its largest shareholder is Bekar İnşaat ve



Yatırım A.Ş., which holds 13,440,000 shares with a nominal value of TL 13,440,000.

Shipyards activities carried out within the structure of Hat-San İnşaat was transferred by means of partial division at the end of 2013 and was obtained Hat-San Gemi shares in return. This change was published in Turkish Trade Registry Gazette dated 05.12.2013 and numbered 8458 with the registration with Istanbul Trade Registry Office dated 29.11.2013. The capital of Hat-San Gemi is 500.000TL before the division. The capital of Hat-San Gemi was increased to TL 5,101,093 with the net asset value of the production and service business acquired through partial division.

Hat-San İnşaat, was corporated in 1997, is a company engaged in various construction activities. In 2007, it started the shipyard investment. Over time, when the shipyard activities switched to building construction activities, on 29.11.2013 all the fixtures, machinery, buildings and their loans, receivables and debts in the shipyard area were partially divided with all their assets and liabilities and transferred the shipyard activities to Hat-San Gemi within the group. Hat-San Gemi, which took over the shipyard activities from Hat-San Construction Company due to the fact that Hat-San Construction had been operating in the shipyard sector for a long time under the brand name "Hat-San" and was recognized in the sector with this name, changed its own title and used the brand name "Hat-San" in this new title. As of 2013, Hat-San İnşaat ve Hat-San Gemi firms' official activity subjects are quite different. On 20.06.2017, Hat-San İnşaat transferred its Hat-San Gemi shares that it owns to Bekar İnşaat Yatırım A.Ş. and left the partnership.

Changing the 3rd article title "Purpose Subject" in the Articles of Incorporation with the registration of Istanbul Trade Registry Office dated 06.08.2020, the Company started to operate in car rental.

Distribution of the capital of 14.000.000 TL of Hat-San İnşaat among the partners is as follows.

Partnership Structure of Hat-San İnşaat		
Trade Name Of the Partner/ Name Surname	The Amount of Capital	Share of Capital (%)
Bekar Grup İnşaat A.Ş.	13.580.000	97.00
Mustafa Talha PEPE	420.000	3,00
Total	14.000.000	100.00

Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti. (Kar İnşaat)

The Company was corporated in 1997 with the title of Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti. with a capital of TL 10.000 (TL 10.000.000.000 in old currency with six zeros) divided into 400 shares with the registration of Ankara Trade Registry Office dated 13.05.1997. The company operates in construction works and undertaking works. Kar İnşaat, moed to Istanbul in 2007.

Adding car renting to its activities, the Company announced this change in Turkish Trade Registry Gazette dated 23.08.2022 and numbered 10645. Again in 2022, Hat-San Gemi, the largest shareholder of the company, transferred its 597,155 shares with a nominal value of TL 14,928,875 to Bekar Grup İnşaat A.Ş. for a price of TL 20,750,000, which was determined by bargaining and the situation was announced in the TTSG dated 29.09.2022 and numbered 10671.



Distribution of the capital of 14.000.000 TL of Kar İnşaat among the partners is as follows:

Kar İnşaat Partnership Structure		
Trade Name Of the Partner/ Name	The Amount of Capital	Share of Capital (%)
Pekar Grup İnşaat A.Ş.	14.928.875	99,89
Mustafa Talha PEPE	16.125	0.11
Total	14.945.000	100.00

Kar Elektrik Üretim Ltd. Şti. (Kar Elektrik)

With the registration of Istanbul Trade Registry Office dated 04.07.2007, a company titled Karsu İçecek İnşaat Taahüt Sanayi ve Ticaret Ltd. Şti. was corporated registered in Istanbul Chamber of Commerce with the registration number 631723. Its original capital is 100.000 TL and 50.000 TL of this belongs to Cüneyt TURKUT and 50.000 TL of this belongs to Mahmut TÜFEKÇİ. With the Board of Members was held again in the same year, the title of the Company was changed to Kar Elektrik Üretim Ltd. Şti. and its field of activity was updated as electric energy production and operation with the same resolution. In summary, the Company is engaged in the establishment, commissioning and leasing of electric power generation facilities, generation of electric power, and sale of generated electric power and/or capacity to customers.

With the registration of Istanbul Trade Registry Office dated 22.10.2008, Mahmut TÜFEKÇİ, one of the partners of the company transferred his shares of 50.000 TL to Pekar İnşaat ve Yatırım A.Ş. and left the partnership. Other partner Cüneyt TURKUT transferred 45.000 TL of his shares of 50.000 TL to Pekar İnşaat ve Yatırım A.Ş. and 5.000 TL of it to Mustafa Talha PEPE and left the partnership.

The Company operating in electric energy production and operation moved its registered office to Şcnlik Mah. Florya Cad. Florya Plaza No:88 Kat:2 which it still resides in and this resolution was announced in Turkish Trade Registry Gazette dated 17.02.2011 and numbered 7754.

Pekar İnşaat ve Yatırım A.Ş., one of the partners of the company, transferred 20.000 TL of its 95.000 TL shares to Suffe Gemi İnşaa Mühendislik Danışmanlık İnşaat Sanayi ve Ticaret. A.Ş.' and this was announced in the Turkish Trade Registry Gazette dated 04.01.2017 and numbered 559.

With the resolution of Board of Members, the capital of the company was increased from 100.000 TL to 2.250.000 and it was decided that the increased amount of 2.150.000 to be covered by the capital reserves.

With this decision, the capital of the company is TL 2.250.000 and divided into 90.000 shares with a value of TL 25. TL 1.687.500 for 67.500 shares belongs to Bekar İnşaat ve Yatırım A.Ş., TL 450.000 for 18.000 shares belongs to Suffe Gemi İnşaa Mühendislik Danışmanlık İnşaat Sanayi ve Ticaret A.Ş. and TL 112.500 for 4.500 shares belongs to Mustafa Talha PEPE. The relevant resolution was announced in the Turkish Trade Registry Gazette dated 27.11.2017 and numbered 9460.

With the registration of Istanbul Trade Registry Office dated 28.12.2017, Pekar İnşaat ve Yatırım A.Ş., one of the shareholders of the company, merged with Hat-San Gemi, registered with the Istanbul Chamber of Commerce with the registration number 671858, through dissolution without liquidation according to the merger provisions, and Hat-San Gemi became the new shareholder and this was announced in the TTRG dated 27.12.2017 and numbered 851.



In September 2022, Hat-San Gemi separated from the partnership by transferring its shares with a nominal value of TL 1.687.500 for 67.500 shares to Pekar Grup İnşaat A.Ş. for a price of TL 2.350.000, which was determined by negotiation method, and this situation was announced in the TTRG dated 28.09.2022 and numbered 1439.

Distribution of the capital of 2.250.000 TL of Kar Elektrik among the partners is as follows:

Partnership Structure of Kar Elektrik		
Trade Name Of the Partner/ Name Surname	Capital Amount (TL)	Share of Capital (%)
Pekar Grup İnşaat A.Ş.	1.687.500	75,00
Suffe Gemi İnşaa Mühendislik Danışmanlık İnşaat Sanayi ve Ticaret A.Ş.	450.000	20,00
Mustafa Talha PEPE	112.500	5,00
Total	2.250.000	100.00

8.2. List of the important affiliate companies direct or indirect of the issuer:

None.

9. TANGIBLE AND INTANGIBLE FIXED ASSETS

9.1. Tangible Fixed assets:

9.1.1. Information on the significant tangible fixed assets owned by the issuer, including those acquired through financial leasing, as of the date of the last financial statement required to be included in the prospectus and planned to be acquired by the issuer in accordance with the decision of the board of directors:

As of the financial statement periods, the details of the tangible fixed assets of Company are stated below in the table and information regarding the tangible fixed assets investments that it made are also shown below in detail.

Tangible fixed asset-Net Book Value (TL)	31.12.2022	31.12.2021	31.12.2020
Lands and Parcels	0	2.998.031	2.998.031
Land improvements	112.996.944	121.399.298	14.236.243
Buildings:	4.566.508	4.710.308	4.854.108



Machinery, Facility and Devices	450.086.793	30.906.177	27.780.862
Vehicles	2.587.775	2.742.385	2.785.513
Fixtures	5.440.070	3.518.752	3.630.214
Private Costs	0	532	777
Ongoing Investments	135.041.628	283.017.900	23.677.267
Total	710.719.718	449.293.383	79.985.015

- Tangible Fixed Assets- Chaffery (TL)	31.12.2022	31.12.2021	31.12.2020
Land improvements	0	109.780.961	0
Machinery, Facility and Devices	74.186.254	6.596.967	424.204
Vehicles	1.918.293	872.198	1.135.096
Fixtures	2.973.023	675.429	1.698.729
Ongoing Investments	256.273.937	259.340.633	16.071.187
Total	335.351.507	377.266.188	19.329.216

As of 31.12.2022, the tangible fixed assets of the Company are shown below and the tangible fixed assets of the Company consist of parcels of the factory buildings, factory building, and machines and equipment.

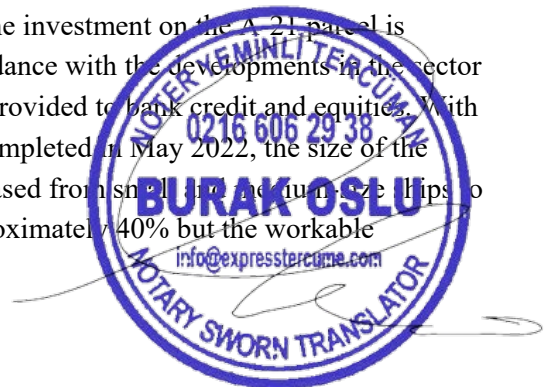
Information related to tangible fixed assets (31.12.2022)

Type	Year of Obtainment	M2	Local	Check Book Value (TL)	Usage Purpose	Lessor if it was rented /	Leasing Period	Annual Leasing Amount (TL)
Land improvements	2008-2021	-	Yalova	134.437.670	The company Has the purpose of realizing its activities.	-	-	-
Buildings	2008-2017	13.495,26	Yalova	5.977.685		-	-	-
Facility Machine	2008-2022	-	Yalova	477.234.678		-	-	-
Vehicles	2008-2021	-	Yalova	5.775.536		-	-	-
Fixtures	2008-2022	-	Yalova	9.560.973		-	-	-
Private Costs	2011-2019	-	İstanbul	112.601		-	-	-
Ongoing Invest	2021-2022	-	Yalova	135.041.628		-	-	-

Information related to tangible fixed assets planned to be obtained:

Investment on A-21 Parcel

As of 31.12.2022, the ongoing investment balance regarding the investment on the A-21 parcel is 135.041.628 TL and there can be additional spending in accordance with the developments in the sector and market in 2023. The fund of the relevant investment was provided to bank credit and equities. With the floating dock, which is a part of the said investment and completed in May 2022, the size of the ships that the Company can build, maintain & repair has increased from small to medium-size ships to large-size ships. The length of the dock was increased by approximately 40% but the workable surface area was increased by 2.5 times.



Information related to tangible fixed assets obtained by Financial or Activity Rental:

Information related to tangible fixed assets obtained by Financial or Activity Rental:					
Type	Lease Period	Lease Duration WhoWillOwnTheL	Annual Rental Amount	Usage Purpose	Lessor
Tower Crane	2021 - 2025	Hat-San Gemi	31.474,61 Euro	Production Purpose	QNB Finans Leasing
Tümosan Forklift	2022-2025	Hat-San Gemi	21.439,85 USD	Production Purpose	QNB Finans Leasing
Case 695st Dipper	2020-2024	Hat-San Gemi	13.679,21 USD	Production Purpose	Job Leasing
Hyundai Forklift	2021 - 2025	Hat-San Gemi	15.582,24 USD	Production Purpose	Job Leasing
Tower Crane	2021 - 2025	Hat-San Gemi	46.674,73 Euro	Production Purpose	Job Leasing
Atlas Copco Compressor	2022-2026	Hat-San Gemi	9.901,03 Euro	Production Purpose	Job Leasing
Atlas Copco Kompresör	2022-2026	Hat-San Gemi	111.786,85 Euro	Production Purpose	Job Leasing
Mini Loader	2022-2024	Hat-San Gemi	803.839,37 TL	Production Purpose	BNP Paribas
Telescopic Platform	2022-2025	Hat-San Gemi	1.983.610,00 TL	Production Purpose	Foundation Leasing
DoubleGirderBri dge	2022-2025	Hat-San Gemi	1.545.624,67 TL	Production Purpose	Foundation Leasing
Crane	2023 - 2024	Hat-San Gemi	43.694,49 USD	Production Purpose	QNB Finans Leasing

9.1.2. Information about all issues regarding the environment to affect the use of the tangible fixed assets of the issuer:

T.R. Environmental Permit and License Certificate valid until 04.01.2028, numbered 227357286.0.1, regarding the activities carried out by the Company at its facility located in Yalova Province, Altinova District, Hersek Neighborhood was given by Yalova Governorship Provincial Directorate of Environment, Urbanization and Climate Change.

9.1.3. Information regarding the restrictions, real rights and security amount on the tangible fixed assets:

Information regarding the restrictions, real rights, and security amount on the tangible fixed assets					
Type of the Tangible Fixed Asset	Type of the Restriction/ Real	In whose favor it was given	Reason	Issue Date	Amount (USD)
NB-18 Floating Dock	Security	Albarakatürk Katılım Bankası A.Ş.	Loan Collateral	05.03.2021 (Amendment: 04.06.2021)	32.000.000



NB-22 Floating Dock	Security	Türkiye Vakıflar Bankası T.A.O.	Loan Collateral	31.01.2023	36.800.000
Portable Machine and Equipment	Pledge of the Portable	Türkiye Vakıflar Bankası T.A.O.	Loan Collateral	22.08.2018	23.000.000

With the ship mortgage agreement certified by Üsküdar 32nd Notary Public on the floating dock named NB-18 dated 05.03.2021 and numbered 02379, Albarakatürk Katılım Bankası A.Ş. (Albarakatürk) in favor of Albarakatürk Katılım Bankası A.Ş. (Albarakatürk) with a value of USD 28.000.000 and in the 1st degree and 1st rank in order to constitute the guarantee of all kinds of debts arising and/or to arise from the loans that the Company has used and/or will use in Turkish Lira and/or foreign currency and/or foreign currency indexed loans from Albarakatürk as principal and/or surety and by any other means and other transactions deemed as loans in accordance with the relevant legislation. Subsequently, the aforementioned ship mortgage agreement was amended by the amendment agreement certified by Üsküdar 32nd Notary Public on 04.08.2021 with the journal number 08436 and the mortgage amount was increased to USD 32,000,000. The aforementioned mortgage shall be valid until Albarakatürk notifies in writing and/or until the Company and Albarakatürk conclude a mortgage termination agreement.

The ship mortgage agreement on the floating dock under construction named NB-22 certified by Kartal 12th Notary Public on 31.01.2023 with the date of 31.01.2023 and journal number 04626, and the general loan agreements dated 04.12.2018 and numbered 60122592 and dated 04.12.2018 and numbered 60122592 and dated 06.01.2020 and numbered 60212213 concluded between Vakıfbank and the Company in favor of Türkiye Vakıflar Bankası T.A.O. (Vakıfbank) and all kinds of cash and non-cash loans extended and/or to be extended to the Company by Vakıfbank. 2020 dated 04.12.2018 and numbered 60122592 and dated 06.01.2020 and numbered 60212213, a first degree ship mortgage has been established in favor of Türkiye Vakıflar Bankası T.A.O. (Vakıfbank) in order to constitute the guarantee of all kinds of debts arising and/or to arise due to all kinds of cash and non-cash loans that have been and/or will be extended to the Company by Vakıfbank, with a value of USD 36.800.000, provided that it is benefited from the free degree. The aforementioned mortgage shall be valid until notified in writing by Vakıfbank. Pursuant to the aforementioned bottomry, the Company will not sell, transfer or mortgage the floating dock named NB-22 in favor of third parties unless Vakıfbank is informed. Pursuant to a construction and sales contract concluded by the Company on 10.08.2022, the ownership of the aforementioned mortgaged floating dock belongs to the Company until the delivery of the floating dock to the relevant contracting party customer, and the ownership will pass from the Company to the relevant customer upon completion of construction and delivery in accordance with the delivery protocols in the contract. Prior to the delivery of the floating dock to the customer, this mortgage will be removed and the ownership of the floating dock will pass to the customer without any mortgage.

In addition to the aforementioned assets, the Company's movable machine, equipment, etc. have been pledged in the 1st degree and 1st rank with a pledge amount of USD 23,000,000.

12. and the right to move to the vacant degree in order to guarantee the debts arising / to arise under the loan



13. agreement dated 04.12.2018 concluded by the Company with Vakıfbank, in accordance with the movable pledge agreement approved by Kartal Notary Public on 22.02.2018 with the date and journal number 05604.



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

Information regarding current value of the tangible fixed assets					
Type of the Tangible Fixed Asset	Acquiring Date	Appraisalment Value (TL)	Appraisalment Report Date	Classification (If it has an investment)	Tangible Fixed Assets Valuation Fund Amount/Impairment Amount
Construction Investments and Machinery Equipments on Parcels A-20 and A-21 within Yalova/Altmova Shipyards Zone, Based on the Current Remaining	2013	2.995.000.000	30.12.2022, 2022/5146	It has no investment purpose.	2.427.349.755

(*) Although a valuation report was prepared by Invest Gayrimenkul Değerleme ve Danışmanlık A.Ş. for the determination of the fair value of the Company's land improvements, buildings and facilities, machinery, and devices, the value increase in question was not reflected in the financial statements since the Company accounted for tangible fixed assets with cost management.

9.2. Information Regarding the Intangible Fixed Assets:

9.2.1. Information on the composition of intangible assets owned by the issuer as of the financial statement periods required to be included in the issuer information document:

The Company's intangible assets as of the financial statement periods are shown below.

Intangible Fixed Assets (TL)	31.12.2022	31.12.2021	31.12.2020
Rights	234.556	391.119	547.682
Other Intangible Fixed Assets	26.173	62.856	137.161
Total	260.729	453.975	684.843

As of the financial statement periods, the details of the tangible fixed assets of the Company are shown below and it consists of office software logo software, and ERP software.

Intangible Fixed Assets-Cost (TRY)	31.12.2022	31.12.2021	31.12.2020
Rights	838.123	1.077.468	1.077.468
Other Intangible Fixed Assets	252.949	314.972	325.191
Total	1.091.072	1.392.440	1.402.659

Intangible Fixed Assets-Accumulated Depreciation (-)	31.12.2022	31.12.2021	31.12.2020
Rights	603.567	686.349	529.786
Other Intangible Fixed Assets	226.776	252.116	168.030
Total	830.343	938.465	697.816



Intangible Fixed Assets-Net Book Value (TL)	31.12.2022	31.12.2021	31.12.2020
Rights	234.556	391.119	547.682
Other Intangible Fixed Assets	26.173	62.856	137.161
Total	260.729	453.975	684.843

9.2.2. Information regarding the role of the intangible fixed assets in the issuer activities and the degree of dependency of the activities on the intangible fixed assets:

None.

9.2.3. If there are intangible fixed assets created intrabusiness, information regarding the details of the development expenses made for these assets as of the financial statement period needs to be in the document of the issuer:

None.

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

None.

9.2.5. Information on contracts or other restrictive covenants restricting the use or sale of intangible assets:

None.

9.2.6. If goodwill is included in intangible assets, information about the transactions leading to the acquisition of goodwill as of the financial statement periods that should be included in the issuer information document:

None.

10. REVIEWS ON ACTIVITIES AND FINANCIAL POSITION

10.1. Financial status:

10.1.1. The financial position of the issuer as of the financial statement periods required to be included in the prospectus, changes in the financial position from year to year and the reasons for these changes:

Selected statement of financial position data from the Company's consolidated financial statements for 2020 and 2021 and solo financial statements for 2022 are presented in the table below.

Statement of Financial Position (TL)	Specially Audited		
	Solo (*)	Consolidated	Consolidated
Financial Statement Type			
Period	31.12.2022	31.12.2021	31.12.2020
Current Assets	494.664.201	295.761.214	170.694.628
Cash and Cash Equivalents	298.487.731	15.399.072	5.663.936
Trade Receivables	53.929.426	16.887.399	12.423.237
<i>Trade receivables from related parties</i>	35.653	0	0
<i>Trade receivables from non-related parties</i>	53.893.773	16.887.399	12.423.237



Other Receivables	1.092.827	10.362.230	13.811.820
<i>Other receivables from related parties</i>	<i>1.021.898</i>	<i>1.730.851</i>	<i>9.268.376</i>
<i>Other Receivables From Non-related Parties</i>	<i>70.929</i>	<i>8.631.379</i>	<i>4.543.444</i>
Contract assets	0	183.346.006	29.986.624
Inventories	62.203.179	26.831.132	40.232.720
Prepaid Expenses	40.530.433	14.530.815	46.906.004
Assets related to Current Period Tax	902.708	277.012	42.640
Other Current Assets	37.517.897	28.136.548	21.626.947
Fixed Assets	737.165.433	559.051.595	151.269.538
Financial Investments	17.358.060	20.376.060	20.376.060
Trade Receivables	8.797.339	0	0
<i>Trade receivables from related parties</i>	<i>3.058.252</i>	<i>0</i>	<i>0</i>
<i>Trade receivables from non-related parties</i>	<i>5.739.087</i>	<i>0</i>	<i>0</i>
Other Receivables	29.587	23.670	23.670
<i>Other Receivables From Non-related Parties</i>	<i>29.587</i>	<i>23.670</i>	<i>23.670</i>
Real Estate For Investment Purposes	0	88.892.500	48.952.500
Tangible Fixed Assets	710.719.718	449.293.383	79.985.015
Intangible Fixed Assets	260.729	453.975	684.843
<i>Other Intangible Fixed Assets</i>	<i>260.729</i>	<i>453.975</i>	<i>684.843</i>
Prepaid Expenses	0	12.007	34.497
Deferred Tax Asset	0	0	1.212.953
Total Assets	1.231.829.634	854.812.809	321.964.166
Shortdated Liabilities	414.728.821	370.348.214	163.707.621
Short Term Borrowings	7.853.029	1.668.915	1.031.033
Short Term Parts of Long Term Borrowings	117.267.929	266.550.709	102.660.929
Other Financial Liabilities	141.245	126.754	161.683
Trade Payables	101.242.051	83.394.855	42.478.592
<i>Trade Payables to Non-related Parties</i>	<i>101.242.051</i>	<i>83.394.855</i>	<i>42.478.592</i>
Debts Under the Scope of Employee Benefits	4.601.407	2.645.550	2.112.038
Other Payables	1.242.801	1.891.840	734.875
<i>Other Payables to Related Parties</i>	<i>1.242.801</i>	<i>1.534.887</i>	<i>192.604</i>
<i>other Payables to Non-Related Parties</i>	<i>0</i>	<i>356.953</i>	<i>542.271</i>
Deferred Incomes	169.893.392	1.715.900	30.620
Short-term Provisions	5.710.139	5.547.233	4.300.687
<i>Other Short-Term Provisions</i>	<i>5.710.139</i>	<i>5.547.233</i>	<i>4.300.687</i>
Other Shortdated Liabilities	6.776.828	6.806.458	10.197.164
Long-Term Liabilities	486.693.042	416.931.789	99.808.485
Long Term Borrowings	481.778.543	403.565.559	93.346.041
Other Payables	0	1.701.217	2.610.063
<i>Other Payables to Related Parties</i>	<i>0</i>	<i>1.066.467</i>	<i>1.978.543</i>
<i>Other Payables to Non-Related Parties</i>	<i>0</i>	<i>347.500</i>	<i>341.500</i>
Long-term Provisions	2.566.248	1.146.002	769.114



<i>Long-term provisions for employee benefits</i>	2.566.248	1.146.002	769.114
Deferred Tax Liabilities	2.348.251	10.519.011	3.683.267
Equity	330.407.771	67.532.806	58.448.060
Equity Capital of the Parent	330.407.771	58.818.742	53.604.777
Paid-in Capital	188.037.093	18.037.093	6.351.093
Difference from capital adjustment	22.876	22.876	22.876
Advance dividend paid in the period (**)	-227.893.627	0	0
Restricted Reserves Separated From Profit	9.418.036	849.849	53.236
Retained Losses	39.908.924	32.949.359	40.185.318
Net profit for the period (Loss)	320.914.469	6.959.565	6.992.254
Minority Shareholder	0	8.714.064	4.843.283
Total Resources	1.231.829.634	854.812.809	321.964.166

(*) Financial statements of the 31.12.2022 period of Hat-San Gemi, based on the disposal of the affiliate companies with Hat-San İnşaat, Kar Elektrik ve Kar İnşaat trade name on 23.09.2022; were prepared perpetual from the beginning of 2022 to 23.9.2022 and solo from 24.09.2022 to the end of 2022.

(**) The Company has decided to distribute capital advance amounting to 227.893.627 TL million in total in 2022, of which 170.000.000 TL consists of the capital increase amount within the scope of increasing the Company's capital from 18.037.093 TL to 188.037.093 TL, 49.325.440 TL consists of cash paid to shareholders and the remaining 8.568.187 TL consists of legal reserves.

General View

2020 and 2021 audited balance sheet data for the years 2020 and 2021 are balance sheets data which Hat-San Gemi is the parent company and Hat-San İnşaat, Kar Elektrik and Kar İnşaat Tn are consolidated under Hat-San Gemi; however, since Hat-San Gemi disposed of these subsidiaries on 23.09.2022, the balance sheet for the period 31.12.2022 consists of Hat-San Gemi's solo data. Hat-San Gemi data constitute most of the perpetual balance sheets and income statement items from 2020 and 2021, and its role in the other consolidated companies' financial items is very low. Since the consolidated sub-companies' volume is quite low compared to Hat-San Gemi, it can be thought that the changes in the financial data from 2020 and 2021 are mostly result of the changes in the financial structure of Hat-SanGemi. However, since the affiliated companies were disposed of in 2022, it should be taken into consideration that some of the differences between the year-end data for 2021 and 2022 may also be due to the fact that the subsidiaries were deconsolidated as of the end of 2022.

The main field of activity of the company is as follows: shipbuilding and ship maintenance and repair works. It constitutes most of the fixed assets similar to industrial corporations. For the end of 2020, 2021, and 2022, the ratio of the fixed assets to total assets respectively is 47,0%, 65,4%, and 59,8%. Fixed assets mainly consist of land improvements, construction in progress and facility, machinery and equipment, while current assets mainly consist of contract assets, trade receivables, inventories and prepaid expenses. The Company's total assets increased by 165.5% from TL 322.0 million at the end of 2020 to TL 854.8 million at the end of 2021, due to the increase in contract assets and tangible fixed assets. Contract assets increased due to the completion



of the relevant parts of the projects in accordance with IFRS and the recognition of revenue, but no invoices were issued, while property, plant and equipment increased due to the investments in the A-21 parcel, the right of use of which was acquired in 2020. The Company's total assets increased from TL 854.8 million at the end of 2021 to 1.2 billion TL at the end of 2022 due to the increase in cash and cash equivalents and tangible fixed assets. The main reason for the increase in cash and cash equivalents is the increased profit amount and decreasing capitalization needs. The reason for the tangible fixed assets is the production field carried out in the A-21 parcel and the investment of 255 meters long NB-18 Panamax Floating Dock. With the present investment, the ship size the Company can maintain and repair was increased from little and medium size to big size ships. The length of the dock was increased by approximately 40% but the workable surface area was increased by 2.5 times.

The liabilities of the Company, which were 263.5 million TL at the end of 2022, increased to 787.3 million TL at the end of 2021, an increase of 198.8% compared to the end of 2020, and increased to 901.4 million TL at the end of 2022 compared to the end of 2021. The main factor of the increase is the growing financial and trade payables. As of the end of 2020, 2021, and 2022, 74.8%, 85.3%, and 67.3% respectively constitute the Company's liabilities. The financial debts of the Company, which were 197.2 million TL in total at the end of 2022, increased to 671.9 million TL at the end of 2021. The most important reason for the increase is the floating dock investment and the need for capitalization. The floating dock investment, which caused a significant need for funds, has a long-term investment feature and the required fund amount for this investment has been covered by long-term loans. In other words, the reason for the long-term loans of the Company is the increase in shipyard infrastructure investments and the need for capitalization stem from shipbuilding projects, shipbuilding projects are mostly projects with a duration of more than one year, and tangible fixed assets investments are long-term investments by nature. Financial debts decreased by 9.7% at the end of 2022 compared to the end of 2021 and decreased to 607.0 million TL. The Company's capitalization needs decreased as a result of the number of advances received, which was 1.7 million TL at the end of 2021, increased to 169.9 million TL at the end of 2022, and the contract assets, which should be considered as a kind of income accrual decreased from 183.3 million TL to zero. Cash and cash equivalents of the Company increased to 298.5 million due to the increasing profit and the partial decrease in investment expenditures compared to 2021, but there was a limited decrease in financial indebtedness. The main reason for the limited decrease is because of the cash and cash equivalents corresponding to 298.5 million TL have not yet been used in the settlement of financial debts due to the fact that their maturities have not yet come. Most of the trade payables are because of the debts arising within the scope of the consumables obtained from suppliers for shipbuilding and maintenance & repair works. Trade payables, which were 42.5 million TL at the end of 2020, increased to 83.4 million at the end of 2021 with an increase of 96.3% compared to the end of 2020, and at the end of 2022, it was 101.2 million with an increase of 21.4% compared to the end of 2021. The main factors in the increase are the base effect created by the pandemic and the increases in exchange rates and prices.

Cash and Cash Equivalents

A significant part of cash and cash equivalents is held in time deposits with maturities of less than 3 months and there is no blockage on them. Since almost all of Hat-San Gemi's sales are in foreign currency, the amounts in time deposits continue to be held in foreign currency. Cash and cash



equivalents of TL 5.7 million at the end of 2020 increased by 171.7% to TL 15.4 million at the end of 2021 compared to the end of 2020 and increased by 1,840% to TL 298.5 million at the end of 2022 compared to the end of 2021. The ratio of these amounts to total assets is 1.8%, 1.8% and 24.2% as of the end of 2020, 2021 and 2022, respectively. As can be seen, the ratio of cash and cash equivalents to total assets increased as of the end of 2022. The main reason for this situation is the considerably reduced capitalization requirement, increased profitability and partially reduced capital expenditures, especially as a result of the increase in the amount of advances received from TL 1.7 million in 2021 to TL 169.9 million in 2022 and the decrease in contract assets, which should be considered as a kind of revenue accrual, from TL 183.3 million to zero.

Cash and Cash Equivalents (TL)	31.12.2022	31.12.2021	31.12.2020
Safe	1.164.146	997.292	368.424
Bank	297.323.585	14.392.780	5.295.512
<i>Demand Deposits</i>	<i>23.039.103</i>	<i>14.388.887</i>	<i>5.295.512</i>
<i>Term Deposits With A Maturity Of Less Than</i>	<i>274.284.482</i>	<i>3.893</i>	<i>0</i>
Total	298.487.731	15.390.072	5.663.936

The details of the shortdated deposits with a maturity of less than 3 months as of 31.12.2022 are as follows:

Currency	Interest rate (%)	Maturity	Amount (TL)
TL	12	92	19.244.062
US Dollars	3-4	32-61	255.040.420
Total			274.284.482

The details of the shortdated deposits with a maturity of less than 3 months as of 31.12.2022 are as follows:

Currency	Interest rate (%)	Maturity	Amount (TL)
US Dollars	1-2	1 Month	3.893
Total			3.893

Trade Receivables

Trade Receivables of the Company arise generally from the maintenance repair works. The Company requires letters of guarantee or warranty from its customers for shipbuilding activities. Therefore the receivables of shipbuildings secured by letters of guarantee and/or letters of warranty are collected from the customer in a short period of time after the completion of the shipbuilding through the withdrawal of letters of guarantee or letters of warranty from the banks. However, since ship maintenance & repair activities are completed in a much shorter period of time compared to shipbuilding activities, invoices are issued within 2 months and trade receivables are generated. Therefore, trade receivables mainly arise from ship maintenance & repair activities, but there is also consolidation effect in 2020 and 2021. Shortdated trade receivables of TL 12.4 million at the end of 2020 increased to TL 16.9 million at the end of 2021 and to TL 53.9 million in 2022. In 2022, trade receivables also increased due to increased sales.

Shortdated trade receivables (TL)	31.12.2022	31.12.2021	31.12.2020
Trade receivables from non-related parties	53.893.773	16.887.399	12.423.937
Doubtful Trade Receivables	1.360.375	750.000	750.000
Provision for Doubtful Trade Receivables (-)	-1.360.375	-750.000	-750.000



Trade receivables from related parties	35.653	0	0
Total	53.929.426	16.887.399	12.423.937

As of the end of 2020 and 2021, doubtful trade receivables corresponding to TL 750.000 increased to TL 1.360.375 as of the end of 2022. In 2020 and 2021, the amount of doubtful trade receivables does not belong to Hat-SanGemi, but is a receivable belonging to Kar Cihan Madencilik due to the merger of Hat-SanGemi and Kar Cihan Madencilik in previous periods. In other words, there were no doubtful trade receivables for Hat-San Gemi in 2020 and 2021. The main reason for the doubtful trade receivables amount in 2022 is that the current accounts in the buyers account, which have not seen any movement for more than 1 year, have been included in the doubtful trade receivables account in accordance with the concept of prudence. As can be seen, the amount of doubtful trade receivables is quite low compared to the size of the Company's assets and sales. One of the most important reasons for this situation is the receipt of a letter of guarantee and/or letter of warranty from the customer for the portion of the project cost remaining from the advance payment. In cases where a letter of warranty is received, collection is made from the banks as soon as the ship construction is completed, while in projects where a letter of guarantee is received, in case of delay in payment, the ship is tied up at the port wherever it is in the world. Therefore, no problems are generally encountered in the collection of receivables.

The Company's long term trade receivables from related parties corresponding to TL 3.0 million at the end of 2022 arose from the steel construction depot building constructed on the land owned by Kar Elektrik, a related party of the Company. Since the Company has undertaken the construction costs of the steel construction depot building, the Company does not pay rent to Kar Elektrik and the rent is offset against the cost of the hangar building.

Long Term Trade Receivables (TL)	31.12.2022	31.12.2021	31.12.2020
Trade accounts receivables from non-related	5.739.087 (*)	0	0
Trade receivables from related parties	3.058.252	0	0
Total	8.797.339	0	0

(*) It is the receivable balance arising from the NB18 Panamax floating dock shares sold in 2022 and collection continues in 2023.

Other Receivables

The Company's other receivables amounting to TL 13.8 million in 2020 were closed by expensing receivables from related parties amounting to TL 7.2 million as a result of the tax base increase in 2021, and receivables from related parties decreased from TL 9.3 million to TL 1.7 million. In contrast, other receivables decreased by 25.0% to TL 10.4 million at the end of 2021 compared to the end of 2020 due to the increase in other receivables from third parties. In 2022, part of the receivables from shareholders were collected and other receivables from related parties decreased to TL 1.0 million, other receivables from third parties decreased to TL 0.07 million and other receivables from third parties decreased to TL 1.1 million with a decrease of 89.5% compared to the end of 2021.

Contract assets

Shipbuilding projects usually have a maturity of more than 1 year and a certain amount of advance payment is initially received for the projects. The remaining amount is invoiced upon completion of construction. For this reason, the Company calculates progress billings until the completion of



considering expenses born and the profitability of the projects on a basis of Turkish Financial Reporting Standards within the period until invoicing and records them as revenues to the income statement and then follows the uninvoiced revenues in the contract assets. Contract assets, which were TL 30.0 million at the end of 2020, increased by 511.4% to TL 183.3 million at the end of 2021 due to the decrease in the amount of advances received. At the end of 2022, the increase in the amount of advance received decreased to zero as invoices were issued and collections were realized.

Contract assets (TL)	31.12.2022	31.12.2021	31.12.2020
Contract Assets from Ongoing Construction and	0	183.346.006	29.986.624
Total	0	183.346.006	29.986.624

While the increase in contract assets was expected to increase in parallel with the increase in revenue the increase in revenue remained below the increase in contract assets. One of the most important reasons for this situation is that the average rate of advances received for projects in 2020 was 40% and this rate decreased to 20% in 2021. The decrease in the rate of advances received caused contract assets to increase proportionally more than revenue. However, amounts in contract assets can be classified in trade receivables according to the date of invoicing. Another reason is that shipbuilding and maintenance & repair projects are not homogeneously distributed throughout the year and there may be transitivity between contract assets and trade receivables according to the date of invoicing. For this reason, these items may be volatile compared to revenue.

Inventories

Inventories mainly consist of consumables used for shipbuilding and maintenance & repair activities. In general, following the acquisition of a project, the necessary equipment is ordered immediately and stocked as soon as it arrives. At the end of 2020, the inventory level is at TL 40.2 million as a result of the decision to go with stocks against the risk of not being able to procure consumables due to supply chain problems caused by the pandemic. At the end of 2021, the inventory level decreased by 33.3% to TL 26.8 million compared to the end of 2020, despite the total increase in revenues and costs due to both the reduction in supply chain problems caused by the pandemic and the seasonality effect in projects. In 2022, inventories increased by 131.8% compared to the end of 2021 to TL 62.2 million due to both the impact of increasing exchange rates and the rise in orders received. Since the Company purchases inventories on order and project basis, inventories may be volatile and therefore, inventory days may not accurately reflect the calculations that do not take into account the initial periods of the projects.

Inventories (TL)	31.12.2022	31.12.2021	31.12.2020
Raw Materials and Supplies	58.741.700	22.049.025	35.983.581
Semi Finished Goods	3.461.479	17.000	17.000
Finished Goods	0	1.265.138	96.000
Trade Goods	0	3.495.641	4.128.161
Other Stocks	0	4.328	1.978
Total	62.203.179	26.831.432	40.252.720



Prepaid Expenses

Prepaid expenses mainly consist of order advances given. Prepaid expenses are advances paid for the purchase of materials required for the projects undertaken. The Company's business model is based on the preparation of a feasibility report for a shipbuilding or maintenance & repair project and the determination of the price to be quoted after the necessary materials are identified. In order to ensure that the prices of the necessary materials do not change after winning the tender and to fix the profitability amounts predicted in the feasibility report of the project, the down payment is taken as soon as the contract is signed, the necessary materials are sent in advance so that the prices do not change, and the down payment sent is followed in prepaid expenses. If the project reaches the end of the period, the prepaid expense increases; if the project reaches the middle of the period, it decreases since the prepaid expenses at the end of the period have been charged to cost. In other words, the main reason for the decrease and/or increase in prepaid expenses is the size of the projects in hand and the time between the period in which the projects are received and the reporting period. Despite some decline in projects in hand due to the pandemic, prepaid expenses amounted to TL 46.9 million at the end of 2020, mainly comprised of materials purchased for the NB-18 Panamax Floating Dock system, for which investments started in 2020. Down payments for the materials required due to the said deposit have been sent to suppliers. At the end of 2021, prepaid expenses decreased to TL 14.5 million due to the purchase of materials for capital expenditure. In 2022, the amount of prepaid expenses increased to TL 40.5 million at the end of 2022 in parallel with the increase in inventories as a result of the increase in orders received and the increase in foreign exchange rates.

Short Term Prepaid Expenses (TL)	31.12.2022	31.12.2021	31.12.2020
Expenses for Upcoming Months	4.272.431	859.899	690.150
Advances Given for Purchase Orders	36.258.002	13.667.837	46.215.854
Work Advances	0	3.079	0
Total	40.530.433	14.530.815	46.906.004

Other Current Assets

Other Current Assets consist of Deferred Vat. The main reason constituting the Deferred Vat amount is the issuing of goods and services without VAT. The company bills for the services it carries out (ship maintenance and repair) and the goods sale (ship construction) without VAT. However, consumables required for maintenance and repair, and construction are purchased without VAT. Therefore, deferred VAT receivable of the Company accumulates. The accumulated Vat amount is deducted from corporate tax and SSI premiums paid for employees, and the remaining amount is requested from the Revenue Administration. Up to 18% of the maximum turnover can be returned within 1 year. The deferred VAT amount, which was 21.6 million TL at the end of 2020, increased to 28.1 million TL at the end of 2021 and 37.5 million TL at the end of 2022. The deferred VAT amount should be regarded as an output of the investment expenditures made and the cost of goods sold. Therefore, the increase in the amount of the deferred VAT over the years is a natural result of the increase in revenues, and thus, the increase in costs and investment expenditures. However, although the deferred VAT amounts are increasing nominally, the ratio of the deferred VAT amount to the cost of sales is carried out with a low volatility of 6.4% ,4%, and 6.2% respectively. In other words, there is no unexpected increase in the amount of the deferred VAT, unlike sales.



Other Current Assets (TL)	31.12.2022	31.12.2021	31.12.2020
Deferred Value Added Tax	37.517.897	28.136.548	21.626.947
Total	37.517.897	28.136.548	21.626.947

Long-Term Financial Investments

Companies followed in financial investments are Yalova Altmova Tersane Giriřimcileri A.ř. (Yalova Altmova), Erfa Mühendislik Turizm İnřaat Taahhüt Sanayi Ticaret A.ř. (Erfa Mühendislik), YalovaPilotaj A.ř. (Yalova Pilota)) ve Delta Proje İnřaat Turizm Sanayi ve Ticaret A.ř. ve OrtaklanBahçeşehir Adi Ortaklığı (Delta Project). As of the end of 2021, the total recorded value of financial investments in the balance sheet is 20.4 million TL of which 17.1 million TL consists of Yalova Altmova and 3 million TL of Erfa Mühendislik. The book value of Yalova Altmova in 2019 is 400.000 TL due to the partnership of Yalova Altmova for 400.000 TL for the right to use the A-20 parcel (55.000 m2). Purchasing the share of the shipyard parcel numbered A-21 by paying 16.6 million TL in 2020, the shipyard in the parcel was incorporated and the book value increased to 17.1 million TL. As of the end of 2022, the book value of financial investments decreased to 17.4 million TL. The reason for the decrease in question was the disposal of the Company's affiliate companies in 2022, and the financial investments of the affiliate companies, which were followed over their cost values, were excluded from the consolidation.

Long-Term Financial Investments(TL)	31.12.2022	31.12.2021	31.12.2020
Yalova Altmova	17.070.060	17.070.060	17.070.060
Erfa Mühendislik	0	3.000.000	3.000.000
Yalova Pilotaj	288.000	288.000	288.000
Delta Project	0	18.000	18.000
Total	17.358.060	20.376.060	20.376.060

Real Estate For Investment Purposes

Real Estate For Investment Purposes (TL)	31.12.2022	31.12.2021	31.12.2020
Buildings	0	81.542.500	44.482.500
Lands and Parcels	0	7.350.000	4.470.000
Total	0	88.892.500	48.952.500

Real Estate For Investment Purposes (TL)	2022	2021	2020
Beginning of Period-January, 1	88.892.500	48.952.500	39.581.666
Purchasing Real Estate for Investment Purpose	0	223.501	566.532
Increase in Value	23.356.667	39.716.499	8.804.302
Disposal of the affiliate company	-112.249.167	0	0
End of period - 31 December	0	88.892.500	48.952.500

A significant part of the investment for investment purposes in the real estate consists of additions to land and buildings. The real estates in question consist of affiliate companies and rented land and offices. The value of the real estate for investment purposes, which had a book value of 49.0 million TL in 2020, increased to 88.9 million TL in 2021. The main reason for the increase in question is the increase in the value of the real estates for investment purposes as a result of revaluation, and



a small part is the investment made in 2020 and 2021, with an amount of 0.6 million TL and 0.2 million TL, respectively. The investments in question consist of the steel construction, the depot building built on the land owned by Kar Elektrik, the land improvements made on the land, and the expenses made for the offices owned and leased by the affiliate companies. As a result of the disposal of affiliate companies in 2022, the book value of the real estate for investment purposes decreased to zero.

Tangible Fixed Assets

As of the financial statement periods, the details of the tangible fixed assets of Company are stated below in the table and information regarding the tangible fixed assets investments that it made are also shown below.

Tangible fixed asset-Net Book Value (TL)	31.12.2022	31.12.2021	31.12.2020
Lands and Parcels	0	2.998.031	2.998.031
Land improvements	112.996.944	121.399.298	14.236.243
Buildings	4.566.508	4.710.308	4.854.108
Machinery, Facility and Devices	450.086.793	30.906.177	27.780.862
Vehicles	2.587.775	2.742.385	2.785.513
Fixtures	5.440.070	3.518.752	3.630.214
Private Costs	0	532	777
Ongoing Investments	135.041.628	283.017.900	23.677.267
Total	710.719.718	449.293.383	79.985.015

- Tangible Fixed Assets - Purchased Ones	31.12.2022	31.12.2021	31.12.2020
Land improvements	0	109.780.961	0
Machinery, Plant and Devices	74.186.254	6.596.967	424.204
Vehicles	1.918.293	872.198	1.135.096
Fixtures	2.973.023	675.429	1.698.729
Ongoing Investments	256.273.937	259.340.633	16.071.187
Total	335.351.507	377.266.188	19.329.216

The tangible fixed assets correspond to 80.0 million TL of the Company at the end of 2020 increased as a result of the investment in 2021. The Company realized tangible fixed assets of 377.3 million TL in 2021. 109.8 million of this amount arise from buried and above-ground investments, and 259.3 million of the amount arise from ongoing investments. Buried and above-ground investments state the works such as the earth filling the shipyard land flatly, rehabilitation of landing stage and ground, and unfinished investments are followed on the ongoing investments. Most of the investments stated are the construction of NB-18 Panamax Floating Doc in the stated area and the arrangement investments made on the A-21 parcel as a result of the acquisition of the right to use the A-21 parcel in 2020 and the acquisition of the operating rights of the shipyard at the stated location. The investment has been completed in May 2022 and the second half of the floating dock has been engaged. In 2021, equipment such as CNC and welding machine, landing stage, telescopic platform, and ship launching balloon were purchased and approximately 6.5 million TL investment was made in facilities, machinery, and equipment. At the end of 2022, tangible fixed assets increased by 58.2% compared to the end of 2021 and reached 710.7 million TL, as a result of the investments made. The Company realized tangible fixed assets of 335.4 million TL in 2022.



Most of the amount in question is because of the investments made for the construction of the NB-18 Panamax Floating Dock were completed in 2022, and the cost of the investments made between the years 2020-2022 was capitalized by transferring the facility to machinery and equipment.

Although a valuation report was prepared by Invest Gayrimenkul Değerleme ve Danışmanlık A.Ş. for the determination of the fair value of the Company's land improvements, buildings and facilities, machinery, and devices, the value increase in question was not reflected in the financial statements since the Company accounted for tangible fixed assets with cost management.

Intangible Fixed Assets

As of the financial statement periods, the details of the tangible fixed assets of the Company are shown below and it consists of office software logo software, and ERP software.

Intangible Fixed Assets (TL)	31.12.2022	31.12.2021	31.12.2020
Rights	234.556	391.119	547.682
Other Intangible Fixed Assets	26.173	62.856	137.161
Total	260.729	453.975	684.843

With the ERP software investment made in 2020, intangible fixed assets increased to 0.7 million TL and decreased to 0.5 million TL in 2021 and 0.3 million TL in 2022 with the effect of depreciation.

Shortdated and Long-term financial Debts

Financial Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Shortdated Borrowings	7.853.029	1.668.915	1.031.033
Short Term Parts of Long Term Borrowings	117.267.929	266.550.709	102.660.929
Other Financial Liabilities	141.245	126.754	161.683
Long Term Borrowings	481.778.543	403.565.559	93.346.041
Total	607.040.746	671.911.937	197.199.686

As of the end of 2020, 2021, and 2022, 74.8%, 85.3%, and 67.3% respectively constitute the Company's liabilities.

The Company uses loans for two main reasons; one of them is for financing the tangible fixed asset investment made for reasons such as shipyard investment, and the other one is for covering the capitalization requirement for shipbuilding projects. Tangible fixed asset investments are long-term in nature, and the loans used are long-term for this reason. Since shipbuilding projects are projects with a maturity of more than 1 year and a significant part of the collection will be completed only when the shipbuilding is completed, the maturity of the loans used for the financing of the shipbuilding is generally longer than 1 year. Therefore, a significant part of the loans in the balance sheet consists of long-term loans and short-term parts of long-term borrowings.



The financial debts of the Company, which were 197.2million TL at the end of 2020, increased to 671.9 million TL at the end of 2021. The most important reason for the increase is the floating dock investment, the arrangement investment made on the A-21 parcel, and the need for capitalization. The floating dock investment, which caused a significant need for funding, was covered with long-term loans, which amounted to the necessary funding since it is a long-term investment, and shipbuilding projects are generally longer than 1 year. Financial debts decreased by 9.7% at the end of 2022 compared to the end of 2021 and decreased to 607.0 million TL. The Company's capitalization needs decreased as a result of the number of advances received, which was 1.7 million TL at the end of 2021, increased to 169.9 million TL at the end of 2022, and the contract assets, which should be considered as a kind of income accrual decreased from 183.3 million TL to zero. Cash and cash equivalents of the company increased to 298.5 million due to the increasing profit and the partial decrease in investment expenditures compared to 2021, but there was a limited decrease in financial indebtedness. The main reason for the limited decrease is because of the cash and cash equivalents corresponding to 298.5million TL have not yet been used in the settlement of financial debts due to the fact that their maturities have not yet come.

Trade Payables

Most of the trade payables are because of the debts arised within the scope of the consumables obtained from suppliers for shipbuilding and maintenance & repair works. Trade payables, which were 42.5 million TL at the end of 2020, increased to 83.4 million TL at the end of 2021 with an increase of 96.3% compared to the end of 2020, and at the end of 2022, it was 101.2 million with an increase of 21.4 % compared to the end of 2021. The main factors in the increase are the base effect created by the pandemic and the increases in exchange rates and prices.

Shortdated Trade Payables (TL)	31.12.2022	31.12.2021	31.12.2020
Trade Payables to Non-related Parties	84.226.714	72.177.595	32.020.198
Checks Given to Unrelated Parties	17.015.337	10.019.376	10.167.110
Expense Accruals Related to Business	0	1.197.884	291.284
Total	101.242.051	83.394.855	42.478.592

Other Shortdated and Long-term Debts

The amount of shortdated other debts to non-related parties is at a very low level and has remained below 1 million TL for the last three years. As of the end of 2021, other shortdated debts to non-related parties corresponding to 0.4 million TL, which is not owned by Hat-San Gemi, but arises from the debts of Delta Proje Adi Ortaklık, of which Hat-San İnşaat became a partner for the construction of housing, to the partners. The related amounts were closed off in 2022 at the disposal of the affiliate companies. Other shortdated debts to related parties increased from 0.2 million TL in 2020 to 1.5 million TL in 2021 and reached 1.2 million TL in 2022. The reason for the increase in 2021 is the provision of some funds from the partners for the funding of large investments that started in 2021 and continued in a part of 2022.

Other Shortdated Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Other Debts to Related Parties	1.242.801	1.534.887	192.604
Other Debts to Non-Related Parties	0	356.953	542.271
Total	1.242.801	1.891.840	734.875



Other long-term debts to related parties are the amounts lent to the Company to fund investments. As of the end of 2022, the Company has no other long-term debts.

Other Long Term Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Other Debts to Related Parties	0	1.666.467	1.978.563
Other Debts to Non-Related Parties	0	34.750	31.500
Total	0	1.701.217	2.010.063

Deferred Incomes

Deferred revenues consist of advances received for projects and were realized as 0.03 million TL, 1.7 million TL, and 169.9 million TL at the end of 2020, 2021, and 2022, respectively. Advances received are offset against contract assets as the projects is realized and income is recorded. The amount of advances received may vary significantly depending on the size of the projects, the maturity structure, and whether the period in which it is received reaches the end of the year. Although the amount of advances received according to the year-end financial data seems to be at very small levels, the average advance rate in shipbuilding projects varies between 20-40%, while the advance amount received in ship maintenance and repair projects is above 33%.

Short Term Deferred Income (TL)	31.12.2022	31.12.2021	31.12.2020
Advances Received	169.893.392	1.715.900	30.620
Total	169.893.392	1.715.900	30.620

Debts Under the Scope of Employee Benefits

Debts consist of personnel salaries and SGK premiums within the scope of employee benefits. The item in question increased from 2.1 million TL at the end of 2020 to 2.6 million TL at the end of 2021 and to 4.6 million TL at the end of 2022. The main reason for the increase are salary increases due to inflation and the increase in the number of personnel working in labor status. As of the end of 2021, the number of personnel increased by 22.2% compared to the end of 2020, from 180 as of the end of 2020 to 220 as of the end of 2021 due to the increasing business volume. As of the end of 2022, the number of personnel increased by 11.8% compared to the end of 2021, reaching 248, due to the increase in the company's capacity with the effect of the new floating dock commissioned during the year along with the increasing business volume. The increase in the amount of debt owed to employees was limited due to the fact that the majority of personnel recruited were in the status of workers and their salaries were relatively low compared to white-collar workers.

Short and Long-term Provisions

The Company's shortdated provisions consist entirely of litigation provisions and amounted to 4.3 million TL at the end of 2020, 5.5 million TL at the end of 2021, and 5.7 million TL at the end of 2022.

Shortdated Provisions	31.12.2022	31.12.2021	31.12.2020
Court Case Provisions	5.710.139	5.547.233	4.300.687
Total	5.710.139	5.547.233	4.300.687



The Company's long-term provisions consist of provisions for employee termination indemnities, which increased by 49.0 % to 1.1. million TL at the end of 2021 compared to the end of 2020, and increased by 123.9% to 2. 6 million TL at the end of 2022 compared to the end of 2021, due to the increase in the number of personnel and the increase in salaries with inflation.

Long-term provisions for employee benefits (TL)	31.12.2022	31.12.2021	31.12.2020
Provisions for Severance Pay	2.566.248	1.146.002	769.114
Total	2.566.248	1.146.002	769.114

Other Shortdated Liabilities

The Company's other current liabilities consist entirely of the taxes and funds payable. Other current liabilities, which were 10.2 million TL at the end of 2020, decreased by 33.3% to 6.8 (6.806.458 TL) million at the end of 2021 compared to the end of 2020 and by 0.4% to 6.8 (6.776.828 TL) million TL at the end of 2022 compared to the end of 2021.

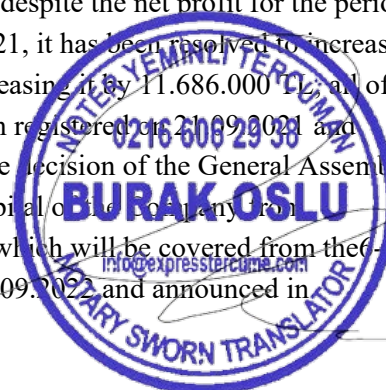
Other Shortdated Liabilities	31.12.2022	31.12.2021	31.12.2020
Taxes and Funds Payable	6.776.828	6.806.458	10.197.164
Total	6.776.828	6.806.458	10.197.164

Equity

Period	31.12.2022	31.12.2021	31.12.2020
Equity	330.407.771	67.532.806	58.448.060
Equity Capital of the Parent	330.407.771	58.818.742	53.604.777
Paid-in Capital	188.037.093	18.037.093	6.351.093
Distinction from share capital adjustment	22.876	22.876	22.876
Advance dividend paid in the period (**)	-227.893.627	0	0
Restricted Reserves Separated From Profit	9.418.036	849.849	53.236
Retained Losses	39.908.924	32.949.359	40.185.318
Net profit for the period (Loss)	320.914.469	6.959.565	6.992.254
Minority Shareholder	0	8.714.064	4.843.283
Total	1.231.829.634	854.812.809	321.964.166

(*) The Company has decided to distribute capital advance amounting to 227.893.627 TL million in total in 2022, of which 170.000.000 TL consists of the capital increase amount within the scope of increasing the Company's capital from 18.037.093 TL to 188.037.093 TL, 49.325.440 TL consists of cash paid to shareholders and the remaining 8.568.187 TL consists of legal reserves.

The equity of the parent company, which was 53.6 million TL at the end of 2020, reached 58.8 million TL at the end of 2021 due to the dividend distribution of 1.7 million TL, despite the net profit for the period of 7.0 million. With the decision of the general assembly dated 03.09.2021, it has been resolved to increase the capital of the Company from 6.351.093 TL to 18.037.093 TL by increasing it by 11.686.000 TL, all of which will be covered from retained earnings, and the said issue has been registered on 21.09.2021 and announced in the TTRG dated 21.09.2021 and numbered 10413. With the decision of the General Assembly of the Company dated 14.09.2022, it has been decided to increase the capital of the company from 18.037.093 TL to 188.037.093 TL by increasing 170.000.000 TL, all of which will be covered from the 6-month interim period profit, and the said issue has been registered on 20.09.2022 and announced in TTRG dated 20.09.2022 and numbered 10664.



The Company's capital, which was increased to 188,037,093 TL with the addition of the net profit for the interim period to the capital, was decided to be subject to capital reduction of the capital amount up to the interim profit added to the capital at the general assembly meeting held on 02.02.2023 and to increase the capital back to 188,037,093 TL to be covered from the net profit for the year 2022 simultaneously at the same meeting. The said simultaneous capital increase and decrease transactions were registered on 03.02.2023 and announced in TTRG dated 03.02.2023 and numbered 10762. In 2022, the equity of the parent increased to 330.4 million TL with the effect of 320.9 million TL profit for the period.

10.2. Activity Results

10.2.1. Information regarding the activity results of the issuer's financial statement periods, which should be included in the prospectus:

Profit or loss Part (TL)	31.12.2022	31.12.2021	31.12.2020
Revenue	1.132.366.813	458.095.747	384.186.221
Cost of Sales (-)	-597.977.908	-378.142.047	-336.996.217
Gross Profit	534.388.905	79.953.700	47.190.004
Marketing, Sales and Distribution Costs (-)	-50.604.419	-11.263.027	-11.397.394
General Administrative Expenses (-)	-18.084.410	-11.647.765	-9,447.432
Other Revenue from Main Activities	87.694.964	16.105.687	16.469.867
Other Expenses from Main Activities (-)	-89.940.130	-56.061.704	-19.152.640
Mai Activity Profit	463.454.910	17.086.891	23.662.405
Revenue From Investment Activities	32.376.674	42.281.433	11.299.508
Expenses from Investment Activities (-)	-73.509.250	0	0
Activity Profit before Financing Expense	422.322.334	59.368.324	34.961.913
Financing Income	0	0	0
Financing Expenses (-)	-97.659.606	-40.036.976	-32.591.214
Profit / Loss Before Tax (Loss)	324.662.728	19.331.348	2.370.699
Tax expense (-)	-5.944.135	-8.501.002	5.571.344
Period Tax Expense	0	-452.305	-624.752
Deferred Tax (Income) /Expense	-5.944.135	-8.048.697	6.196.096
Net Profit For the Period /(Loss)	318.718.593	10.830.346	7.942.043
Distribution of Period Profit			
Non- controlling Shares	-2.195.876	3.870.781	949.789
Parent Shares	320.914.469	6.959.565	6.992.254

Revenue

As of the financial statement periods, the use of revenue of the Company on a main categories basis is stated in the table below.

Distribution of Revenue on a basis of Product/Service Groups (TL)	31.12.2022	%	31.12.2021	%	31.12.2020	%
Maintenance Repair	245.404.383	22	85.104.273	19	116.191.235	30
Floating Dock	354.186.217	31	0	0	0	0
Ship Worsk <i>ff</i>	525.668.333	46	280.910.881	61	109.945.017	50



Ship Conversion	4.089.708	0	83.817.850	18	68.615.641	18
Other	558.387	0	500.411	0	1.672.114	0
Real estate activities (Associate)	2.459.785	0	7.762.232	2	6.762.189	2
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

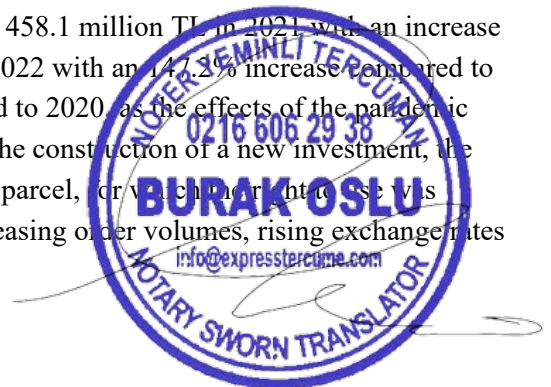
As of the financial statement periods, the use of revenue of the Company on a domestic and abroad basis is as follows.

Revenue [TL]	31.12.2022	%	31.12.2021	%	31.12.2020	%
Domestic Sales	117.609.333	10	13.751.274	3	34.093.557	9
Sales Returns (-) (Domestic)	0	0	-11.500	0	-7.800	0
Sales Discounts (-) (Domestic)	-2.684.555	0	-3.335	0	0	0
Other Sales	799.472	0	797.587	0	651.954	0
Abroad Sales	1.018.776.837	90	443.727.621	97	349.448.510	91
Sales Returns (-) (Abroad)	0	0	0	0	0	0
Sales Discounts (-) (Abroad)	-2.134.274	0	-165.900	0		0
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

In 2020, 2021 ve 2022, %91, %97 and %90 of the revenue of the Company consist of abroad sales respectively, and abroad sales have a dominant position in the Company revenue. In addition, both domestic and abroad sales are almost on a basis of foreign currency. Domestic customers of the Company are usually Istanbul Maritime Buses (IDO) and similar local firms that provide ship maintenance and repair. Other sales consist of scrap sales and SSI premium incentives. Revenues within the real estate activities are the revenues from the old affiliate companies of the Company and these firms have been removed from the Company structure in 2022.

Core businesses of the Company are new shipbuilding, ship maintenance and repair, and ship conversion. Maintenance and repair activities constitute on average 24% of the net sales as of financial statement periods, and shipbuilding activities constitute 53% of the sales. Ship maintenance and repair activities generally take 2-3 months, but shipbuilding projects take more than one year and it is invoiced after the completion of the shipbuilding. For this reason, the Company calculates progress billings until that time considering the expenses born and the profitability of the projects on a basis of Turkish Financial Reporting Standards within the period until invoicing and records them as revenues to the income statement and then follows the uninvoiced revenues in the contract assets. Ship conversion activities have constituted an average of 12% of the net sales as of the financial statement periods. Besides, the Company carries out floating dock building and sale on demand.

The revenue, which was 384.2 million TL in 2020, increased to 458.1 million TL in 2021 with an increase of 19.2% compared to 2020 and increased to 1.1 billion TL in 2022 with an 147.2% increase compared to 2021. The Company's sales showed a limited increase compared to 2020 as the effects of the pandemic continued in 2021, the Company used some of its resources in the construction of a new investment, the floating dock, and in the arrangement of the parcel on the A-21 parcel, for which a right to use was obtained in 2020. In 2022, with the pandemic almost over, increasing order volumes, rising exchange rates and the previous



Due to the sale of the floating dock, the Company's revenue increased by 147.2% compared to 2021, In the financial statement periods, the annual compound growth rate of the Company's revenue is 72%.

Cost of Sales and Gross Profit

Cost of Sales (TL)	31.12.2022	31.12.2021	31.12.2020
Cost of Goods Sold	438.936.120	137.823.488	213.173.856
Cost of Commercial Goods Sold	325.690	1.222.200	104.955.662
Cost of Service Sold	158.716.098	239.096.359	18.866.699
Total	597.977.908	378.142.047	336.996.217
Gross Profit	534.388.905	79.953.700	47.190.004
Gross Profit Margin	47,2%	17.5 %	12,3%

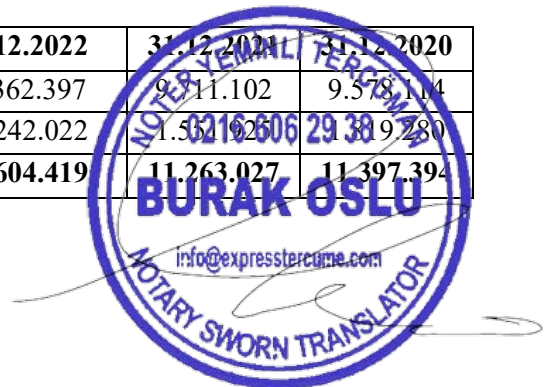
The cost of sales, which was 337.0 million TL in 2020, increased to million TL in 2021 with an increase of 12.2%

378,1 compared to 2020, and sales increased by approximately 19.2% in the same period. It has brought with it an increase compared to 2020. The most important factor in the increase in gross profit margin in 2021 is the increase in the share of revenues from the “Ship Conversion” segment, which has a higher gross margin, in total revenues. Gross profit margin decreased slightly in 2020 as a natural consequence of the increase in the share of fixed expenses in sales due to the decrease in shipbuilding demands both in quantity and volume due to the pandemic. On the other hand, the recovery in commercial activities with the decrease in the pandemic effects increased the demand for shipbuilding and maintenance & repair, and the gross profit margin increased to 17.5%, especially as a result of the partial commissioning of the landing deck investment in Yalova 21 parcel as of May 2021, as a result of the start of receiving larger ship repair and maintenance works.

In 2022, revenues increased by approximately 147.2% compared to 2021, while cost of sales increased by only 58.1% to 598.0 million TL from 378.1 million TL in 2021. The main reason for the increase in costs remained quite low compared to sales revenues is that the construction of the floating dock, which was sold in 2022, was completed in 2016-2017 and its cost was written off in the form of depreciation due to the depreciation allocated until 2022. In 2022, the rise in exchange rates also had a positive impact on sales revenues, while the cost recorded in previous years also supported gross profit. In addition, as a result of the NB18 Panamax floating dock becoming operational in 2022, the sustainable increase in the gross profit margin, especially in the maintenance & repair segment, is another important parameter in increasing the gross margin from 17.5% to 47.2%.

Marketing, Sales, and Distribution Expenses

Marketing, selling, and distribution expenses (TL)	31.12.2022	31.12.2021	31.12.2020
Commission Expenses	6.362.397	9.511.102	9.578.114
Abroad Intermediation and Commission Expenses	44.242.022	1.5219.2606	29.389.280
Total	50.604.419	11.263.027	11.397.394



Marketing expenses consist of commissions paid to intermediaries who bring in shipbuilding or maintenance & repair business. Generally, commissions paid to intermediaries are between 2-3% of the business volume received. Between 2020 and 2021, the ratio of the expense in question to the revenue was 3.0% and 2.5%, respectively. In 2022, this rate has increased and reached the level of 4.5%. The relevant rate may vary according to the nature of the work received. In 2021, marketing, selling and distribution expenses decreased slightly by 1.2% compared to 2020 to 11.3 million TL from 11.4 million TL in 2020 and increased by 349.3% to 50.6 million TL in 2022 compared to 2021.

The other expense type classified under marketing expenses is abroad intermediation and commission expenses. Abroad intermediation and commission expenses generally consist of fair participation costs and catalog expenses.

General Administrative Expenses

General Management Costs (TL)	31.12.2022	31.12.2021	31.12.2020
Tax, Duties and Charges	622.859	2.178.373	1.259.450
Consultancy Expenses	2.766.847	2.072.995	1.308.523
Depreciation and redemption expenses	673.019	1.323.497	2.297.723
Personnel Expenses	4.035.999	1.119.968	731.869
Lease Expenses	1.159.700	794.637	615.743
Office and Other Administrative Expenses	1.788.828	437.483	772.793
Chamber Fee and Notary Expenses	185.387	274.031	282.815
Maintenance and Repair Expenses	142.170	154.610	287.048
Other	6.709.601	3.292.171	1.891.468
Total	18.084.410	11.647.765	9.447.432

Most of the general administrative expenses consist of personnel expenses, tax, duty and fee expenses, consultancy expenses, rent and office expenses. Rental expenses paid to the property directorate, SCT amounts of purchased vehicles and stamp duties are included in the tax and duty expenses. Tax, duty and fee expense, which was 1.3 million TL in 2020, increased to 2.2 million TL in 2021, and decreased to 0.6 million TL in 2022. The main reason for the increase in 2021 is the right to use fee paid to the property directorate on the revenue according to the Tax Code. It is the tonnage fee paid for the NB18 Panamax floating dock, which is paid for the 21 parcels. Consulting expenses consist of legal, financial advisory and environmental waste management systems consultancy expenses. Personnel expenses increased from 0.7 million TL in 2020 to 1.1 million TL in 2021 due to inflation and the increase in the number of personnel, and reached 4.0 million TL in 2022 due to the increasing inflation and personnel increase. Other expenses include vehicle repair expenses, communication expenses, special communication tax, donations and aids, data processing expenses and advertising and advertisement expenses.



Other Revenue from Main Activities

Other Revenue from Main Activities (TL)	31.12.2022	31.12.2021	31.12.2020
Foreign Exchange Income From Commerical Activities	86.599.612	15.097.115	15.783.013
Other Incomes	1.095.352	1.008.572	686.854
Total	87.694.964	16.105.687	16.469.867

Other Expenses from Main Activities

Other Expenses from Main Activities (TL)	31.12.2022	31.12.2021	31.12.2020
Foreign Exchange Income From Commerical Activities	86.593.839	46.867.539	14.163.015
Basis Increase Expense	0	7.593.355	0
Provision for court cases	162.906	1.246.546	4.300.687
Other Charges	3.183.385	354.264	688.938
Total	89.940.130	56.061.704	19.152.640

Other income and expenses from main activities mainly consist of foreign exchange income and expenses from commercial activities. While foreign exchange income and expense from commercial activities in 2020 gave a positive balance of 1.6 million TL, in 2021 it gave a negative balance of 31.8 million TL, and in 2022 a positive balance of 5,773 TL. In 2021, with the expense of the receivables from the partners by taking advantage of the tax basis increase, the base increase expense has been created. Another important type of expense, which is included in the other expenses from main activities, is the provision expenses allocated due to the worker lawsuits between the subcontractors and the Company. While 4.3 million TL of litigation provision expense was allocated in 2020, amount in question decreased to 1.2 million TL in 2021 and to 0.2 million TL in 2022. Other income and expenses from main operations, which had a net negative balance of 2.7 million TL in 2020, gave a negative balance of 40.0 million TL in 2021 and 2.2 million TL in 2022 due to the increase in foreign exchange losses and basis increase expenses.

Revenue From Investment Activities

Revenue From Investment Activities (TL)	31.12.2022	31.12.2021	31.12.2020
Dividend Income	2.185.772	1.907.857	1.795.812
Real Estate for Investment Purpose Value Increase	23.356.667	39.716.499	8.804.302
Interest income	6.257.468	657.077	558.594
Tangible non-current asset sales profit	576.767	0	140.800
Total	32.376.674	42.281.433	11.299.508

While the increase in the value of investment properties in income from investment activities constituted the largest income item, dividend income from Yalova Pilotaj, the amount of receivables from subsidiaries and interest income from cash & cash equivalents also made up the income from investment activities.



Expenses from Investment Activities

In 2022, the Company's investment expenses corresponding to 73.5 million TL due to the loss on sales of its affiliate companies.

Expenses from investing activities (TL)	31.12.2022	31.12.2021	31.12.2020
Affiliate company sale loss	73.509.250	0	0
Total	73.509.250	0	0

Financing expenses

The Company's financial expenses consist of non-commercial exchange rate difference expenses and interest expenses. Foreign currency difference expenses from non-commercial activities are due to foreign currency loans received and have increased with the increasing foreign exchange rates. The Company's financial expenses, which amounted to 32.6 million TL in 2020, increased by 22.8% to 40.0 million TL in 2021 compared to 2020, and increased by 143.9% to 97.7 TL million in 2022 compared to 2021.

Financing expenses (TL)	31.12.2022	31.12.2021	31.12.2020
Foreign Exchange Expenses From Non-Commerical	91.539.246	37.359.690	19.547.645
Interest expense	6.120.360	2.677.286	13.043.569
Total	97.659.606	40.036.976	32.591.214

Net Profit for the Period

The Company's minority shareholders' equity for the period, which was 6,992,254 TL in 2020, decreased by 0.5% compared to 2020 and corresponding to 6,959,565 TL in 2021, due to the limited increase in revenues due to other operating expenses and financing expenses, which increased due to rising foreign exchange rates, as well as the continued impact of the pandemic and the Company's redirection of some of its resources to the construction of new floating docks. With the end of the pandemic effect in 2022 and the acquisition of the right to use the A-21 parcel, the increased capacity, the profit margin that increased sustainably with the commissioning of the new floating dock, and the sale of the old floating dock increased to 320,914,469 TL in the parent company period.

10.2.2. Explanation of significant changes in net sales or revenues and the reasons for these changes:

As of the financial statement periods, the use of revenue of the Company on a main categories basis is stated below.

Distribution of Revenue on a basis of Product/Service Groups (TL)	31.12.2022	%	31.12.2021	%	31.12.2020	%
Maintenance and Repair	245.404.383	22	85.104.373	19	116.191.230	30
Floating Dock	354.186.217	31	0	0	0	0
Ship Construction	525.668.333	46	280.910.881	61	190.945.047	50
Ship Conversion	4.089.708	0	83.817.850	18	68.615.641	18
Other	558.387	0	500.411	0	1.672.114	0
Real estate activities (Associate)	2.459.785	0	7.762.272	2	6.762.189	2
Total	1.132.366.813	100	458.095.747	100	380.506.221	100



As of the financial statement periods, the use of revenue of the Company on a domestic and abroad basis is as follows.

Revenue [TL]	31.12.2022	%	31.12.2021	%	31.12.2020	%
Domestic Sales	117.609.333	10	13.751.274	3	34.093.557	9
Sales Returns (-) (Domestic)	0	0	-11.500	0	-7.800	0
Sales Discounts (-) (Domestic)	-2.684.555	0	-3.335	0	0	0
Other Sales	799.472	0	797.587	0	651.954	0
Abroad Sales	1.018.776.837	90	443.727.621	97	349.448.510	91
Sales Returns (-) (Abroad)	0	0	0	0	0	0
Sales Discounts (-) (Abroad)	-2.134.274	0	-165.900	0		0
Total	1.132.366.813	100	458.095.747	100	384.186.221	100

In 2020, 2021 ve 2022, %91, %97 and %90 of the revenue of the Company consist of abroad sales, and abroad sales have a dominant position in the Company revenue. In addition, both domestic and abroad sales are almost on a basis of foreign currency. Domestic customers of the Company are usually Istanbul Maritime Buses (IDO) and similar local firms that provide ship maintenance and repair. Other sales consist of scrap sales and SSI premium incentives. Revenues within the real estate activities are the revenues from the old affiliate companies of the Company and these firms have been removed from the Company structure in 2022.

Core businesses of the Company are new shipbuilding, ship maintenance and repair, and ship conversion. Maintenance and repair activities constitute on average 24% of the net sales as of financial statement periods, and shipbuilding activities constitute 53% of the sales. Ship maintenance and repair activities generally take 2-3 months, but shipbuilding projects take more than one year and it is invoiced after the completion of the shipbuilding. For this reason, the Company calculates progress billings until that time considering the expenses born and the profitability of the projects on a basis of Turkish Financial Reporting Standards within the period until invoicing and records them as revenues to the income statement and then follows the uninvoiced revenues in the contract assets. Ship conversion activities have constituted an average of 12% of the net sales as of the financial statement periods. Besides, the Company carries out floating dock building and sale on demand.

The revenue, which was 384.2 million TL in 2020, increased to 458.1 million TL in 2021 with an increase of 19.2% compared to 2020 and increased to 1.1 billion TL in 2022 with a 147.2% increase compared to 2021. The Company's sales showed a limited increase compared to 2020, as the effects of the pandemic continued in 2021, the Company used some of its resources in the construction of a new investment, the floating dock, and in the arrangement of the parcel on the A-21 parcel, for which the right to use was obtained in 2020. Due to the increasing order quantity, rising exchange rates and the sale of the old floating dock in 2022, with the effect of the pandemic almost over, the Company's revenue increased by 147.2% compared to 2021. During the financial statement periods, the Company's annual compound growth rate of its revenue was 72.9%.



10.2.3. Information on public, economic, financial or monetary policies that directly or indirectly affected or may significantly affect the activities of the issuer as of the financial statement periods that should be included in the prospectus:

The issues that may significantly affect the activities of the issuer in the future are briefly as follows:

- The decline in the global trade volume,
- Macroeconomic Risk Factors
- Domestic and foreign economic, political, military, pandemic and geopolitical extraordinary developments,
- Changes in legal regulations that the company must comply with,
- Conflicts that may occur in neighboring countries and other regions,
- Negativities in the financial sector,
- The future of Russia-Ukraine War
- Fluctuations in exchange rates.

Events and risks that may affect the activities of the issuer, other than the ones mentioned above, are detailed in section 5 of this prospectus, titled “Risk Factors”.

10.3. The issuer's indebtedness

The indebtedness of the Company as of 31.12.2022 financial statement period as follows.

Indebtedness (TL)	Specially Audited
Period	31.12.2022
Shortdated liabilities	414.728.821
Guaranteed	0
Secured	125.120.958
Without Warranty/Guarantee	289.607.863
Long-term liabilities (excluding short-term parts of long-term liabilities)	486.693.042
Guaranteed	0
Secured	481.778.543
Without Warranty/Guarantee	4.914.499
Total of Short and Long-Term Liabilities	901.421.863
Equity	330.407.771
Paid-in capital	188.037.093
Legal Reserves	9.418.036
Other reserves	132.952.642
Total Resources	1.231.829.634
Net Indebtedness	1.161.446
A. Cash	1.161.446
B. Cash equivalentents	297.323.585



C. Financial assets for trading purposes	0
D. Liquidity (A+B+C)	298.487.731
E. Short Term Receivables	0
Short-term bank loans	7.853.029
G. Short-term portion of long-term bank loans	117.267.929
h. Other short-term financial debts	141.245
I. Short-term financial debts (F+G+H)	125.262.203
J. Shortdated Net Financial Indebtedness (I-E-D)	-173.225.528
Long-term bank loans	481.778.543
L. Bonds	0
M. Other Long term loans	0
N. Long Term Financial Indebtness	481.778.543
O. Net Financial Indebtedness (J+N)	308.553.015

11. FUNDING RESOURCES OF THE ISSUER

11.1. Information on the Issuer's short and long term funding sources: The distribution of the Issuer's funding sources is shown below.

(TL)	Specially Audited	
	31.12.2022	Share
Resources	414.728.821	33,7
Short-Term Liabilities		
Short Term Borrowings	7.853.029	0,6
Short Term Parts of Long Term Borrowings	117.267.929	9,5
Other Financial Liabilities	141.245	0,0
Trade Payables	101.242.051	8,2
<i>Trade Payables to Non-related Parties</i>	<i>101.242.051</i>	<i>8,2</i>
Debts Under the Scope of Employee Benefits	4.601.407	0,4
Other Debts	1.242.801	0,1
<i>Other Debts to Related Parties</i>	<i>1.242.801</i>	<i>0,1</i>
Deferred Incomes	169.893.392	13,8
Short-term Provisions	5.710.139	0,5
<i>Other Short-Term Provisions</i>	<i>5.710.139</i>	<i>0,5</i>
Other Short-Term Liabilities	6.776.828	0,6
Long-Term Liabilities	486.693.042	39,5
Long Term Borrowings	481.778.543	39,1
Long-term Provisions	2.348.251	0,2
<i>Long-term provisions for employee benefits</i>	<i>2.348.251</i>	<i>0,2</i>
Deferred Tax Liabilities	2.348.251	0,2
Equity	330.407.771	26,8
Equity Capital of the Parent	330.407.771	26,8
Paid-in Capital	188.037.093	15,3
Distinction from share capital adjustment	22.876	0,0



Advance dividend paid in the period	-227.893.627	-18,5
Restricted Reserves Separated From Profit	9.418.036	0,8
Retained Losses	39.908.924	3.2
Net profit for the period (Loss)	320.914.469	26,1
Total Resources	1.231.829.634	100.0

The Company's fund resources consist of short and long term liabilities and equity.

31.12.2022 As of the financial period, 33.7% of the issuer's resources consist of short-term liabilities, 39.5% of long-term liabilities, and 26.8% of its own funds.

Short and long-term funding sources of the issuance consist of financial liabilities, trade and other payables payables within the scope of employee benefits, deferred income, short and long-term provisions, other short-term liabilities and deferred tax liabilities.

As of 31.12.2022 of the Issuer;

- The sum of short-term financial liabilities, short-term portions of long-term financial debts and other short-term financial liabilities is TL 125.262.203,
- Long-term debts are TL 481,778,543,
- Shortdated Trade Payables are 101.242.051 TL,
- Debts Under the Scope of Employee Benefits are 101.242.051 TL,
- Other Shortdated Debts 1.242.801 TL,
- Deferred Incomes are 169.893.392 TL,
- Short and Long-term Provisions are 8.276.387 TL,
- Other Shortdated Liabilities are 6.776.828 TL and
- Deferred Tax Liability is 2.348.251 TL.

31.12.2022 Short-term and long-term financial liabilities can be found in Note 14, short-term trade payables in Note 5, short-term other payables in Note 6, short-term deferred income in Note 15, short-term provisions in Note 17, long-term provisions in Note 16, other current liabilities in Note 13 and deferred tax liabilities in Note 25 of the audited financial statements.

The important ratios as of the financial statement periods of the issuer are given below.

Ratios	31.12.2022	31.12.2021	31.12.2020
Current Rate (Current Assets / Short Term Liabilities)	1,19	0,80	1,04
Liquidity Ratio ((Current Assets - Other Receivables - Contract Assets - Inventories - Prepaid Expenses - Current Period Tax Related Assets - Other Current Assets) / Current Liabilities)	0,85	0,09	0,11



Equity / Short and Long Term Liabilities	0,37	0,09	0,22
Short and Long-Term Liabilities/Total Resources	0,73	0,92	0,82
Return on Equity (Net Profit / Equity of the Parent)	0,97	0,12	0.13
Receivable Collection Period (Average Trade Receivables*365/Net Sales) - Days	11	12	14
Inventory Turnover Period (Average Inventories / Cost of Sales)	27	32	35
Debt Payment Period (Average Trade Payables/ Cost of Sales *365) - Days	56	61	56

When liquidity ratios are examined; The current ratio, which shows the ratio of current assets of issuance to short-term liabilities, was 1.04 in 2020, while it was 0.80 in 2021 and increased to 1.19 in 2022. An increase in the liquidity ratio, albeit partial, is an indication that the balance sheet has become more liquid.

On the other hand, the liquidity ratio, which is calculated by dividing the amount calculated by subtracting other receivables, contract assets, inventories, prepaid expenses, assets related to current period tax and other current assets from current assets by current liabilities, was 0.11 in 2020, 0.09 in 2020 and increased to 0.85 in 2022. Depending on the collection of the amount in the contract assets of the company, cash and cash equivalents have increased, thus the liquidity ratio of the Company has increased.

Financial structure ratios measure the extent to which the business is debt-financed or how beneficial debt-financing is to the business. With the financial structure ratios, it is tried to measure the ratio of foreign funds used in the financing of the enterprise and to determine how many times the enterprise meets its fixed payments with its revenues.

The financing ratio, which gives the ratio of the company's equity to total liabilities, was 0.22 in 2020, decreased to 0.09 in 2020 and increased to 0.37 with the high profit for the year in 2022.

The ratio of short-term and long-term liabilities to total liabilities, which shows the foreign resource ratio, increased from 0.82 in 2020 to 0.92 in 2021, and decreased to 0.73 in 2022. It is seen that the profitability of the said decline was effective.

The collection period of the issuer's receivables is 14 days in 2020, 12 days in 2021, and 11 days in 2022. The stock turnover period has decreased from 35 days in 2020 to 32 days in 2020 and 27 days in 2022. The trade payable payment period is 56 days in 2020, 61 days in 2021 and 56 days in 2022.



11.2 Assessment on cash flows:

The summary cash flow statement of the issuer by the financial statement periods is given below.

Short Cash Flow Statement	Specially Audited		
	31.12.2022	31.12.2021	31.12.2020
Cash flows from operating activities	685.238.003	-85.631.974	-17.302.920
Cash flow from investment activities	-284.253.389	-374.931.255	-33.909.463
Cash flows from financing operations	-117.886.955	470.289.365	46.844.866
Net decrease/increase in cash and cash equivalents	283.097.659	9.726.136	-4.367.517
Cash and cash equivalents at the beginning of the period	15.390.072	5.663.936	10.031.453
Cash and cash equivalents at the end of the period	298.487.731	15.390.072	5.663.936

A cash outflow of 17.3 million TL was realized in 2020 due to stock purchases, advances given to suppliers and trade payable payments. In 2021, a cash outflow of 85.6 million TL was realized from operating activities due to increased contract assets due to projects for which income is earned but no collection is made due to the long-term nature of some projects. In 2022, a cash inflow of 685.2 million TL was realized to the Company from operating activities, due to increased sales and collection of earned income followed in contract assets, as well as the increase in advances received.

The Company acquired 4% shares of Yalova Altinova Tersane Giriřimcileri A.ř. for the A-21 parcel next to the existing A-20 parcel for 16,505,000 TL on 21.09.2020, therefore, a cash outflow of 16.0 million TL was realized, which is recorded under the financial asset capital increase item in the cash flow statement. Thanks to this investment, the company obtained the right to use the A-21 parcel and increased its capacity. With the acquisition of the right to use this parcel, it accelerated its investments in tangible fixed assets; infrastructure investments, new floating docks, vehicles, machinery and equipment investments. Cash outflows of 19.9 million TL in 2020, 377.3 million TL and 335.4 million TL in 2021 were realized due to the tangible asset disposals of the Company. In 2022, the Company eliminated its affiliate companies and obtained a cash inflow of 42.0 million TL. Cash outflows from investment activities amounted to 33.9, 374.9 and 284.3 million TL in 2020, 2021 and 2022, respectively.

The company opted for long-term borrowing, depending on the long-term nature of the projects it took during 2020 and 2021 and the fact that it invested heavily in tangible fixed assets. In order to finance the operating capital of the Company and to finance the tangible fixed asset investments, cash inflows of 59.9 million TL in 2020 and 474.7 million TL in 2021 were realized. With the realization of collections and the completion of some large investments such as floating pool in 2022, the Company's borrowing requirement decreased and a cash outflow of 62.4 million TL was realized due to borrowing due to debt payments. The company also paid a dividend of 49.3 million TL. Cash inflows of 46.8 and 470.3 million TL were realized from financing activities in 2020 and 2021, respectively. In 2022, there was a cash outflow of 117.9 million TL.



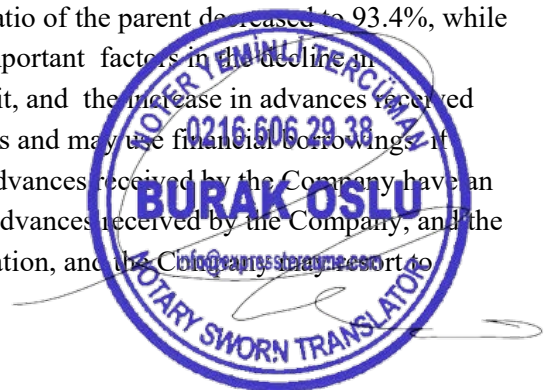
In 2021, cash and cash equivalents increased by 171.7% to 15.4 million TL from approximately 5.6 million TL in 2020 and increased by 1839.5% to 298.5 million TL in 2022. The ratio of these amounts to total assets is 1.8%, 1.8% and 24.2% in 2020, 2021 and 2022, respectively. As can be seen, the ratio of cash and cash equivalents to total assets increased as of the end of 2022. The main reason for this situation is the considerably reduced capitalization requirement, increased profitability and partially reduced capital expenditures, especially as a result of the increase in the amount of advances received from TL 1.7 million in 2021 to TL 169.9 million in 2022 and the decrease in contract assets, which should be considered as a kind of revenue accrual, from TL 183.3 million be considered as to zero.

11.3. Evaluation of the fund situation and borrowing needs:

Financial Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Shortdated Borrowings	7.853.029	1.668.915	1.031.033
Short Term Parts of Long Term Borrowings	117.267.929	266.550.709	102.660.929
Other Financial Liabilities	141.245	126.754	161.683
Long Term Borrowings	481.778.543	403.565.559	93.346.041
Total financial payables	607.040.746	671.911.937	197.199.686
Cash and Cash Equivalents (-)	298.487.731	15.390.072	5.663.936
Net financial debt	308.553.015	656.521.865	191.535.750
Equity Capital of the Parent	330.407.771	58.818.742	53.604.777
Net Financial Debt/Equity of the Parent	93%	1116,2%	357,3%
EBITDA	494.277.325	65.238.096	32.558.650
Net Financial Debt / EBITDA	0.6	10,1	5.9

The Company's net financial debt of 191.5 million at the end of 2020 increased to 656.5 million TL at the end of 2021. The most important reason for the increase is the floating dock investment, the arrangement investment made on the A-21 parcel, and the need for capitalization. The floating dock investment, which caused a significant need for funding, was covered with long-term loans, which amounted to the necessary funding since it is a long-term investment, and shipbuilding projects are generally longer than 1 year. At the end of 2022, the net financial debt decreased by 53.0% compared to the end of 2021 to 308.6 million TL. The Company's capitalization needs decreased as a result of the number of advances received, which was 1.7million TL at the end of 2021, increased to 169.9 million TL at the end of 2022, and the contract assets, which should be considered as a kind of income accrual decreased from 183.3 million TL to zero. With the effect of increasing profitability and the partial decrease in investment expenditures compared to 2021, the Company's cash and cash equivalents increased to 298.5 million TL, and the net financial debt decreased by 53.0% at the end of 2022.

31.12.2022 As of date, the Company's net financial debt/equity ratio of the parent decreased to 93.4%, while the net financial debt/EBITDA ratio decreased to 0.6. The most important factors in the decline in indebtedness ratios are the Company's increased sales, period profit, and the increase in advances received and collections realized. The Company continues to invest in assets and may use financial borrowings if necessary and/or appropriate conditions are met. In addition, the advances received by the Company have an important place in the capitalization. The decrease in the rate of advances received by the Company, and the increase in long-term projects may increase the need for capitalization, and the Company may resort to financial borrowing.



11.4. Capitalization declaration:

The Company's capitalization is sufficient for the needs that will emerge within at least 12 months following the signature date of this prospectus. As of 31.12.2022, the Company has total current assets amounting to TL 494.664.201, total short-term liabilities amounting to TL 414.728.821, and net capitalization amounting to TL 79.935.380 (31.12.2021: TL -74.587.000, 31.12.2020: TL 6.987.007).

Financial Items (TL)	31.12.2022	31.12.2021	31.12.2020
Current Assets	494.664.201	295.761.214	170.694.628
Short-Term Liabilities	414.728.821	370.348.214	163.707.621
Net Capitalization	79.935.380	-74.587.000	6.987.007

11.5. Information on restrictions on the use of funding sources that have had or may have a significant direct or indirect impact on its activities:

Information regarding the restrictions, real rights, and security amount on the tangible fixed assets					
Type of the Tangible Fixed Asset	Type of / the Restriction Real Right	In whose favor it was given	Reason	Issue Date	Amount (USD)
NB-18 Floating Dock	Security	Albarakatürk Katılım Bankası A.Ş.	Loan Collateral	05.03.2021 (Amendment: 04.08.2021)	32.000.000
NB-22 Floating Dock	Security	Türkiye Vakıflar Bankası T.A.O.	Loan Collateral	31.01.2023	36.800.000
Portable Machine and Equipment	Pledge of the Portable	Türkiye Vakıflar Bankası T.A.O.	Loan Collateral	22.08.2018	23.000.000

With the ship mortgage agreement certified by Üsküdar 32nd Notary Public on the floating dock named NB-18 dated 05.03.2021 and numbered 02379, Albarakatürk Katılım Bankası A.Ş. (Albarakatürk) In favor of Albarakatürk Katılım Bankası A.Ş. (Albarakatürk) with a value of USD 28.000.000 and in the 1st degree and 1st rank in order to constitute the guarantee of all kinds of debts arising and/or to arise from the loans that the Company has used and/or will use in Turkish Lira and/or foreign currency and/or foreign currency indexed loans from Albarakatürk as principal and/or surety and by any other means and other transactions deemed as loans in accordance with the relevant legislation. Subsequently, the aforementioned ship mortgage agreement was amended by the amendment agreement certified by Üsküdar 32nd Notary Public on 04.08.2021 with the journal number 08436 and the mortgage amount was increased to USD 32,000,000. The aforementioned mortgage shall be valid until Albarakatürk notifies in writing and/or until the Company and Albarakatürk conclude a mortgage termination agreement.

The ship mortgage agreement on the floating dock under construction named NB-22 certified by Kartal 12th Notary Public on 31.01.2023 with the date of 31.01.2023 and journal number 04626, and the general loan agreements dated 04.12.2018 and numbered 60122592 and dated 04.12.2018 and numbered 60122592 and dated 06.01.2020 and numbered 60212213 concluded between Vakıfbank and the Company in favor of Türkiye Vakıflar Bankası T.A.O. (Vakıfbank) and all kinds of cash and non-cash loans extended and/or to be extended to the Company by Vakıfbank. 2020 dated 04.12.2018 and numbered 60122592 and dated 06.01.2020 and numbered 60212213, a first degree ship mortgage has been established in favor of Türkiye Vakıflar Bankası T.A.O. (Vakıfbank) in order to constitute



the guarantee of all kinds of debts arising and/or to arise due to all kinds of cash and non-cash loans that have been and/or will be extended to the Company by Vakıfbank, with a value of USD 36.800.000, provided that it is benefited from the free degree. The aforementioned mortgage shall be valid until notified in writing by Vakıfbank. Pursuant to the aforementioned bottomry, the Company will not sell, transfer, or mortgage the floating dock named NB-22 in favor of third parties unless Vakıfbank is informed. Pursuant to a construction and sales contract concluded by the Company on 10.08.2022, the ownership of the aforementioned mortgaged floating dock belongs to the Company until the delivery of the floating dock to the relevant contracting party customer, and the ownership will pass from the Company to the relevant customer upon completion of construction and delivery in accordance with the delivery protocols in the contract. Prior to the delivery of the floating dock to the customer, this mortgage will be removed and the ownership of the floating dock will pass to the customer without any mortgage.

In addition to the aforementioned assets, the Company's movable machinery, equipment, etc. have been pledged in the 1st degree and 1st rank with a pledge amount of USD 23.000.000 and the right to move to the vacant degree in order to guarantee the debts arising / to arise under the loan agreement dated 04.12.2018 concluded by the Company with Vakıfbank, in accordance with the movable pledge agreement approved by Kartal Notary Public on 22.02.2018 with the date and journal number 05604.

11.6. Information on the sources of funds foreseen for the planned investments acquired through decided by the board of directors and for the existing and planned major tangible fixed assets, including those acquired through financial leasing: Information related to tangible fixed assets planned to be obtained:

Investment on A-21 Parcel

31.12.2022 as of, the ongoing investment balance regarding the investment on the A-21 parcel is 135.041.628 TL and there can be additional spending in accordance with the developments in the sector and market in 2023. The fund of the relevant investment was provided to bank credit and equities. With the floating dock, which is a part of the said investment and completed in May 2022, the size of the ships that the Company can build, maintain and repair has increased from small and medium-sized ships to large-size ships. The length of the dock was increased by approximately 40% but the workable surface area was increased by 2.5 times.

Information related to tangible fixed assets obtained by Financial or Activity Rental:

Information related to tangible fixed assets obtained by Financial or Activity Rental:					
Type	Lease Period	Who Owns The Leased One at the End of the Lease Period	Annual Rental Amount	Intended use	Lessor
Tower Crane	2021 - 2025	Hat-San Gemi	31.474,61 Euro	Production Purpose	QNB Finans Leasing
Tümosan Forklift	2022-2025	Hat-San Gemi	21.439,85 USD	Production Purpose	QNB Finans Leasing
Case 695st Dipper	2020-2024	Hat-San Gemi	13.679,21 USD	Production Purpose	Job Leasing
Hyundai Forklift	2021 - 2025	Hat-San Gemi	15.582,24 USD	Production Purpose	Job Leasing



Tower Crane	2021 - 2025	Hat-San Gemi	46.674,73 Euro	Production Purpose	Job Leasing
Atlas Copco Compressor	2022-2026	Hat-San Gemi	9.901,03 Euro	Production Purpose	Job Leasing
Atlas Copco Compressor	2022-2026	Hat-San Gemi	111.786,85 Euro	Production Purpose	Job Leasing
Miniloader	2022-2024	Hat-San Gemi	803.839,37 TL	Production Purpose	BNP Paribas
Telescopic Platform	2022-2025	Hat-San Gemi	1.983.610,00 TL	Production Purpose	Foundation Leasing
Double Girder Bridge	2022-2025	Hat-San Gemi	1.545.624,67 TL	Production Purpose	Foundation Leasing
Crane	2023 - 2024	Hat-San Gemi	43.694,49 USD	Production Purpose	QNB Finans Leasing

12. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

12.1. Information on the issuer's research and development policies as of the financial statement periods required to be included in the prospectus and the payments made for these activities, including the amounts spent for sponsored research and development activities:

None.

13. TENDENCY INFORMATION

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

In 2022, the Russian-Ukrainian War, the global supply chain problem, the global inflationary environment, the commodity crises and the energy crisis in Europe affected the global trade volume and, in parallel, the maritime trade. In addition, rising input costs played an active role in companies' pricing policies. The relative normalization of energy and commodity prices, the easing of disruptions in the supply chain, and the temporary solutions found to the supply problem caused by the Russian-Ukrainian war have led to positive movements in the sector. Container trade volume was severely damaged by the pandemic in 2020, but is now above pre-pandemic levels.

2023 will be a positive year for the LNG market, as 2022 will see an increased interest in the use of LNG due to the energy crisis in Europe. This indicates that the demand for new gas tankers and maintenance and repair of existing gas tankers will increase.

Due to the problems in energy supply, energy prices have increased and these increases have led to an increase in the Company's production costs. Increases in production costs are also reflected in sales prices.

13.2. Information about trends, uncertainties, demands, commitments or events that may materially affect the issuer's expectations:

There are no trends, uncertainties, demands, obligations or events that may significantly affect the Company's activities during the current accounting year, except for the risks related to the country and the sector in which it operates and the possible risks that may arise as stated in the section titled "Risk Factors" numbered 5 of this prospectus



14. PROFIT ESTIMATES AND EXPECTATIONS

14.1. Issuer's profit expectations and profit forecasts for the current or subsequent accounting periods:

None.

14.2. Assumptions underlying the Issuer's profit forecasts and expectations:

None.

14.3. Independent assurance report on profit forecasts and expectations:

None.

14.4. Explanation on whether the profit forecasts or expectations are prepared in a way that can be compared with past financial information:

None.

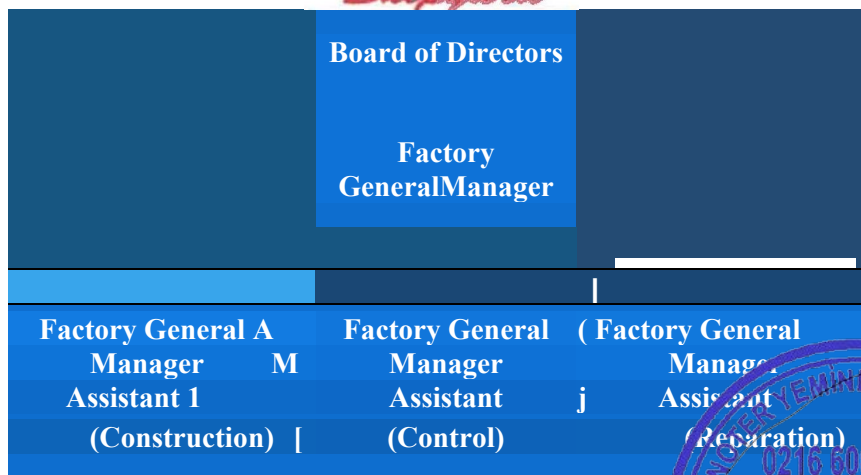
14.5. Information on previous profit forecasts and whether these forecasts are still accurate as of the date of this prospectus:

None.

15. ADMINISTRATIVE STRUCTURE, GOVERNING BODIES AND SENIOR EXECUTIVES

15.1. General organization chart of the issuer:

The organizational structure of the Company is as shown in the diagram below.



15.2. Administrative Structure:

15.2.1. Information on the members of the board of directors of the issuer:

Name and Surname	Position	Office Address	Duties in the Issuer in the Last 5 Years	Term of office / Remaining Duty Period	Share of Capital	
					(TL)	(%)
Mehmed Halid İsmail PEPE	President of the Board of Directors	Florya Cad. FloryaPlaza No:88 Kat: 2Bakırköy/ Istanbul	Chairman of the Board of Directors	3 Years / 3 Years	148.035	0,08
Mustafa Talha PEPE	Board of Directors Vice President		Vice President of Board of Directors	3 Years / 3 Years	148.035	0,08
Mesud Abdurrahman PEPE	Member of Board		Member of Board of Directors	3 Years / 3 Years	148.035	0.08
Osman PEPE	Member of Board of		Member of Board of Directors	3 Years / 3 Years	0	0
Virgöl PEPE	Board Member		Board Member	3 Years / 3 Years	0	0

The members of the Company's board of directors were elected at the extraordinary general assembly meeting dated 26.04.2023 for a term of office of 3 years.

15.2.2. Information about the personnel who have a say in management:

The Company does not have any personnel other than board members who have a voice in management.

15.2.3. If the issuer was corporated within the last 5 years, information about the founders of the issuer:

The Company was corporated on 08.07.2008.

15.2.4. Information on the current members of the board of directors of the issuer and the personnel who have a say in the management and, if the issuer was corporated within the last 5 years, information on the kinship relations of the founders:

Osman PEPE and Virgöl PEPE, members of the Company's Board of Directors, are married. Mehmed Khalid İsmail PEPE, Chairman of the Board of Directors of the Company, Mustafa Talha PEPE, Vice Chairman of the Board of Directors, and Mesud Abdurrahman PEPE, Member of the Board of Directors are the children of Osman PEPE and Virgöl PEPE.

15.3. Information on the management and specialized experience of the issuer's board members and management personnel: Mehmed Halid İsmail PEPE, Chairman of the Board

Born in 1980 in Kocaeli, Mehmed Khalid İsmail PEPE graduated from Istanbul University, Faculty of Business Administration, Department of Business Administration in 2002 and completed his Master's degree in International Business Management at the University of Surrey, UK in 2004. He has worked as a senior executive in different sectors such as construction, energy, training, and maritime and currently serves as the Chairman of the Board of Directors of Hat-San Group.



Mustafa Talha PEPE, Vice Chairman of the Board of Directors

Born in 1983 in Kocaeli, Mustafa Talha PEPE graduated from Istanbul Bahçeşehir University, Department of Business Administration in English. Mr. Pekar has served as a director in companies belonging to the Pekar Group and currently serves as the Deputy Chairman of the Board of Directors of Hat-San Gemi. He also continues to serve as vice chairman of the board of directors of Altinova Shipyard Entrepreneurs A.Ş., vice chairman of the board of directors of Yalova Pilotage A.Ş., board member of the Ship Yacht and Services Issuer's Association and board member of GSRJ Shipyard in Jamaica.

Mesud Abdurrahman PEPE, Member of Board

Born in 1987 in Kocaeli, Mesud Abdurrahman PEPE graduated from Istanbul Bilgi University, Department of Business Administration in 2010 and received his Master's Degree in International Trade and Transportation from London Metropolitan University in the UK. He is currently serving as a member of the board of directors of Hat-SanGemi.

Osman PEPE, Board Member

Born in 1954 in Trabzon/Akçaabat, Osman PEPE graduated from Karadeniz Technical University, Department of Mechanical Engineering, and received his master's degree from Istanbul University, Faculty of Business Administration, Institute of Business Economics. He worked as an engineer at Iller Bank, Azot Industry, and Erdemir Demir Çelik A.Ş. and worked as a manager in the private sector. 20, 21 and 22. Osman PEPE who served as Kocaeli Deputy. He served as the Administrative Officer of the TBMM Presidency Council for the circle of 21. 58. He served as the Minister of Forestry in the 59th Government and as the Minister of Forestry and the Minister of Environment and Forestry in the 59th Government.

Birgül PEPE, Member of Board

Born in 1962 in Erzincan, Birgül PEPE completed her primary education in Afyon, secondary education in Kütahya, and graduated from Malatya Girls Vocational High School. Birgül PEPE volunteers for various foundations and associations, especially Osman PEPEV Foundation.

15.4. The titles of all companies in which the members of the board of directors and personnel who have a say in management have been members of the board of directors or supervisory boards or shareholders in the last five years, including the most recent situation, their capital shares in these companies and information on whether their membership or partnership in these boards of directors or supervisory boards is still continuing:

Name and Surname	Company Name	Position	Whether he continues his duty or not	Capital Amount (TL)	Share of Capital (TL)	Share of Capital (%)
Mehmed Halid İsmail PEPE	Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.	President of the Board of Directors, Share	He Continues.	188.037.093	148.035	0,08
Mehmed Halid İsmail PEPE	Dörtler İnşaat ve Taahhüt Ltd.Şti.	Company Manager	He Continues.	70.000	0	0



Mehmed Halid İsmail PEPE	Pekar Grup İnşaat A.Ş.	Management Board President, ShareHolder	He Continues.	1.001.000	100.000	9.99
Mehmed Halid İsmail PEPE	Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş.	President of Board of Directors	He Continues.	14.000.000	0	0
Mehmed Halid İsmail PEPE	Kar Elektrik Üretim Ltd Şti.	Company Manager	He Continues.	2.250.000	0	0
Mehmed Halid İsmail PEPE	Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd.	Company Manager	He Continues.	14.945.000	0	0
Mehmed Halid İsmail PEPE	BCK Uluslararası Madencilik Sanayi ve Ticaret A.Ş.	Chairman of the Board of Directors, Shareholder	He Continues.	600.000	396.000	66.00
Mehmed Halid İsmail PEPE	Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti.	Company Manager	He does not continue. (Transferred	100.000	0	0
Mehmed Halid İsmail PEPE	KCZ Dış Ticaret Ltd. Şti.	Company Manager	He does not continue. (Transferred	100.000	0	0
Mehmed Halid İsmail PEPE	Kar Construction - Buket Construction Joint Venture	Company Manager	He does not continue. (Liquidated	100.000	0	0
Mehmed Halid İsmail PEPE	Şark Krom İşletmeleri San. Trading Co.	President of Board of Directors	He does not continue. (Transferred	4.000.000	0	0
Mehmed Halid İsmail PEPE	Kar Dekar Hafriyat Madencilik Nakliyat İthalat İhracat Sanayi ve Ticaret Ltd. Şti.	Company Manager	He does not continue. (Transferred	500.000	0	0
Mehmed Halid İsmail PEPE	Pekar İnşaat ve Yatırım A.Ş.	Management Board of Directors	He does not continue. (Transferred	1.250.000	0	0



Mustafa Talha PEPE	Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Vice President of Board of Directors,	He Continues.	188.037.093	148.035	0,08
Mustafa Talha PEPE	Dörtler İnşaat ve Taahhüt Ltd.	Company Manager	He Continues.	70.000	0	0
Mustafa Talha Pepe	Pekar Grup İnşaat A.Ş.	Vice President of the Board of Members, Share Holder	He Continues.	1.001.000	100.000	9.99
Mustafa Talha PEPE	Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Vice President of Board of Directors,	He Continues.	14.000.000	420.000	3,00
Mustafa Talha Pepe	Yalova-Altinova Tersane Girişimcileri A.Ş.	Deputy Chairman of Board of	He Continues.	60.500.000	0	0
Mustafa Talha Pepe	Yalova Pilotaj A.Ş.	Vice President of Board of	He Continues.	12.800 000	0	0
Mustafa Talha Pepe	Kar İnşaat Taahhüt Müşavirlik Sanayi ve Ticaret Ltd. Şti.	Company Manager, Share holder	He Continues.	14.945.000	16.125	0,01
Mustafa Talha PEPE	BCK Uluslararası Madencilik Sanayi ve Ticaret A.Ş.	Vice President of Board of Directors,	He Continues.	600.000	204.000	34.00
Mustafa Talha PEPE	Kar Elektrik Üretim Ltd. Şti.	Company Manager,	He Continues.	2.250.000	112.500	5,00
Mustafa Talha PEPE	Çeliktrans-Hat-san Gemi Ordinary Partnership	Company Manager	He does not continue. (Liquidated	10.000	0	0
Mustafa Talha Pepe	KCZ Dış Ticaret Ltd. Şti.	Company Manager	He does not continue. (Transferred	100.000	0	0
Mustafa Talha PEPE	Pekar İnşaat ve Yatırım A.Ş.	Vice President of Board of Directors	He does not continue. (Transferred	1.250.000	0	0
Mesud Abdurrahman PEPE	Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Member of Board, Share Holder	He Continues.	188.037.093	148.035	0,08



Mesud Abdurrahman PEPE	Pekar Grup İnşaat A.Ş.	Member of Board, Share Holder	He Continues.	1.001.000	100.000	9.99
Mesud Abdurrahman PEPE	Hat-San İnşaat Madencilik Turizm Gemi İnşaa ve Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Member of Board	He Continues.	14.000.000	0	0
Osman PEPE	Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.	Member of Board	He Continues.	188.037.093	0	0
Osman PEPE	Dörtler İnşaat ve Taahhüt Ltd.	Company Manager,	He Continues.	70.000	67.000	95.71
Birgül PEPE	Hat-San Gemi İnşaa Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret	Member of Board	He Continues.	188.C37.093	0	0
Birgül PEPE	Dörtler İnşaat ve Taahhüt Ltd.	Shareholder	He Continues.	70.000	3.000	4.29

15.5. In the last 5 years, even if the periods specified in the capital markets legislation, Banking Law No. 5411 and/or Article 53 of the Turkish Penal Code have expired, if any, from the members of the export board of directors and the personnel authorized in the management; imprisonment for a period of five years or more due to an intended crime or embezzlement, extortion, bribery, theft, fraud, forgery, abuse of trust, fraudulent bankruptcy bidrigging, destruction or alteration of data, misuse of bank or credit cards, information on whether there is any criminal prosecution and/or conviction for smuggling, tax evasion or wrongful acquisition of property and whether there is any legal dispute and/or finalized judgment in relation to the partnership business:

None.

15.6. Information on lawsuits/criminal complaints and sanctions publicly disclosed by judicial authorities, public administrations, or professional organizations in the last 5 years regarding the current members of the board of directors and personnel who have a say in the management of the export:

None.

15.7. Detailed information about the bankruptcy, transfer to trustee and liquidation of the current members of the board of directors and personnel having a say in management, members of the board of directors and audit board, and companies having a say in management in the last 5 years:

Bekar İnşaat Merger through dissolution without liquidation

With the registration of the Istanbul Trade Registry Office dated 28.12.2017, Bekar İnşaat ve Yutun A.Ş., one of the shareholders of Kar Elektrik, merged with Hat-San Gemi through dissolution without liquidation in accordance with the merger provisions



Hat-San İnşaat Partial Division

Shipyards activities carried out within the structure of Hat-San İnşaat were transferred by means of partial division at the end of 2013 and obtained Hat-SanGemi shares in return . This change was published in Turkish Trade Registry Gazette dated 05.12.2013 and numbered 8458 with the registration with Istanbul Trade Registry Office dated 29.11.2013. The capital of Hat-San Gemi is 500.000TL before the divisions. The capital of Hat-San Gemi was increased to TL 5,101,093 with the net asset value of the production and service business acquired through partial division.

Hat-San İnşaat, incorporated in 1997, is a company engaged in various construction activities. In 2007, it started the shipyard investment. Over time, when the shipyard activities switched to building construction activities, on 29.11.2013 all the fixtures, machinery, buildings and their loans, receivables and debts in the shipyard area were partially divided with all their assets and liabilities and transferred the shipyard activities to Hat-San Gemi within the group. Hat-San Gemi, which took over the shipyard activities from Hat-San Construction Company due to the fact that Hat-San Construction had been operating in the shipyard sector for a long time under the brand name "Hat-San" and was recognized in the sector with this name, changed its own title and used the brand name "Hat-San" in this new title. As of 2013, Hat-San İnşaat ve Hat-San Gemi firms' official activity subjects are quite different. On 20.06.2017, Hat-San İnşaat transferred its Hat-San Gemi shares that it owns to Bekar İnşaat Yatırım A.Ş. and left the partnership.

Share Transfer and Merger Transaction of Pekar Grup İnşaat A.Ş.

Pekar İnşaat ve Yatırım A.Ş., registered with the Istanbul Trade Registry Directorate under registration number 652375,05 Hat-San Gemi shares (with a nominal value of TL 5.086.093 corresponding to 99,70% of the capital of Hat-SanGemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş. with a nominal value of TL 5.086.093), which were monitored in the 242 subsidiaries account in the balance sheet dated 10.10.2017, were transferred to Kar Gemi on 01.12.2017 with the partial division agreement signed on 17.11.2017 and became a 0,1% shareholder of Kar Gemi by receiving the shares of Kar Gemi in return.

It transferred its shares from Pekar İnşaat ve Yatırım A.Ş., KarGemi on 22.12.2017 to Dörtler İnşaat Taahhüt Ltd. and left the partnership. Kar Gemi changed its title on 20.02. 2018 and obtained Pekar Grup İnşaat A.Ş. title.

After the partial division, Pekar İnşaat ve Yatırım A.Ş. with trade registry number 652375, which was registered on 22.12.2017, merged with Hat-San Gemi through merger and ceased its operations. While the capital of Hat-San Gemi was TL 5.101.093 before the merger, as a result of the merger, the capital of Pekar İnşaat ve Yatırım A.Ş. amounted to TL 6.351.093 by adding TL1.250.000

15.8. Detailed information on whether the current members of the board of directors and the personnel having a say in the management of the company have been dismissed by the courts or public authorities as members of the board of directors and supervisory board in any partnership or other management duties in the exportation in the last 5 years:

None.



15.9. Information on conflicts of interest between the duties towards the issuer and personal interests of the members of the board of directors, personnel having a say in the management and the founders if the issuer was corporated within the last 5 years:

None.

15.9.1. Information on the agreements made with the main shareholders, customers, suppliers or other persons for the members of the board of directors, personnel having a say in the management and, if the issuer was corporated within the last 5 years, the founders to take part in the board of directors or senior management:

None.

15.9.2. Detailed information on the restrictions imposed for a certain period of time on the sale of capital market instruments issued by the issuer and owned by the members of the board of directors, personnel having a say in the management and founders if the issuer was corporated within the last 5 years:

None.

16. FEES AND SIMILAR BENEFITS

16.1. Fees (including contingent or deferred payments) and similar benefits provided to the members of the board of directors and the personnel having a say in the management of the issuer for all kinds of services provided to the issuer and its affiliate companies as of the last annual accounting period:

The Company does not have any senior executives other than the members of the board of directors and the information regarding the remuneration and similar benefits paid to the members of the board of directors is presented below as of the financial statement periods.

Benefits provided to employees (TL)	31.12.2020	31.12.2021	31.12.2022
Board of Directors	0	0	0
Senior Executives	71.751	133.709	300.167
Total	71.751	133.709	300.167

16.2. Total amounts set aside or accrued by the issuer or its affiliate companies for the payment of pensions, severance pay or similar benefits to the members of the board of directors and the personnel

having a say in the management of the issuer as of the last annual accounting period:

The Company does not have any senior executives other than the members of the board of directors and no provision for severance indemnity has been allocated to the members of the board of directors as of the financial statement periods.



17. EXECUTIVE BOARD PRACTICES

17.1. Information on the term of office of the members of the board of directors of the issuer and the personnel who have a voice in the management and the period they served in this position:

Name and Surname	Position	Office Address	Duties in the Issuer in the Last 5 Years	Duty Period/ Remaining DutyPeriod	Share of Capital	
					(TL)	(%)
Mehmed Halid İsmail PEPE	Chairman of the Board of Directors	Florya Cad. Florya Plaza No:88 Kat:2 Bakırköy/ İstanbul	Chairman of the board	3 Years / 3 Years	148.035	0,08
Mustafa Talha PEPE	Vice President of Board		Vice President of the Board Members	3 Years / 3 Years	148.035	0,08
Mesud Abdurrahman PEPE	Member of Board		Member of Board	3 Years / 3 Years	148.035	0,08
Osman PEPE	Member of		Member of Board	3 Years / 3 Years	0	0
Birgül PEPE	Member of		Member of Board	3 Years / 3 Years	0	0

The members of the Company's board of directors were elected at the extraordinary general assembly meeting dated 26.04.2023 for a term of office of 3 years.

The Company does not have any personnel other than board members who have a voice in management.

17.2. As of the last completed financial statement period information on the agreements regarding the payments to be made / benefits to be provided by the issuer and its affiliate companies to the members of the board of directors and personnel having a say in management when the employment relationship is terminated, or a statement that there is no such agreement:
None.

17.3. The names and surnames of the members of the issuer 's audit committee and other committee members and their job descriptions:

Within the framework of the provision of Article 5, paragraph 4 of the CMB's Corporate Governance Communiqué No. II-17.1, "The partnerships that have applied/applied to the Board for the initial public offering of their shares and/or starting to be traded on the stock exchange will be subject to the obligations of the partnerships in the third group until the list specified in the second paragraph is announced and must ensure the necessary compliance as of the date of the first general assembly to be held after their shares start to be traded on the stock exchange. " provisions, the Company will appoint members to the audit committee and other committees envisaged to be established within the scope of the relevant Communiqué as of the date of the first general assembly to be held after the Company's shares start to be traded on the Stock Exchange, and the necessary compliance with the provisions of the relevant communiqué will be ensured.



17.4. Explanation on the assessment of the status of the issuer against the Board's corporate governance principles:

After the public offering of the Company's shares, the Company is expected to be in the 3rd group within the framework of the Capital Markets Board's "Corporate Governance Communiqué" numbered 11-17.1. Within the framework of the same communiqué, İhracatçı has made the necessary amendments to the Articles of Association and will complete the structuring of the board of directors and the formation of committees in accordance with the relevant provisions by the first general assembly to be held after the Company's shares start to be traded on the Stock Exchange.

Pursuant to Article 13 of the Company's Articles of Association entitled "Compliance with Corporate Governance Principles ", the Corporate Governance Principles required to be implemented by the Capital Markets Board are complied with. Transactions and resolutions of the Board of Directors made without complying with the mandatory principles are invalid and deemed to be contrary to the Articles of Association.

The regulations of the Capital Markets Board on corporate governance principles shall be complied with in transactions deemed to be material in terms of the application of corporate governance principles and in the Company's material related party transactions and in transactions regarding the provision of guarantees, pledges and mortgages in favour of third parties.

Pursuant to the Communiqué on Corporate Governance, it is stated that the companies applying to the Board for the initial public offering of their shares will be subject to the obligations of the companies in the 3rd group until the announcement of the list regarding the determination of the groups by the Board. Therefore, the Company will be subject to the obligations of the companies in Group 3 until the announcement of the new list by the Board.

The status of the Incorporation against the Corporate Governance Principles will be disclosed to the public with the Corporate Governance Principles Compliance Report to be prepared in accordance with the CMB legislation in the post-IPO period.

Within the framework of the provisions of the CMB's Corporate Governance Communiqué No. 11-17.1, the Company will create the necessary infrastructure to ensure that public announcements are made in the manner stipulated by the legislation. In addition, the chairman or members of the board of directors or the investor relations unit will regularly carry out all disclosure activities, including the public disclosure of important developments related to the activities of İhracatçı, the exercise of shareholders' rights to obtain information, the regular and transparent announcement of general assembly information, and the necessary information on dividend distribution policies.

In addition, issues that are important for investors' decisions, such as the Company's activities, sectoral development, information on reaching new markets and developing new products, will be announced through material event disclosures at www.kap.org.tr and the Company's website www.hat-san.com.tr.

Written questions posed by investors and/or market experts will be answered by the Company's investor relations unit in writing, verbally, or through information meetings, in an accurate, complete and equitable manner. The Company's website is www.hat-san.com.tr address.



Necessary efforts are underway to ensure that the files related to the following topics will be available on the Company's website in time after the initial public offering,

Necessary efforts are underway to ensure that the files related to the following topics will be available on the Company's website in time after the initial public offering,

- Exceptions,
- Financial Reports
- » Annual activity reports,
- « Corporate website,
- Information and promotional documents prepared for investors,
- Prospectus set, sales announcement to shareholders, announcement texts and documents required to be prepared in accordance with CMB regulations,
- Press releases made through written and visual media,
- Announcements and notices are made through the Turkish Trade Registry Gazette and daily newspapers.

17.5. Information on the activities of the issuer's shareholder relations unit, which is obligatory to be established pursuant to the Board regulations, and the manager of this unit:

Paragraph 1 of Article 11 of the CMB's Corporate Governance Communiqué No. 11-17.1 titled Investor Relations Department stipulates that "*It is obligatory to establish an investor relations department that provides communication between the corporations and investors, and this department must work directly under the general manager or deputy general manager of the corporation or one of the other managers with equivalent administrative responsibility, and prepare and submit a report to the board of directors at least once a year regarding the activities it carries out.*", and in paragraph 6 of the same article, it is stipulated that "*Corporations applying/applied to the Board for the initial public offering of their shares and/or commencement of trading on the stock exchange are required to fulfill their obligations under this article within six months following the date of commencement of trading of their shares on the stock exchange.*"

The Company's Shareholder Relations Unit has not yet been established and in accordance with paragraph 6 of Article 11 of the aforementioned Corporate Governance Communiqué, the relevant appointment will be made and the necessary information will be shared with the public within the specified period following the commencement of trading of the Company's shares on the Stock Exchange. The details of the person that shareholders can contact for matters related to the Company are given below:

Name Surname	Title	Education Status	Capital Market Licenses Held	Address	E-mail address	Telephone	Fax
Ömer BAŞOL	Certified Public	License		Florya Cad. FloryaPlaza No:88 Kat:	omer.basol@expresstercume.com	+90 (212) 662 95 96	+90 (212) 662 95 97



18. INFORMATION ABOUT PERSONNEL

18.1. The average number of personnel for each financial statement period disclosed in the prospectus or as of the end of the period, significant changes in this number and, if possible and important, the distribution of personnel by major fields of activity and geographical region:

The number of personnel of the Company as of the end of the financial statement period is as follows

	31.03.2023	31.12.2022	31.12.2021	31.12.2020
Number of Staff	245	246	220	180

As of the end of 2021, the number of personnel of the Company increased by 22.2% compared to the end of 2020 to 220 from 180 as of the end of 2020 due to the increasing business volume. As of year-end 2022, the number of personnel increased by 11.8% compared to year-end 2021, reaching 246, due to the increase in the Company's capacity with the effect of the new floating dock commissioned during the year along with the increasing business volume.

The position of the Company's personnel on the basis of job descriptions is presented in the table below.

Personnel Distribution	31.03.2023	Share (%)	31.12.2022	Share (%)	31.12.2021	Share (%)	31.12.2020	Share (%)
Maintenance	21	8.6	30	12,2	17	7.7	14	7,8
Administrative	89	36,3	85	34,6	34	15,5	24	13,3
Human Resources	4	1,6	3	1,2	3	1,4	3	1,7
Quality Control	5	2.0	6	2,4	9	4,1	9	5,0
Accounting	3	1,2	3	1,2	3	1,4	3	1,7
Purchasing	16	6.5	13	5.3	11	5,0	7	3,9
Reparation	78	31,8	78	31,7	57	25,9	42	23,3
New	25	10,2	25	10,2	85	38,6	77	42.8
Management	4	1,6	3	1,2	1	0,5	1	0.6
Total	245	100.0	246	100.0	220	100.0	180	100.0

The distribution of the Company's personnel on the basis of white-collar and blue-collar personnel is presented in the table below.

Personnel Distribution	31.03.2023	Share (%)	31.12.2022	Share (%)	31.12.2021	Share (%)	31.12.2020	Share (%)
White collar	109	44.5	98	39.8	96	43.6	72	40.0
Blue Collar	136	55.5	148	60.2	124	56,4	108	60.0
Total	245	100.0	246	100.0	220	100.0	180	100.0

All of the Company's personnel are based in Yalova and therefore in the Marmara Region.

18.2. Share ownership and share options:

18.2.1. Information on the options held by the members of the board of directors for the shares of the issuer:

None.



18.2.2. Information on the options held by the personnel having a say in the management regarding the shares of the issuer:

None.

18.2.3. Information about all kinds of contracts enabling staff to provide funds to the issuer:

None.

19. MAIN SHAREHOLDERS

19.1. Within the knowledge of the issuer, as of the last general assembly meeting and as of the last situation, the shareholding structure, provided that the natural and legal persons whose shares in the capital or total voting rights are directly or indirectly 5% or more are shown separately, or a statement that there are no such persons:

Information Regarding Direct Shareholding					
ShareHolder's;	Share of Capital				
Shareholder's Name and Surname	Share Group	Extraordinary General Assembly		Final Status (09.05.2023)	
		(TL)	(%)	(TL)	(%)
Pekar Grup İnşaat A.Ş.	A	49.880.000	99,76	49.880.000	99,76
	B	137.712.988		137.712.988	
Mehmed Halid İsmail PEPE	A	40.000	0,08	40.000	0,08
	B	108.035		108.035	
Mustafa lalda PEPE	A	40.000	0,08	40.000	0,08
	B	108.035		108.035	
Mesud Abdurrahman PEPE	A	40.000	0,08	40.000	0,08
	B	108.035		108.035	
Total	A+B	188.037.093	100.00	188.037.093	100.00

Information Regarding Direct Shareholding					
ShareHolder's;	Right to Vote (*)				
Shareholder's Name and Surname	Share Group	Extraordinary General Assembly		Final Status (09.05.2023)	
		(TL)	(%)	(TL)	(%)
Pekar Grup İnşaat A.Ş.	A	249.400.000	99,76	249.400.000	99,76
	B	137.712.988		137.712.988	
Mehmed Halid İsmail PEPE	A	200.000	0,08	200.000	0,08
	B	108.035		108.035	
Mustafa Talha PEPE	A	200.000	0,08	200.000	0,08
	B	108.035		108.035	
Mesud Abdurrahman PEPE	A	200.000	0,08	200.000	0,08
	B	108.035		108.035	
Total	A+B	388.037.093	100.00	388.037.093	100.00



(*) As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association;

In the ordinary and extraordinary general assembly meetings, Group A shares shall be entitled to 5 (five) shares. A Group B share entitles its holder to 1 (one) vote.

The shareholding structure of Pekar Grup İnşaat A.Ş., 99,76% shareholder of the Company, is as follows.

Partnership Structure of Pekar Grup		
Trade Name Of the Partner/ Name Surname	Share of Capital	
	(TL)	(TL)
Dörtler İnşaat ve Taahhüt Ltd. Şti.	701.000	70,03
Mehmed Halid İsmail PEPE	100.000	9,99
Mustafa Talha PEPE	100.000	9,99
Mesud Abdurrahman PEPE	100.000	9,99
Total	1.001.000	100,00

70.03% of Pekar Grup İnşaat belongs to Dörtler İnşaat Taahhüt Ltd. Şti. The partnership structure is as follows.

Partnership Structure of Dörtler İnşaat ve Taahhüt Ltd. Şti.		
Trade Name Of the Company/ Name Surname	Share of Capital	
	(TL)	(%)
Osman PEPE	67.000	95.71
Birgül PEPE	3.000	4.29
Total	70.000	100,00

In this context, information regarding the Company's indirect shareholding is as follows:

Information Regarding Indirect Shareholding					
ShareHolder's;	Share of Capital				
Shareholder's Name and Surname	Share Group	Extraordinary General Assembly		Final Status (09.05.2023)	
		(TL)	(%)	(TL)	(%)
Osman PEPE	A	33.433.908	66.87	33.433.908	66.87
	B	92.307.206		92.307.206	
Birgül PEPE	A	1.497.041	2,99	1.497.041	2,99
	B	4.133.158		4.133.158	
Mehmed Halid İsmail PEPE	A	5.023.017	10,05	5.023.017	10,05
	B	13.865.576		13.865.576	
Mustafa Talha PEPE	A	5.023.017	10,05	5.023.017	10,05
	B	13.865.576		13.865.576	
Mesud Abdurrahman PEPE	A	5.023.017	10,05	5.023.017	10,05
	B	13.865.576		13.865.576	
Total	A+B	188.037.093	100,00	188.037.093	100,00



Information Regarding Indirect Shareholding					
ShareHolder's;	Right to Vote (*)				
Shareholder's Name and Surname	Share Group	Extraordinary General Assembly		Final Status (09.05.2023)	
		(TL)	(%)	(TL)	(%)
Osman PEPE	A	167.169.542	66.87	167.169.542	66.87
	B	92.307.206		92.307.206	
Birgöl PEPE	A	7.485.203	2,99	7.485.203	2,99
	B	4.133.158		4.133.158	
Mehmed Halid İsmail PEPE	A	25.115.085	10.05	25.115.085	10.05
	B	13.865.576		13.865.576	
Mustafa Talha PEPE	A	25.115.085	10.05	25.115.085	10.05
	B	13.865.576		13.865.576	
Mesud Abdurrahman PEPE	A	25.115.085	10.05	25.115.085	10.05
	B	13.865.576		13.865.576	
Total	A+B	388.037.093	100.00	388.037.093	100.00

(*) As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association;

In ordinary and extraordinary general assembly meetings, Group A shares entitle the holder to 5 (five) votes and Group B shares entitle the holder to 1 (one) vote.

19.2. Information on the different voting rights held by real and legal person shareholders whose direct shareholding in the capital or total voting rights is 5% or more, or a statement that there is no such information:

(*) As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association;

In ordinary and extraordinary general assembly meetings, Group A shares entitle the holder to 5 (five) votes and Group B shares entitle the holder to 1 (one) vote.

TL 49,880,000 nominal value of Group A privileged shares with a nominal value of TL 50,000,000 belongs to Bekar Grup İnşaat A.Ş., TL 40,000 nominal value belongs to Mehmed Khalid Ismail PEPE, TL 40,000 nominal value belongs to Mustafa Talha PEPE and TL 40,000 nominal value belongs to Mesud Abdurrahman PEPE.

19.3. Information on the shares representing the capital:

Group	Registered /Bearer	Concession Type	Nominal Value of a Share (TRY)	Total (TRY)	Ratio to Capital (%)
A	Nama	There is (*).	1	50.000.000	26,59
B	Bearer	There are no privileges granted to Group B shareholders.	1	138.037.093	73,41
Total				188.037.093	100.00

(*) As stated in Article 9 of the Company's Articles of Association titled "Board of Directors, Term of Office and Meetings of the Board of Directors", half of the members of the Board of Directors shall be elected



by the Group A shareholders or among the candidates nominated by the majority of the Group A shareholders. In case half of the number of members of the Board of Directors is not a whole number, it shall be rounded down to the next whole number. For the avoidance of any doubt, 2 members of the Board of Directors consisting of 5 members, 3 members of the Board of Directors consisting of 6 members, 3 members of the Board of Directors consisting of 7 members and 4 members of the Board of Directors consisting of 8 members are elected from among Group A shareholders or candidates nominated by the majority of Group A shareholders.

As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association, Group A shares entitle the holder to 5 votes and Group B shares entitle the holder to 1 vote at ordinary and extraordinary general assembly meetings.

TL 49,880,000 nominal value of Group A privileged shares with a nominal value of TL 50,000,000 belongs to Bekar Grup İnşaat A.Ş., TL 40,000 nominal value belongs to Mehmed Khalid Ismail PEPE, TL 40,000 nominal value belongs to Mustafa Talha PEPE and TL 40,000 nominal value belongs to Mesud Abdurrahman PEPE.

19.4. The name, surname, trade name, source of management control and the measures taken to prevent the abuse of this power and the measures taken to prevent the abuse of this power, of those who directly or indirectly have management control of the issuer or control the issuer within the knowledge of the issuer:

The PEPE Family has control of the management of the Company and derives this control from its shareholding and ownership of privileged Group A shares.

The rights and privileges of Group A shares are set forth in the Company's Articles of Association.

As stated in Article 9 of the Company's Articles of Association titled "Board of Directors, Term of Office and Meetings of the Board of Directors", half of the members of the Board of Directors shall be elected by the Group A shareholders or among the candidates nominated by the majority of the Group A shareholders. In case half of the number of members of the Board of Directors is not a whole number, it shall be rounded down to the next whole number. For the avoidance of any doubt, 2 members of the Board of Directors consisting of 5 members, 3 members of the Board of Directors consisting of 6 members, 3 members of the Board of Directors consisting of 7 members and 4 members of the Board of Directors consisting of 8 members are elected from among Group A shareholders or candidates nominated by the majority of Group A shareholders.

As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association, Group A shares entitle the holder to 5 votes and Group B shares entitle the holder to 1 vote at ordinary and extraordinary general assembly meetings.

According to Article 7 titled "Capital" of the Company's Articles of Association; In accordance with the provisions of the Turkish Commercial Code and Capital Markets Legislation, the Board of Directors is authorised to decide, when it deems necessary between the years 2023-2027 (5 years) (i) to increase the issued capital by issuing new shares up to the registered capital ceiling and to issue privileged shares, (ii) to restrict the rights of privileged shareholders, (iii) to partially or completely restrict the rights of shareholders to acquire new shares, and (iv) to issue shares



at a premium or below their nominal value. The Board of Directors may not exercise its authority to restrict the shareholders' rights to acquire new shares in a manner that may lead to inequality among the shareholders. The capital of the Company may be increased or decreased within the framework of the provisions of the Turkish Commercial Code and Capital Market Legislation when necessary.

Free shares issued in capital increases are distributed to the existing shares on the date of the increase.

Unless otherwise decided by the Board of Directors in the capital increases to be made, Group A shares shall be issued against Group A shares and Group B shares shall be issued against Group B shares. In cases where the rights of all existing shareholders to acquire new shares are restricted, all shares to be issued shall be Group B shares.

Unless the issued shares are completely sold and paid for, no new shares can be issued.

In order for any of the Group A shares to be converted into shares that can be traded on the Stock Exchange for any reason, the shares subject to the application to be made to the Merkezi Kayıt Kuruluşu A.Ş. following the approval of the Capital Markets Board for the amendment of the Articles of Association and the approval of the said amendment in the general assembly, the shares subject to the application shall be converted into Group B shares.

The decision of the General Assembly on the amendment of the Articles of Association, the rights of privileged shareholders If this decision is of a nature to violate the provisions of Article 454 of the Turkish Commercial Code, this decision cannot be implemented unless it is approved by a resolution in accordance with the provisions of Article 454 of the Turkish Commercial Code in a special meeting to be held by the aforementioned shareholders.

According to Article 8 titled "Share Transfers" of the Company's Articles of Association;
The transfer of Group B bearer shares of the Company is carried out freely without any restriction in accordance with the Articles of Association, the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation.

The following principles shall be complied with in the transfer of registered Class A shares: Since the realization of the Company's business subject depends on a harmonious shareholding structure and the protection of the Company's economic and commercial interests requires accumulation, expertise and corporate memory, in order to protect the composition of the Company's shareholders and the Company's business subject or the economic independence of the business as stipulated in the Turkish Commercial Code, registered Group A shares may be transferred primarily to the Company's founding family shareholders and blood relatives up to the second degree of these founding shareholders. In the event that the founding family shareholders of the Company do not take over the share subject to the transfer, the Company's shares with Group A title can only be transferred to a third party with the consent of all members of the Board of Directors. Within the framework of the Articles of Association, the registered Group A shares of the Company may not be transferred to a competitor company operating in the same line of business as the Company and/or to a shareholder of a competitor company and/or to an employee of a competitor company.



In the event that a registered Class A share of the Company is acquired by a third party other than the founding family of the Company as stipulated in the Articles of Association pursuant to the provisions of the property regime between spouses and/or forcible execution, and if the approval stipulated in the Articles of Association is not given for the transfer, the third party acquiring the share shall not have the right to participate in the general assembly and shall not be entitled to vote. Within the scope of this article, the third party acquiring the share and the members of the board of directors shall propose to the board of directors to take over the acquired Company share with its real value, and if the third party refuses to transfer the share to the board of directors, it shall not be recorded in the share ledger by the board of directors.

In the event that the Company buys back its own shares, it acts in accordance with the capital markets legislation and other relevant legislation and necessary material event disclosures are made.

No measures other than the corporate governance principles set forth in the legislation and the Articles of Association have been taken to prevent abuse of the Company's management control, and the establishment of an Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee in order to comply with the Capital Markets Law, the Turkish Commercial Code and the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 can be counted among the measures to prevent abuse of the Company's management control.

19.5. Information on agreements/arrangements that may lead to a change in the management control of the issuer:

None.

19.6. Relationships between real person shareholders whose direct shares in the capital or total voting rights are 5% or more:

Osman PEPE and Birgül PEPE, who own Pekar Grup İnşaat A.Ş., which owns 99,76 % of the Company's capital, and Dörtler İnşaat Taahhüt Ltd. and who holds 70.03% of the Company's capital are married. Mehmed Khalid Ismail PEPE, Chairman of the Board of Directors of the Company, Mustafa Talha PEPE, Vice President of the Board of Directors, and Mesud Abdurrahman PEPE, Member of the Board of Directors are the children of Osman PEPE and Virgül PEPE.

20. INFORMATION ON RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

20.1. Detailed explanation in accordance with IAS 24 about the transactions with related parties as of the accounting periods and the latest situation in the prospectus:

The Company's relationship levels with the persons and companies considered as related parties as of the financial statement periods are as follows.

Company and Related Parties'	Subject of Activity	Relation
Bek Uluslararası Madencilik	It operates in chromium mining.	It is a company in which Mehmed Khalid Ismail PEPE holds 66% and Mustafa
Dörtler İnşaat	operates in the Construction-	It is the company in which Osman PEPE and Birgül PEPE have 95.71% and 4.29% shares



Hat-San İnşaat	operates in construction works, shipbuilding, and maritime	This is the company in which Pekar Group has a 97.00% shareholding and Mustafa Talha PEPE has a 3% shareholding.
Kar İnşaat	operates in the Construction- Undertaking and rent a car.	This is the company in which Pekar Group has a 99.89% shareholding and Mustafa Talha PEPE has a 0,1 1% shareholding.
Pekar Grup	It is the roof firm of the Group and the main partner of all firms within the Group.	This is the company that shares 99.76% of the Company.
Osman Pepe Vakfi	Engaged in social aid and education activities.	There are family members on the Foundation's Board of Trustees. (Mustafa Talha PEPE, Mehmed
Kar Elektrik	It operates in the production of electric energy and operation.	This is the company in which Pekar Group has a 75% shareholding and Mustafa Talha PEPE has a 5%
Delta Project	Construction works.	It is the former subsidiary of Hat-San İnşaat, the Ordinary Partnership was liquidated in 2022.
Erfa Mühendislik	Construction works.	It is a 10% subsidiary of Hat-San İnşaat. Hat-San Gemi has been deconsolidated as a result of the sale of its shares in Hat-San İnşaat.
Mehmed Halid İsmail PEPE	-	He is a 0.08% shareholder of the Company and Chairman of the
Mustafa TalhaPEPE	-	He is a 0.08% shareholder of the Company and vice chairman of the
Mesud Abdurrahman Pepe	-	He is a 0.08% shareholder of the Company and Member of the Board of Directors.

The Company's short-term trade receivables from related parties as of the balance sheet dates are as follows . The Company's head office is shared with the related party companies listed below and the lease agreement for the head office is concluded between the Company and the property owner. In this context, the Company issues rent reflection invoices to the following companies and the receivables in question have arisen within this framework.

Shortdated trade receivables (TL)	31.12.2022	31.12.2021	31.12.2020
Bek Uluslararası Madencilik	458	0	0
Dörtler İnşaat	610	0	0
Hat-San İnşaat	992	0	0
Kar İnşaat	839	0	0
Pekar Grup İnşaat	458	0	0
Osman Pepe Foundation	32.295	0	0
Total	35.65	0	0



The Company's other short-term receivables from related parties as of the periods presented in the financial statements are as follows and the amounts in question have arisen within the scope of non-trade transactions carried out for financing purposes. In 2021, as a result of the tax base increase, receivables from related parties amounting to TL 7.2 million were closed by expensing and receivables from related parties decreased from TL 9.3 million to TL 1.7 million.

Shortdated trade receivables (TL)	31.12.2022	31.12.2021	31.12.2020
Mehmed Halid İsmail PEPE	36.401	871.608	6.459.831
Mustafa Talha PEPE	60	1.652	597.486
Delta Project	0	782.717	840.609
Pekar Grup İnşaat	0	74.874	1.206.060
Bek Uluslararası Madencilik	929.249	0	0
Dörtler İnşaat	6,187	0	0
Mesud Abdurrahman PEPE	0	0	164.390
Total	971.897	1.730.851	9.268.376

The Company's long-term trade receivables from related parties as of the balance sheet dates are as follows . The Company's long term trade receivables from related parties corresponding to TL 3.1 million at the end of 2022 arose from the steel construction depot building constructed on the land owned by Kar Elektrik, a related party of the Company. Since the Company has undertaken the construction costs of the steel construction depot building, coststhe Company does not pay rent to Kar Elektrik, and the rent is offset against the cost of the hangar building.

Long-term Trade receivables from related parties	31.12.2022	31.12.2021	31.12.2020
Kar Elektrik	3.058.252	0	0
Total	3.058.252	0	0

The Company's short-term trade receivables from related parties as of the balance sheet dates are as follows . Other short-dated debts to related parties increased from 0.2 million TL in 2020 to 1.5 million TL in 2021 and reached 1.2 million TL in 2022. The reason for the increase in 2021 is the provision of some funds from the partners for the funding of large investments that started in 2021 and continued in a part of 2022.

Other Shortdated Debts to Related Parties	31.12.2022	31.12.2021	31.12.2020
Mesud Abdurrahman PEPE	631.630	905.472	0
Mustafa Talha PEPE	140.609	498.531	61.719
Erfa Mühendislik	0	130.884	130.885
Mehmed Halid İsmail PEPE	470.562	0	0
Total	1.242.801	1.534.887	192.604



The Company's long-term trade receivables from related parties as of the balance sheet dates are as follows. Other long-term debts to related parties are the amounts lent to the Company to fund investments. As of the end of 2022, the Company has no other long-term debts.

Other Long Term Debts (TL)	31.12.2022	31.12.2021	31.12.2020
Mesud Abdurrahman PEPE	0	1.364.149	312.096
Delta Project	0	302.318	302.318
Mustafa Talha PEPE	0	0	1.364.149
Total	0	1.666.467	1.978.563

Transactions with related parties are carried out on market terms.

a) Liabilities such as guarantees, warranty, advances, and endorsements given in favor of shareholders, associates, affiliate companies and other group companies

None.

b) Information on purchases from and sales to related parties

Information regarding the sales transactions of the Company to related parties as of the financial statement periods is given below.

Revenues from related parties (TL)	31.12.2022	31.12.2021	31.12.2020
Sales of Services to Related Parties	3.986	3.746	3.711
Pekar Grup İnşaat	3.986	3.746	3.711
Interest income from related parties:	545.009	0	0
Kar Elektrik	210.947	0	0
Bek Uluslararası Madencilik	128.932	0	0
Dörtler İnşaat	114.795	0	0
Kar İnşaat	64.318	0	0
Pekar Grup İnşaat	26.017	0	0
Sales of Services to Related Parties	31.886	696.241	0
Osman Pepe Foundation	2.657	0	0
Bek Uluslararası Madencilik	3.986	0	0
Dörtler İnşaat	5.314	0	0
Hat-San İnşaat	8.636	0	0
Kar İnşaat	7.307	0	0
Kar Elektrik	3.986	0	0
Mustafa Talha PEPE	0	696.241	0
Total	580.881	699.987	3.711



Information regarding the purchase transactions of the Company to related parties as of the financial statement periods is given below.

Expenses to related parties (TL)	31.12.2022	31.12.2021	31.12.2020
Purchases from Related Parties	1.147.720	180,000	225.000
Hat-San İnşaat	821.000	0	0
Kar Elektrik	326.720	0	0
Pekar Grup İnşaat	0	180,000	225.000
Total	1.147.720	180,000	225.000

c) Amount of loans granted to the issuer's executives by the issuer and other subsidiaries within the group, the interest rate applied and the guarantees given on behalf of the executives, related and not related to the field of activity,

The Company's other short-term receivables from related parties as of the periods presented in the financial statements are as follows and the amounts in question have arisen within the scope of non-trade transactions carried out for financing purposes. In 2021, as a result of the tax base increase, receivables from related parties amounting to TL 7.2 million were closed by expensing and receivables from related parties decreased from TL 9.3 million to TL 1.7 million.

Shortdated trade receivables (TL)	31.12.2022	31.12.2021	31.12.2020
Mehmed Halid İsmail PEPE	36.401	871.608	6.459.831
Mustafa Talha PEPE	60	1.652	597.486
Delta Project	0	782.717	840.609
Pekar Grup İnşaat	0	74.874	1.206.060
Bek Uluslararası Madencilik	929.249	0	0
Dörtler İnşaat	6,187	0	0
Mesut Abdurrahman PEPE	0	0	164.390
Total	971.897	1.730.851	9.268.376

As mentioned above, the interest income earned by the Company for the amounts lent to related parties is as follows for the periods indicated in the financial statements.

Interest income from related parties(TL)	31.12.2022	31.12.2021	31.12.2020
Kar Elektrik	210.947	0	0
Bek Uluslararası Madencilik	128.932	0	0
Dörtler İnşaat	114.795	0	0
Kar İnşaat	64.318	0	0
Pekar Grup İnşaat	26.017	0	0
Total	545.009	0	0

d) Subsidiaries, affiliate companies and other group partnerships of the issuer, subsidiary shares and/or information on real estate trading, Transfer of Kar İnşaat Shares

Hat-San Gemi has transferred its 597.155 shares with a nominal value of TL 14.928.875 against its 597.155 shares in the capital of Kar İnşaat to Pekar Grup



İnşaat A.Ş. for a price of TL 20.750.000, which was determined by bargaining procedure, and this situation was announced in the TTSG dated 29.09.2022 and numbered 10671.

Pekar İnşaat Merger through dissolution without liquidation

With the registration of the Istanbul Trade Registry Office dated 28.12.2017, Bekar İnşaat ve Yatırım A.Ş., one of the shareholders of Kar Elektrik, merged with Hat-San Gemi through dissolution without liquidation in accordance with the merger provisions.

Transfer of Kar Elektrik Shares

In September 2022, Hat-San Gemi has separated from the partnership by transferring its shares with a nominal value of TL 1.687.500 for 67.500 shares to Pekar Grup İnşaat A.Ş. for a price of TL 2.350.000, which was determined by negotiation method, and this situation was announced in the TTRG dated 28.09.2022 and numbered 1439.

Hat-San İnşaat Partial Division

Shipyards activities carried out within the structure of Hat-San İnşaat was transferred by means of partial division at the end of 2013 and was obtained Hat-SanGemi shares in return. This change was published in Turkish Trade Registry Gazette dated 05.12.2013 and numbered 8458 with the registration with Istanbul Trade Registry Office dated 29.11.2013. The capital of Hat-San Gemi is 500.000TL before the division. The capital of Hat-San Gemi was increased to TL 5,101,093 with the net asset value of the production and service business acquired through partial division.

Hat-San İnşaat, incorporated in 1997, is a company engaged in various construction activities.

In 2007, it started the shipyard investment. Over time, when the shipyard activities switched to building construction activities, on 29.11.2013 all the fixtures, machinery, buildings and their loans, receivables and debts in the shipyard area were partially divided with all their assets and liabilities and transferred the shipyard activities to Hat-San Gemi within the group. Hat-San Gemi, which took over the shipyard activities from Hat-San Construction Company due to the fact that Hat-San Construction had been operating in the shipyard sector for a long time under the brand name "Hat-San" and was recognized in the sector with this name, changed its own title and used the brand name "Hat-San" in this new title. As of 2013, Hat-San İnşaat ve Hat-San Gemi firms' official activity subjects are quite different. On 20.06.2017, Hat-San İnşaat transferred its Hat-San Gemi shares that it owns to Bekar İnşaat Yatırım A.Ş. and left the partnership.

Share Transfer and Merger Transaction of Pekar Grup İnşaat A.Ş.

Pekar İnşaat ve Yatırım A.Ş., registered with the Istanbul Trade Registry Directorate under registration number 652375,05 Hat-San Gemi shares (with a nominal value of TL 5.086.093 corresponding to 99,70% of the capital of Hat-SanGemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş. with a nominal value of TL 5.086.093), which were monitored in the 242 subsidiaries account in the balance sheet dated 10.10.2017, were transferred to Kar Gemi on 01.12.2017 with the partial division agreement signed on 17.11.2017 and became a 0,1% shareholder of Kar Gemi by receiving the shares of Kar Gemi in return.



It transferred its shares from Pekar İnşaat ve Yatırım A.Ş., KarGemi on 22.12.2017 to Dörtler İnşaat Taahhüt Ltd. and left the partnership. Kar Gemi changed its title on 20.02. 2018 and obtained Pekar Grup İnşaat A.Ş. title.

After the partial division, Pekar İnşaat ve Yatırım A.Ş. with trade registry number 652375, which was registered on 22.12.2017, merged with Hat-San Gemi through merger and ceased its operations. While the capital of Hat-San Gemi was TL 5.101.093 before the merger, as a result of the merger, the capital of Pekar İnşaat ve Yatırım A.Ş. amounted to TL 6.351.093 by adding TL1.250.000.

e) Justification of the relationship with other companies;

None.

20.2. Information on the share of business with related parties in the issuer's net sales revenue:

The share of the issuer's revenues from related parties (service sales and other sales) in the issuer's revenue is presented below by financial statement periods.

Revenues from related parties (TL)	31.12.2022	31.12.2021	31.12.2020
Sales of Services to Related Parties	3.986	3.746	3.711
Pekar Grup İnşaat	3.986	3.746	3.711
Sales of Services to Related Parties	31.886	696.241	0
Osman Pepe Foundation	2.657	0	0
Bek Uluslararası Madencilik	3.986	0	0
Dörtler İnşaat	5.314	0	0
Hat-San İnşaat	8.636	0	0
Kar İnşaat	7.307	0	0
Kar Elektrik	3.986	0	0
Mustafa Talha PEPE	0	696.241	0
Total	35.872	699.987	3.711
Revenue	1.132.366.813	458.095.747	384.186.221
Incomes/Revenues from related parties	0.00%	0,15%	0.00%

The share of the issuer's expenses to related parties in the cost of sales of the issuer is presented below by financial statement periods.

Expenses to related parties (TL)	31.12.2022	31.12.2021	31.12.2020
Purchases from Related Parties	1.147.720	180.000	225.000
Hat-San İnşaat	821.000	0	0
Kar Elektrik	326.720	0	0
Pekar Grup İnşaat	0	180.000	225.000
Total	1.147.720	180.000	225.000
Cost of Sales	597.977.908	378.142.047	336.996.217
Expenses To Related Parties/ Cost of Sales	0,19%	0,05%	0,07%



21. OTHER INFORMATION

21.1. Information on the capital

The issued capital of the Company is divided into 188,037,093 shares with a nominal value of TRY 1.00 each and amounts to TRY 188,037,093. The issued capital of the Company is divided into 50,000,000 Class A registered shares and 138,037,093 Class B bearer shares, each with a nominal value of TL 1.00.

21.2. Registered Equity Ceiling:

The registered equity ceiling of the Company is TL 940,000,000, divided into 940,000,000 shares with a nominal value of TL 1.00 each.

21.3. Reconciliation of the number of shares in actual circulation at the beginning and end of the period and information on the subject if more than 10% of the capital is paid in kind as of the financial statement periods required to be included in the prospectus:

There are no shares in actual circulation. The Company has no capital in kind.

21.4. Information on the number and nature of shares not representing the capital, such as founding and redeemed shares, etc:

There are no shares such as founding and redeemed shares that do not represent the capital.

21.5. Number, book value and nominal value of the issuer's shares held by the issuer personally or on its behalf or held by its subsidiaries:

There are no shares of the Company held by the issuer personally or on its behalf or held by its subsidiaries.

21.6. Information on the amount of capital market instruments such as warrant capital market instruments, bonds convertible into shares, bonds exchangeable for shares, etc. and the principles of conversion, exchange or demand:

There are no capital market instruments such as warrant capital market instruments, bonds convertible into shares, bonds exchangeable for shares, etc.

21.7. Capital market instruments of Group companies that are subject to options or agreed to be subject to options with a conditional or unconditional agreement and information about the option, including related parties:

Group companies do not have any capital market instruments that are subject to options or agreed to be subject to options with a conditional or unconditional agreement.

21.8. Information on capital increases and their sources as of the financial statement periods required to be included in the prospectus, capital decreases, created/cancelled share groups and other transactions leading to changes in the number of shares:

Information regarding the capital increases/decreases of the Company as of the financial statement periods is as follows:



Capital Before Increase/ Decrease	Share Capital After Increase / Decrease	Capital Decrease (TRY)	Free Increase (TRY)	Paid Increase (TRY)	Source	Registration Date	TTRG Date	TTRG Number
6.351.093	18.037.093	0	11.686.000	0	Last Year Decisions	21.09.2021	21.09.2021	10413
18.037.093	188.037.093	0	170.000.000	0	(*)	20.09.2022	20.09.2022	10664
188.037.093	188.037.093	170.000.000	170.000.000	0	(*)	03.02.2023	03.02.2023	10762

With the decision of the general assembly dated 03.09.2021, it has been resolved to increase the capital of the Company from TRY 6.351.093 to TRY 18.037.093 by increasing it by TRY 11.686.000, all of which will be covered from retained earnings, and the said issue has been registered on 21.09.2021 and announced in the TTRG dated 21.09.2021 and numbered 10413.

(*) With the decision of the General Assembly of the Company dated 14.09.2022, it has been decided to increase the capital of the Company from TRY 18.037.093 to TRY 188.037.093 by increasing TRY 170.000.000, all of which will be covered from the 6-month interim period profit, and the said issue has been registered on 20.09.2022 and announced in TTRG dated 20.09.2022 and numbered 10664. The Company's capital, which was increased to TRY 188,037,093 with the addition of the net profit for the interim period to the capital, was decided to be subject to capital reduction of the capital amount up to the interim profit added to the capital at the general assembly meeting held on 02.02.2023 and to increase the capital back to TRY 188,037,093 to be covered from the net profit for the year 2022 simultaneously at the same meeting. The said simultaneous capital increase and decrease transactions were registered on 03.02.2023 and announced in TTRG dated 03.02.2023 and numbered 10762.

21.9. In case the issuer has issued shares through public offering, private placement or sale to qualified investors within the last twelve months, explanations on the nature of these transactions, the amount and qualifications of the shares subject to these transactions:

None.

21.10. In case the issuer's shares are currently traded on the stock exchange, information on which shares are traded on the stock exchange or whether there is an application regarding these issues:

None.

21.11. Information on the takeover bids made by third parties on the shares of the issuer in the year the prospectus is prepared and in the previous year, if the issuer is already a publicly traded company, and the prices and results of such bids:

None.

21.12. Important information regarding the articles of association and internal directives:

The Company's Articles of Association (Annex 2), which has been compiled into a unified text and signed by authorised persons, is available on the PDP website at www.ssp.org.tr and on the Company's website at www.hat-san.com.tr.



The purpose and subject of the Company is stated in Article 3 titled "Purpose and Subject" of the Articles of Association of the Company and is further stated in Article 21.13 of this prospectus.

Within the framework of Article 3 titled "Purpose and Subject" of the Company's Articles of Association, the Company's field of activity is to purchase and lease domestic and foreign shipbuilding facilities, shipyards, hotels, cruise ships, yachts of all tonnages, to construct or have constructed, to operate shipyards and floating docks for the purpose of providing periodic maintenance and repair services to ships and other floating dock vehicles and to carry out other works written in the Articles of Association.

The provisions regarding the Company's Board of Directors are set forth in Articles 9 titled "Board of Directors, Term of Office and Board of Directors Meetings" and Article 10 titled "Representation of the Company" of the Articles of Association and are set forth in detail in Article 21.14 of this prospectus.

As stated in Article 9 of the Company's Articles of Association titled "Board of Directors, Term of Office and Meetings of the Board of Directors", half of the members of the Board of Directors shall be elected by the Group A shareholders or among the candidates nominated by the majority of the Group A shareholders. In case half of the number of members of the Board of Directors is not a whole number, it shall be rounded down to the next whole number. For the avoidance of any doubt, 2 members of the Board of Directors consisting of 5 members, 3 members of the Board of Directors consisting of 6 members, 3 members of the Board of Directors consisting of 7 members and 4 members of the Board of Directors consisting of 8 members are elected from among Group A shareholders or candidates nominated by the majority of Group A shareholders.

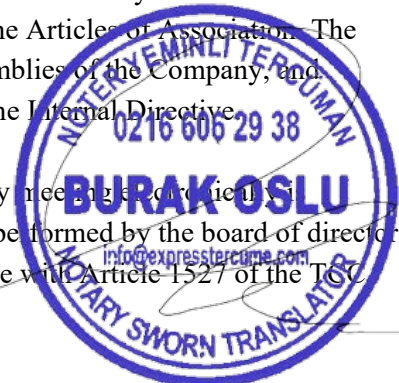
The provisions regarding the general assembly of the Company are set forth in Article 12 titled "General Assembly" of the Articles of Association and are set forth in detail in Article 21.17 of this prospectus.

As regulated in Article 12 titled "General Assembly" of the Company's Articles of Association, Group A shares entitle the holder to 5 votes and Group B shares entitle the holder to 1 vote at ordinary and extraordinary general assembly meetings.

The Company's provisions regarding the determination and distribution of profit are set forth in Article 15 of the Articles of Association titled "Determination and Distribution of Profit" and are detailed in Article 23.6 of this prospectus.

According to the Internal Directive on the Working Principles and Procedures of the General Assembly of the Company, the working principles and procedures of the General Assembly are determined in accordance with the provisions of the Law, relevant legislation and the Articles of Association. The Internal Directive covers all ordinary and extraordinary general assemblies of the Company, and electronic participation to the meetings is included in Article 15 of the Internal Directive.

In the event that the opportunity to participate in the general assembly meeting electronically is provided pursuant to Article 1527 of the TCC, the procedures to be performed by the board of directors and the chairmanship of the meeting shall be performed in accordance with Article 1527 of the TCC and the relevant legislation.



21.13. The purpose and activities of the issuer by referring to the relevant article of the Articles of Association:

Within the framework of Article 3 titled "Purpose and Subject" of the Company's Articles of Association, the Company's field of activity is to purchase and lease domestic and foreign shipbuilding facilities, shipyards, hotels, cruise ships, yachts of all tonnages, to construct or have constructed, to operate shipyards and floating docks for the purpose of providing periodic maintenance and repair services to ships and other floating dock vehicles and to carry out other works written in the Articles of Association.

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

Pursuant to Article 9 of the Company's Articles of Association titled "Board of Directors, Term of Office and Board Meetings"; The Company shall be managed by a Board of Directors consisting of at least 5 and at most 8 persons elected in accordance with the Turkish Commercial Code, Capital Markets Legislation and other relevant legislation and the provisions of the Articles of Association. Half of the members of the Board of Directors shall be elected by the Group A shareholders or among the candidates nominated by the majority of the Group A shareholders. In case half of the number of members of the Board of Directors is not a whole number, it shall be rounded down to the next whole number. For the avoidance of any doubt, 2 members of the Board of Directors consisting of 5 members, 3 members of the Board of Directors consisting of 6 members, 3 members of the Board of Directors consisting of 7 members and 4 members of the Board of Directors consisting of 8 members are elected from among Group A shareholders or candidates nominated by the majority of Group A shareholders. The number and qualifications of the independent members of the Board of Directors are determined in accordance with the capital markets legislation, particularly the regulations of the Capital Markets Board on corporate governance. The members of the Board of Directors to be elected among the candidates to be nominated by the Group A shareholders or the majority of the Group A shareholders shall be members other than the aforementioned independent members.

Members of the Board of Directors may be elected for a maximum of 3 years. Board members whose term of office expires may be re-elected.

The formation, duties and working principles of the committees that the Board of Directors is obliged to establish, including the Early Detection of Risk Committee pursuant to the Turkish Commercial Code and capital markets legislation, are carried out in accordance with the provisions of the Turkish Commercial Code, CML, Capital Markets Board's regulations on corporate governance and other relevant legislation. The Board of Directors establishes committees and sub-committees on matters it deems necessary in accordance with the Turkish Commercial Code and capital markets legislation.

Pursuant to Article 10 of the Company's Articles of Association entitled "Representation of the Company"; The Board of Directors is responsible for the management and representation of the Company. The Board of Directors fulfils the duties stipulated in the Turkish Commercial Code, Capital Markets Law and other relevant legislation and assigned to it by the General Assembly. In order for all documents to be issued and agreements to be concluded by the Company to be valid, they must bear the signature of the person or persons authorised to bind the Company and placed under the Company's title.



Upon a resolution of the Board of Directors, the authority to represent the Company may be delegated to one of the members of the Board of Directors or to one or more executive directors or to third parties as managers with a single signature. At least one member of the Board of Directors must be authorised to represent the Company. Unless the resolution indicating the persons authorised to represent and their representation forms is registered and announced in the trade registry, the transfer of the representation authority shall not be valid. The limitation of the power of representation shall not be effective against third parties in good faith, but the registered and announced limitations on the exclusive or joint exercise of the power of representation only for the affairs of the head office or a branch office shall be valid. The provisions of Articles 371, 374 and 375 of the Turkish Commercial Code are reserved. Pursuant to Article 13 of the Company's Articles of Association entitled "Compliance with Corporate Governance Principles", the Corporate Governance Principles required to be implemented by the Capital Markets Board are complied with. Transactions and resolutions of the Board of Directors made without complying with the mandatory principles are invalid and deemed to be contrary to the Articles of Association.

The regulations of the Capital Markets Board on corporate governance principles shall be complied with in transactions deemed to be material in terms of the application of corporate governance principles and in the Company's material related party transactions and in transactions regarding the provision of guarantees, pledges and mortgages in favour of third parties.

21.14. Information on the privileges, bindings and limitations of each share group:

According to Article 7 titled "Capital" of the Company's Articles of Association; The issued capital of the Company is divided into 188,037,093 shares with a nominal value of TRY 1.00 each and amounts to TRY 188,037,093. The issued capital of the Company is divided into 50,000,000 Class A registered shares and 138,037,093 Class B bearer shares, each with a nominal value of TL 1.00.

The authorisation for registered capital granted by the Capital Markets Board is valid for the years 2023-2027 (5 years). Even if by the end of 2027 the permitted registered capital ceiling has not been reached, in order for the Board of Directors to take a capital increase decision after 2027, it is obligatory to obtain authorisation from the General Assembly for a new period not exceeding 5 years by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount. In the event that the said authorisation is not obtained, the Company cannot increase its capital by a resolution of the Board of Directors.

In accordance with the provisions of the Turkish Commercial Code and Capital Markets Legislation, the Board of Directors is authorised to decide, when it deems necessary between the years 2023-2027 (5 years), (i) to increase the issued capital by issuing new shares up to the registered capital ceiling and to issue privileged shares, (ii) to restrict the rights of privileged shareholders, (iii) to partially or completely restrict the rights of shareholders to acquire new shares, and (iv) to issue shares at a premium or below their nominal value. The Board of Directors may not exercise its authority to restrict the shareholders' rights to acquire new shares in a manner that may lead to inequality among the shareholders. The capital of the Company may be increased or decreased within the framework of the provisions of the Turkish Commercial Code and Capital Market Legislation when necessary.



Free shares issued in capital increases are distributed to the existing shares on the date of the increase.

Unless otherwise decided by the Board of Directors in the capital increases to be made, Group A shares shall be issued against Group A shares and Group B shares shall be issued against Group B shares. In cases where the rights of all existing shareholders to acquire new shares are restricted, all shares to be issued shall be Group B shares.

Unless the issued shares are completely sold and paid for, no new shares can be issued.

In order for any of the Group A shares to be converted into shares that can be traded on the Stock Exchange for any reason, the shares subject to the application to be made to the Merkezi Kayıt Kuruluşu A.Ş. following the approval of the Capital Markets Board for the amendment of the Articles of Association and the approval of the said amendment in the general assembly, the shares subject to the application shall be converted into Group B shares.

If the decision of the General Assembly regarding the amendment of the Articles of Association is of a nature to violate the rights of the privileged shareholders, this decision cannot be implemented unless it is approved in a special meeting to be held by the aforementioned shareholders with a resolution in accordance with the provision of Article 454 of the Turkish Commercial Code.

According to Article 8 titled "Share Transfers" of the Company's Articles of Association;
The transfer of Group B bearer shares of the Company is carried out freely without any restriction in accordance with the Articles of Association, the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation.

The following principles shall be complied with in the transfer of registered Class A shares: Since the realisation of the Company's business subject depends on a harmonious shareholding structure and the protection of the Company's economic and commercial interests requires accumulation, expertise and corporate memory, in order to protect the composition of the Company's shareholders and the Company's business subject or the economic independence of the business as stipulated in the Turkish Commercial Code, registered Group A shares may be transferred primarily to the Company's founding family shareholders and blood relatives up to the second degree of these founding shareholders. In the event that the founding family shareholders of the Company do not take over the share subject to the transfer, the Company's shares with Group A title can only be transferred to a third party with the consent of all members of the Board of Directors. Within the framework of the Articles of Association, the registered Group A shares of the Company may not be transferred to a competitor company operating in the same line of business as the Company and/or to a shareholder of a competitor company and/or to an employee of a competitor company. In the event that a registered Class A share of the Company is acquired by a third party other than the founding family of the Company as stipulated in the Articles of Association pursuant to the provisions of the property regime between spouses and/or forcible execution, and if the approval stipulated in the Articles of Association is not given for the transfer, the third party acquiring the share shall not have the right to participate in the general assembly and shall not be entitled to vote. Within the scope of this article, the third party acquiring the share and the members of the board of directors shall propose to the board of directors to take over the acquired Company share with its real value, and if the third party refuses to transfer the share to the board of directors, it shall not be recorded in the share ledger by the board of directors. In the event that the Company buys back its own shares, it acts in accordance with the capital markets



legislation and other relevant legislation and necessary material event disclosures are made.

21.15. Principles on changing the rights and privileges of shareholders:

According to Article 7 titled "Capital" of the Company's Articles of Association; In accordance with the provisions of the Turkish Commercial Code and Capital Markets Legislation, the Board of Directors is authorised to decide, when it deems necessary between the years 2023-2027 (5 years), (i) to increase the issued capital by issuing new shares up to the registered capital ceiling and to issue privileged shares, (ii) to restrict the rights of privileged shareholders, (iii) to partially or completely restrict the rights of shareholders to acquire new shares, and (iv) to issue shares at a premium or below their nominal value. The Board of Directors may not use its authorisation to restrict the shareholders' rights to acquire new shares in a way that may lead to inequality among the shareholders. Unless otherwise decided by the Board of Directors in the capital increases to be made, Group A shares shall be issued against Group A shares and Group B shares shall be issued against Group B shares. In cases where the rights of all existing shareholders to acquire new shares are restricted, all shares to be issued shall be Group B shares. In order for any of the Group A shares to be converted into shares that can be traded on the Stock Exchange for any reason, the shares subject to the application to be made to the Merkezi Kayıt Kuruluşu A.Ş. following the approval of the Capital Markets Board for the amendment of the Articles of Association and the approval of the said amendment in the general assembly, the shares subject to the application shall be converted into Group B shares. The decision of the General Assembly on the amendment of the Articles of Association, the rights of privileged shareholders If this decision is of a nature to violate the provisions of Article 454 of the Turkish Commercial Code, this decision cannot be implemented unless it is approved by a resolution in accordance with the provisions of Article 454 of the Turkish Commercial Code in a special meeting to be held by the aforementioned shareholders. According to Article 8 titled "Share Transfers" of the Company's Articles of Association; The transfer of Group B bearer shares of the Company is carried out freely without any restriction in accordance with the Articles of Association, the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation.

The following principles shall be complied with in the transfer of registered Class A shares:

Since the realisation of the Company's business subject depends on a harmonious shareholding structure and the protection of the Company's economic and commercial interests requires accumulation, expertise and corporate memory, in order to protect the composition of the Company's shareholders and the Company's business subject or the economic independence of the business as stipulated in the Turkish Commercial Code, registered Group A shares may be transferred primarily to the Company's founding family shareholders and blood relatives up to the second degree of these founding shareholders. In the event that the founding family shareholders of the Company do not take over the share subject to the transfer, the Company's shares with Group A title can only be transferred to a third party with the consent of all members of the Board of Directors.

Within the framework of the Articles of Association, the registered Group A shares of the Company may not be transferred to a competitor company operating in the same line of business as the Company and/or to a shareholder of a competitor company and/or to an employee of a competitor company.

In the event that a registered Class A share of the Company is acquired by a third party other than the founding family of the Company as stipulated in the Articles of Association pursuant to the provisions of the property regime between spouses and/or forcible execution, and if the approval stipulated in the Articles of Association is not given for the transfer, the third party acquiring the share shall not have



the right to participate in the general assembly and shall not be entitled to vote. Within the scope of this article, the third party acquiring the share and the members of the board of directors shall propose to the board of directors to take over the acquired Company share with its real value, and if the third party refuses to transfer the share to the board of directors, it shall not be recorded in the share ledger by the board of directors.

In the event that the Company buys back its own shares, it acts in accordance with the capital markets legislation and other relevant legislation and necessary material event disclosures are made.

21.16. Information on the procedures for holding the ordinary and extraordinary general assembly meetings and the conditions for participation in the meetings:

According to Article 12 of the Company's Articles of Association entitled "General Assembly"; The General Assembly has the powers granted by the Turkish Commercial Code and Capital Market Legislation.

The following principles shall be applied in the General Assembly meetings:

a- Meeting Time: General Assemblies convene as ordinary or extraordinary. Ordinary General Assembly meetings are held within 3 months following the end of the Company's accounting period and at least once a year. Extraordinary general assembly meetings shall be convened in cases and times required by the Company's business.

b- Invitation Method: The provisions of the Turkish Commercial Code, the relevant provisions of the capital markets legislation, the internal directive of the general assembly and the relevant legislation shall apply to the invitation to the meetings, organisation and execution of the meetings. The General Assembly is called to the meeting through an announcement published on the Company's website, the Public Disclosure Platform and the Turkish Trade Registry Gazette. This call shall be made at least three weeks before the date of the meeting, excluding the days of announcement and meeting. This announcement is published on the Company's website, the Public Disclosure Platform and the Turkish Trade Registry Gazette. In addition to the announcement of the general assembly meeting, the notifications and disclosures required to be made by the Company pursuant to the relevant legislation, as well as the issues determined by the regulations of the Capital Markets Board regarding corporate governance principles are announced to the shareholders in a conspicuous manner on the Company's website. The information and documents stated in the relevant provisions of the Turkish Commercial Code and the capital markets legislation shall be announced at least 3 weeks prior to the general assembly meeting, excluding the announcement and meeting days, and shall be made available for the inspection of the shareholders.

c- Attendance to the Meeting: The board of directors shall prepare the list of attendees according to the 'shareholders' schedule' to be provided by Merkezi Kayıt Kuruluşu A.Ş. in accordance with the CML in relation to the holders of dematerialised shares.



d- Voting and Appointment of Proxy: In ordinary and extraordinary general assembly meetings, Group A shareholders are entitled to 5 votes and Group B shareholders are entitled to 1 vote. The provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislation shall be complied with when voting. In order to exercise their rights arising from their shares, shareholders may attend the General Assembly meetings in person or they may send a third person, who may or may not be a shareholder, to the General Assembly as a representative. In the Ordinary and Extraordinary General Assembly meetings, the regulations of the Capital Markets Board regarding proxy voting shall be complied with. The right to attend and vote at the General Assembly shall not be conditional upon the shareholder depositing the documents proving that the shareholder is a shareholder or share certificates with the Company, a credit institution or any other place. Shares are indivisible with respect to the Company. If there is more than one owner of a share, they may exercise their rights against the Company only through a common representative. In case they do not appoint such a representative, the notification to be made by the Company to one of the holders of the shares in question shall be valid for all of them.

e- Negotiations and Quorum: In the General Assembly meetings of the Company, the agenda determined within the framework of the Turkish Commercial Code and Capital Market Legislation is discussed and necessary decisions are taken. Without prejudice to Article 438 of the Turkish Commercial Code and Article 29 of the Capital Markets Law, matters not included in the agenda cannot be discussed and resolved. In the General Assembly meetings, the provisions of the Capital Markets Legislation and the regulations of the Capital Markets Board's corporate governance principles and the provisions of the Turkish Commercial Code shall be complied with in the meeting and decision quorums.

f- Place of Meeting: The place of meeting of the ordinary and extraordinary General Assemblies shall be determined in accordance with the decision of the Board of Directors, provided that it is within the boundaries of the local administrative unit where the Company's head office or domestic branches are located. Those who have the right to attend the general assembly meetings of the Company may also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Notification on the Electronic General Assembly System to be Applied in the General Assemblies of Joint Stock Companies, the Company may establish the Electronic Meeting System that shall enable the right holders to participate and vote in these meetings electronically, or may purchase services from the systems established for this purpose. In the meetings to be held, it is ensured that the right holders can exercise their rights specified in the relevant legislation within the framework specified in the provisions of the aforementioned communique through the system established in accordance with this provision of the Company's articles of association or through the system from which support services shall be procured.

g- Procedure of Meetings and Internal Directive: The procedure of the general assembly meetings shall be regulated by an internal directive. The provisions of the Turkish Commercial Code, Capital Market Legislation, the Articles of Association and the Company's Internal Directive on the Working Principles and Procedures of the General Assembly shall be applied in the General Assembly meetings.

Both ordinary and extraordinary General Assembly meetings are notified to the relevant authorities, including the Public Disclosure Platform and the Company's website. The Ministry Representative must be present at all meetings. The decisions to be taken at the meetings to be held in the absence of the Ministry Representative shall not be valid. If deemed necessary, the Capital Markets Board may



have a representative at the General Assembly of the Company. Information on the provisions that may cause delay, postponement and prevention of the change of the management control of the issuer:

None.

21.17. Principles regarding the transfer of shares:

According to Article 8 titled "Share Transfers" of the Company's Articles of Association; The transfer of Group B bearer shares of the Company is carried out freely without any restriction in accordance with the Articles of Association, the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation. The following principles shall be complied with in the transfer of registered Class A shares: Since the realisation of the Company's business subject depends on a harmonious shareholding structure and the protection of the Company's economic and commercial interests requires accumulation, expertise and corporate memory, in order to protect the composition of the Company's shareholders and the Company's business subject or the economic independence of the business as stipulated in the Turkish Commercial Code, registered Group A shares may be transferred primarily to the Company's founding family shareholders and blood relatives up to the second degree of these founding shareholders. In the event that the founding family shareholders of the Company do not take over the share subject to the transfer, the Company's shares with Group A title can only be transferred to a third party with the consent of all members of the Board of Directors. Within the framework of the Articles of Association, the registered Group A shares of the Company may not be transferred to a competitor company operating in the same line of business as the Company and/or to a shareholder of a competitor company and/or to an employee of a competitor company.

In the event that a registered Class A share of the Company is acquired by a third party other than the founding family of the Company as stipulated in the Articles of Association pursuant to the provisions of the property regime between spouses and/or forcible execution, and if the approval stipulated in the Articles of Association is not given for the transfer, the third party acquiring the share shall not have the right to participate in the general assembly and shall not be entitled to vote. Within the scope of this article, the third party acquiring the share and the members of the board of directors shall propose to the board of directors to take over the acquired Company share with its real value, and if the third party refuses to transfer the share to the board of directors, it shall not be recorded in the share ledger by the board of directors.

In the event that the Company buys back its own shares, it acts in accordance with the capital markets legislation and other relevant legislation and necessary material event disclosures are made.

21.18. If the conditions specified in the Articles of Association regarding the increase and decrease of the capital are more severe than required by law, information on the provisions in question:

None.

22. IMPORTANT AGREEMENTS

Use Permission Agreements

The Company's Hat-San 1 Facility is located in Yalova province Altinova district of Yalova province, Yalova - Altinova Shipyards Region, Hersek - Subaşı Villages A20 and A21 parcels with immovable numbers 77020200097, 77020200098, 77020200152, 77020200171 and 77020200172 and these areas are under the private property of the Treasury. In this direction, the Company uses these areas with the use permit agreements dated 04.04.2017, 23.06.2020, 23.06.2020, 17.02.2021 and



23.12.2021, respectively, which it has concluded separately for each immovable with the General Directorate of National Real Estate, which has been given the duty and authority to establish limited real rights on the immovables in the private property of the Treasury, to lease the places under the provision and saving of the state and to grant usage permits for these places when deemed necessary, with the subparagraph (b) of Article 101 of the Presidential Decree No. 1. All of these contracts were prepared by the Treasury and have very similar terms and conditions.

Under the aforementioned agreements, the Company has the right to use these immovable properties for shipyard investment until 22.11.2065, free of charge and with a one per thousand revenue share. In this context, the Company shall use the leased immovables only for the purpose of shipyard investment and shall not operate in such a way as to change the purpose of use or expand the area of use of the immovable with the use permit.

In addition, upon the completion of the shipyard investment made on the immovable properties granted an occupancy permit pursuant to the aforementioned agreement, in cases where the relevant shipyard will be operated by the owner of the occupancy permit, one thousandth of the total annual revenue obtained from the operation of the facility must be paid to the Treasury. Hat-San 1 Facility is operated by the Company and accordingly, one thousandth of the total annual revenue of Hat-San 1 Facility shall be paid to the Treasury by the Company. Total annual revenue under the contract consists of the consideration received or accrued for the goods or services sold or accrued for the goods or services sold within the framework of the activities of the enterprise on the immovable property granted permission to use, interest and exchange rate differences, interest and rental income and other income and is determined over the sum of net sales, ordinary income and profits from other activities and extraordinary income and profits in the income statement in the uniform accounting system. If the revenue shares are not deposited within 30 days from the due date for 2 consecutive years, the relevant usage permit agreement shall be terminated by the Republic of Turkiye Ministry of Treasury and Finance.

The use permits granted to the Company pursuant to the agreements shall expire on 22.11.2065, however, after the expiry of the term, if requested by the Company and the conditions determined by the Republic of Turkiye Ministry of Treasury and Finance are accepted by the Company without any objection, the General Directorate of National Real Estate may grant a direct use permit to the Company for the relevant immovables subject to the agreements. In the event of expiry of the utilisation permit or termination of the agreements for the reasons specified in the agreements, all structures and facilities on the immovable properties granted utilisation permits, except for those in the nature of movable structures, shall be transferred to the Treasury in sound and functional condition without compensation or consideration. In the event that the Company ceases its operations or causes the termination of the contract before the expiry of the authorisation period in the aforementioned contracts, the revenue share until the date of cessation of operations or termination of the contract shall be paid to the Treasury by the Company.

In the event of any change in the owners of the shares representing 50% or more of the Company capital during the continuation of the contracts of the aforementioned utilization permit, this shall be deemed as a transfer of the contract. If there is such a transfer, it shall be ensured that the debts owed to the Treasury shall be paid in full together with the default interest, and the violations of the provisions of the contract shall be eliminated within the period determined by the Ministry of Treasury and Finance. In addition, it shall be possible with the approval of the Ministry of Treasury and Finance and



the Ministry of Transport and Infrastructure to unconditionally and unconditionally waive the lawsuits filed against the Treasury due to the use permit due to these shareholders by assuming all judicial expenses and accepting the terms of the new contract to be prepared by the Ministry of Treasury and Finance. Within the scope of the IPO of the Company's shares, it is planned to offer Group B shares representing 20.0% of the Company's capital to the public, and therefore, the IPO planned within the scope of the aforementioned utilisation authorisation agreements shall not be deemed as a contract transfer and accordingly, this procedure described above shall not be required to be applied.

Lease Agreements

(i) Hat-San 2 Plant Lease Agreement

The Company uses Hat-San 2 Plant, where it carries out pre-production activities, in accordance with the lease agreement concluded with Kar Elektrik on 15.09.2019. Pursuant to the aforementioned agreement, the immovable property subject to the agreement has been rented to the Company by Kar Elektrik for a total of 124 months with a total rent of TRY 3.144.000 + VAT with a rent of TRY 21.000 + VAT for the first 4 months and TRY 25.500 + VAT for the remaining 120 months.

(ii) Head Office Lease Agreement

The Company's head office located at Florya Caddesi, Florya Plaza No:88, Kat.2, Bakırköy/Istanbul on 20.02.2019 with a lease agreement signed with 3 different real persons. Pursuant to the aforementioned lease agreement, the Company has agreed to pay a monthly net rental fee of TRY 17.000 for the first year starting from 20.02.2019 and according to the agreement, this rental fee shall increase at the rate of the 12-month average of the Consumer Price Index every year starting from the end of the first year. In addition, the rent price does not include taxes, etc. amounts that must be paid by the Company in accordance with the legal legislation, and these amounts shall be paid by the Company in addition to the monthly net rental price determined in the contract.

Customer Agreements

The Company manufactures floating docks in the nature of ships and sells these floating docks to third parties. Accordingly, the provisions of these agreements concluded by the Company with its customers are similar to each other. Pursuant to the aforementioned agreements, the Company is obliged to produce and deliver the floating dock with the quality and specifications specified in the agreements within the period agreed in the agreements and to provide a bank letter of guarantee corresponding to a certain percentage of the contract price. In addition, in accordance with the contracts, the Company may subcontract some of the workmanship of the production activities to subcontractors by obtaining the approval of the relevant customers during the production of floating docks.

The aforementioned agreements specify a unit price and a part of the contract price calculated over the unit price determined in the agreements is paid to the Company in advance, and the remaining part is paid upon handover of the floating dock to the relevant customer in accordance with the contract. In cases where the Company delivers the floating docks late, it shall be calculated over the rate specified in the contracts and shall pay a delay penalty. In addition, the Company shall provide maintenance and repair services for the floating docks during the warranty period specified in the contracts which shall commence after the final acceptance of the floating docks. At the same time, after the expiry of the warranty period specified in the agreements, the Company shall provide spare parts, components and repair materials or equivalent to the relevant customers for the period specified in the agreements.



Subcontractor Agreements

The Company outsources some of the production activities of its vessels to various third party contractors with the approval of the relevant customers. In this regard, the Company has entered into contractor agreements from time to time for the construction, maintenance and repair of various vessels in accordance with the agreements. The terms and conditions of these agreements are similar to each other and according to these agreements, the contractors are obliged to start the works subject to the agreement on the date specified in the agreement and to deliver the works within the period specified in the agreements. In case the work is not delivered as specified, the contractors shall be liable to pay delay penalties to the Company in varying amounts. At the same time, some of the agreements specify that a certain percentage of the progress payments made to the contractors shall be deducted and these amounts shall be set aside as collateral or the contractors shall provide letters of guarantee to the Company.

Service/Procurement Agreements

The Company procures various services and goods from third parties in relation to various issues in order to realise its activities. The agreements for the supply of such services and goods are signed on the basis of the services to be provided by the Company and the goods to be supplied, and in this context, the continuity of the Company's activities is ensured. The services and goods supplied by the Company under these contracts signed with third parties are mainly (i) waste transport services, (ii) environmental consultancy services, (iii) occupational health and safety, (iv) private security services, (v) software services, (vi) catering services and (vii) personnel transport services.

General Loan Agreements

Various general loan agreements have been concluded between the Company as the borrower and various banks established in Turkiye as the lender.

The aforementioned general loan agreements are the standard agreements of the relevant banks and generally grant banks broad rights and powers such as making all loans due, demanding repayment and charging default interest in cases such as negative changes in the financial position of the borrowing company, granting sureties and guarantees in favour of third parties by the relevant companies, making significant disposals and creating encumbrances on the assets of the relevant companies, increasing the indebtedness of the companies, unauthorised profit share distribution. The majority of these general loan agreements are secured by various sureties.

Financial Leasing Agreements

The Company has entered into finance leasing agreements with various financial leasing institutions for various machinery used within the scope of the Company's activities. The financial lease agreements concluded by the Company are standard financial lease agreements used in similar financial lease transactions. The leased assets shall be transferred to the ownership of the Company when the instalments are completed.



23. INFORMATION ON THE FINANCIAL STATUS AND RESULTS OF OPERATIONS OF THE ISSUER

23.1. The Issuer's financial statements prepared in accordance with the established accounting/financial reporting standards and required to be included in the prospectus and the related independent audit reports:

The financial statements of the Company for the periods 31.12.2020, 31.12.2021 and 31.12.2022 prepared by Abaküs Bağımsız Denetim A.Ş. in accordance with the accounting/financial reporting standards of the Board and the related special independent audit reports are available at www.hat-san.com.tr and in Annex 1.

23.2. Information on the titles of the institutions that carried out the independent audit in the financial statement periods required to be included in the prospectus, the independent audit opinion and the reasons for the change of the audit firm/responsible common lead auditor:

31.12.2020, 31.12.2021 and 31.12.2022 dated comparative financial statements and related footnotes were audited by Abaküs Bağımsız Denetim A.Ş. and the related independent audit reports were prepared.

Abaküs Bağımsız Denetim A.Ş.	
Financial Statement Period	31.12.2020, 31.12.2021 and 31.12.2022
Responsible Auditor	Doğuş BEKTAŞ
Address	Bariş Mah. Akdeniz Cad. No:8/1/5 Beyaz Center, Beylikdüzü/Istanbul
Telephone	+90 (212) 709 09 07
Fax	+90 (0212) 806 97 65
Internet Address	www.abakusbd.com.tr
Membership of Professional Associations	Prime Global, Istanbul Chamber of Certified Public Accountants (ISMMMO)

31.12.2022 Auditor's opinion in the special independent audit report for the period 31.12.2022:

'In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ('TFRSs').' ”

31.12.2021 and 31.12.2020 auditor's opinion in the special independent audit report:

'In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, 31 December 2020 and 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ('TFRSs').' ”

Basis for Limited Positive Opinion:

'As of 31 December 2021, 2020 and 2019, the physical counts of inventories and cash in cash in the statement of financial position as of 31 December 2021, 2020 and 2019 could not be observed by us due to the fact that we were not appointed as an independent auditor to the Company on that date, and tried to determine the accuracy of the inventory and cash in cash amounts with alternative audit procedures, but could not determine the possible effects of the results that would arise if the inventory and cash in



cash amounts were not correct on the financial statements of 31 December 2021, 2020 and 2019. Due to the possible effects of this matter on the comparability of the current period information and the corresponding information, express a limited favourable opinion on the consolidated financial statements.

We conducted independent audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ('POA') which is a component of the Turkish Auditing Standards ('TAS'). Our responsibilities under these Standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to our audit of the consolidated financial statements. Other responsibilities regarding ethics within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.' "

23.3. Significant changes that occurred after the date of the last financial statement that may have an impact on the financial position or business position of the issuer and/or the group (this should include developments in production, sales, inventories, orders, costs and selling prices) or a statement that there are no such matters:

On 06.02.2023, an earthquake disaster occurred with the epicentre in Kahramanmaraş and affected 10 provinces (Kahramanmaraş, Kilis, Hatay, Osmaniye, Adıyaman, Gaziantep, Şanlıurfa, Diyarbakır, Malatya and Adana). The earthquake disaster does not directly affect the Company's operations at the present time, however, economic, financial, social and political decisions to be taken due to the damage that the earthquake will cause in the country's economy may have an impact on the Company.

23.4. Proforma financial information:

None.

23.5. Independent assurance report on proforma financial information:

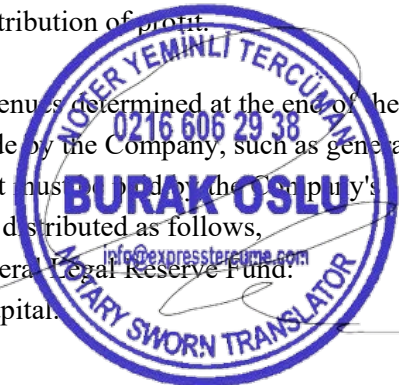
None.

23.6. Information on the profit share distribution principles in the Issuer's articles of association and other information and documents disclosed to the public, and information on the decisions taken regarding profit share distribution as of the financial statement periods required to be included in the prospectus:

According to Article 15 of the Company's Articles of Association titled "Determination and Distribution of Profit"; The Company acts in accordance with the provisions of the Turkish Commercial Code and capital markets legislation regarding determination and distribution of profit.

The profit for the period, which remains after deducting from the revenues determined at the end of the Company's operating period the amounts that must be paid or set aside by the Company, such as general expenses of the Company and various depreciation, and the taxes that must be paid by the Company's legal entity, and which is shown in the annual balance sheet, shall be distributed as follows, respectively, after deducting the losses of previous years, if any: General Legal Reserve Fund.

a-) 5% is set aside as legal reserve fund until it reaches 20% of the capital.



First Profit share:

b-) A first profit share shall be allocated from the remaining amount to be found by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code and Capital Market Legislation within the framework of the Company's profit distribution policy.

c-) After the above-mentioned deductions are made, the General Assembly has the right to decide to distribute the profit share to the members of the Board of Directors, employees of the Company and persons other than shareholders.

Second Profit share:

d-) The General Assembly is authorised to distribute the amount remaining after deducting the amounts specified in subparagraphs (a), (b) and (c) from the net profit for the period, in whole or in part, as second profit share or to set aside as voluntary reserves in accordance with Article 521 of the Turkish Commercial Code.

General Legal Reserve Fund:

e-) 10% of the amount found after deducting the profit share at the rate of 5% of the capital from the portion decided to be distributed to the shareholders and other persons participating in the profit, shall be added to the general legal reserve fund in accordance with the second paragraph of Article 519 of the Turkish Commercial Code.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the profit share determined for the shareholders in the Articles of Association or the profit share distribution policy are set aside, no decision can be made to set aside other reserves, to transfer profit to the following year, to distribute profit shares to the members of the Board of Directors, employees of the Company and persons other than shareholders, and no profit share can be distributed to these persons unless the profit share determined for the shareholders is paid in cash.

Profit share is distributed equally to all existing shares as of the date of distribution, regardless of their issue and acquisition dates.

The method and time of distribution of the profit decided to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors.

According to the provisions of the Articles of Association, the profit distribution decision made by the General Assembly cannot be revoked.

The General Assembly may resolve to distribute advance profit share to the shareholders in accordance with the provisions of the CML and other relevant legislation. In order to distribute advance profit shares, the General Assembly may authorise the Board of Directors to decide to distribute advance profit shares limited to the relevant accounting period. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance profit share amount.

The General Assembly of the Company has decided not to distribute profit for the financial periods ending on 31.12.2020, 31.12.2021 and 31.12.2022.



23.7. Lawsuits, legal proceedings and arbitration proceedings that have had a material effect on the financial position or profitability of the issuer and/or the group in the last 12 months or that may have an effect in the following periods, or a statement about the absence of such matters:

There are no legal disputes such as lawsuits, legal proceedings and arbitration proceedings that have had an impact on the financial position or profitability of the Company in the last 12 months or that may have a significant impact on the following periods. In the ordinary course of its activities, the Company is occasionally involved in lawsuits with customers, suppliers, employees, tax administration and similar persons and organisations.

Detailed information on the lawsuits, execution proceedings and mediation processes to which the Company is a party are included in the annexes of the Independent Legal Advisor Report in Annex 5.

23.8. Other audited information included in the prospectus:

None.

24. INFORMATION ON THE SHARES TO BE ISSUED AND OFFERED TO THE PUBLIC

24.1. Information on the types and groups of shares to be issued and/or traded on the stock exchange, including ISIN (international securities identification number) or other similar identification code information:

The total nominal value of the shares to be offered to the public is TRY 44,300,000, of which TRY 33,462,907 shall be increased from TRY 188,037,093 to TRY 221,500,000 by fully restricting the rights of existing shareholders to acquire new shares. The remaining portion with a nominal value of TRY 10,837,093 shall be offered to the public by Pekar Grup İnşaat A.Ş., one of the current shareholders of the Issuer, through joint sale.

Group	Registered / Bearer ...	Privileges	Number of Shares	Ratio of Share Number to Group Share Number	Nominal Value of a Share (TRY)	Total (TRY)	Ratio to Capital (%)
B	Bearer	None.	44.300.000	25,83	1,00	44.300.000	20,00
Total						44.300.000	20,00

The share of Group B bearer shares with a nominal value of TRY 44,300,000 to be offered to the public shall be 25.83% of the Group B shares with a nominal value of TRY 171,500,000 to be formed after the IPO, and its ratio to the Company's capital of TRY 221,500,000 to be formed after the IPO shall be 20.00%.



Shares to be offered to the public through capital increase

Group	Registered / Bearer	Privileges	Number of Shares	Ratio of Share Number to Group Share Number	Nominal Value of a Share (TRY)	Total (TRY)	Ratio to Rate (%)
B	Bearer	None.	33.462.907	19,51	1,00	33.462.907	15,11
Total						33.462.907	15,11

The share of Group B bearer shares with a nominal value of TRY 33,462,907 to be offered to the public through capital increase shall be 19.51% of the Group B shares with a nominal value of TRY 171,500,000 to be formed after the public offering and 15.11% of the Company's capital of TRY 221,500,000 to be formed after the public offering.

Shares to be offered to the public through shareholder sales

Group	Registered /Bearer	Privileges	Number of Shares	Ratio of Share Number to Group Share Number	Nominal Value of Each Share (TRY)	Total (TRY)	Ratio to Capital (%)
B	Bearer	None.	10.837.093	6,32	1,00	10.837.093	4,89
Total						10.837.093	4,89

The share of Group B bearer shares with a nominal value of TRY 10,837,093 to be offered to the public through public offering shall be 6.32% of the Group B shares with a nominal value of TRY 171,500,000 to be formed after the IPO, and its ratio to the Company's capital of TRY 221,500,000 to be formed after the IPO shall be 4.89%.

Public Offer Shareholder

No	Name, Surname/Title of the Shareholder	Nominal Amount of Shares to be Public Offered (TRY)	Ratio of the Shares to be Sold to Shareholders in the Company's Capital after the Public Offer (%)
1	Pekar Grup İnşaat A.Ş.	10.837.093	4,89

The ISIN Code of the shares will be obtained following the CMB approval and will be dematerialised at MKK.

a) Information on the sources of capital increase from internal resources:

There shall be no capital increase from internal resources.

b)

Information on the shares to be distributed to existing shareholders as free shares to be increased from internal resources:

There shall be no capital increase from internal resources.

c) Principles of distribution of free shares:

There are no shares to be given as free shares.

24.2. According to which legislation the shares are created:

The registered office of the Company is located in Turkiye and the Company is subject to Turkish law. The Company's shares have been created within the scope of capital markets legislation.



Information on whether the shares are dematerialised or not:

The Company's shares have not yet been dematerialised and are planned to be dematerialised at the MKK within the framework of dematerialisation principles during the IPO activities.

24.3. Information on the currency in which the shares are issued:

Shares will be offered for sale in Turkish Lira.

24.4. Information on the rights related to shares, including restrictions, and the procedure for exercising these rights:

The shares to be issued provide the following rights to the shareholders in accordance with the provisions of the relevant legislation:

Profit share Right: Shareholders have the right to receive a share from the profit distributed within the framework of the profit distribution policies to be determined by the General Assembly of the Company and in accordance with the provisions of the relevant legislation.

Public joint stock companies distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation. The Board may determine different principles regarding the profit share distribution policies of publicly held corporations on the basis of similar corporations.

Unless the reserves required to be set aside by law and the profit share determined for the shareholders in the Articles of Association are set aside, no decision can be made to set aside other reserve funds, to transfer profit to the following year and to distribute profit shares to the holders of usufruct shares, members of the Board of Directors and employees of the Company, and no profit share can be distributed to these persons unless the determined profit share is paid.

In publicly held corporations, profit shares are distributed equally to all shares existing as of the distribution date, regardless of their issue and acquisition dates.

In capital increases of publicly held corporations, free shares are distributed to the existing shares on the date of the increase.

In order for publicly held corporations to make donations or distribute profit shares to persons other than shareholders, there must be a provision in the Articles of Association. The limit of donations to be made is determined by the general assembly of the publicly held corporation. The Board is authorised to set an upper limit on the amount of donations.

Donations made by the companies within the relevant financial year are added to the distributable profit base. Profit shares may be paid in equal or different instalments, provided that it is resolved at the general assembly meeting where the distribution is decided.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the profit share determined for the shareholders in the Articles of Association or in the profit distribution policy are set aside, no decision can be made to set aside other reserves, to transfer profit to the following year and to distribute profit shares to the holders of usufruct shares, members of the



Board of Directors, employees of the Company and persons other than shareholders, and no profit share can be distributed to these persons unless the profit share determined for the shareholders is paid in cash.

- The right to receive profit share of the issuer and the exact date(s) when the right arises and the time of payment:

In publicly held corporations, profit share is distributed equally to all existing shares as of the profit share distribution date in proportion to their shares, regardless of their issue and acquisition dates. The shares to be issued are entitled to receive profit share from the profit of the financial year ended for the first time if profit is generated and profit share distribution is decided by the general assembly. Investors should be aware of the risk of profit share distribution.

- The date on which the profit share right becomes time-barred and in whose favour it will result:

The provisions of the Law No. 2308 on the Transfer to the Treasury of Time-barred Coupon Bonds and Share Amounts of the Companies to the Treasury shall apply to the profit share and profit share advance amounts that have become time-barred. The provisions of the aforementioned Law regarding the statute of limitations were cancelled by the Constitutional Court's Decision dated 10.04.2019 and numbered 2018/136 Basis and 2019/21 Decision. There is no statute of limitations for free shares.

- Restrictions on the exercise of profit share right and procedure for non-resident shareholders:

There are no restrictions on the exercise of the right. The procedure for exercising rights is the same for shareholders residing in Turkiye and abroad.

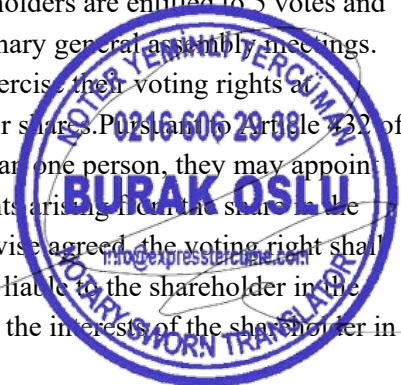
- Profit share rate and calculation method, periods of payments and

whether they are cumulative or not: The Company determines profit share distribution decisions by taking into consideration the provisions of the Turkish Commercial Code, Capital Market Legislation, tax laws, other relevant legislation and its Articles of Association and distributes profit in accordance with its profit distribution policy.

- Advance profit share:

The General Assembly may resolve to distribute advance profit share to the shareholders in accordance with the provisions of the CML and other relevant legislation. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance profit share amount. In order to distribute advance profit shares, the Board of Directors must be authorised by a resolution of the General Assembly limited to the relevant accounting period.

Voting Rights: Pursuant to Article 434 of the Turkish Commercial Code, each shareholder has at least one voting right even if the shareholder owns only one share. As regulated in Article 12 titled 'General Assembly' of the Company's Articles of Association, Group A shareholders are entitled to 5 votes and Group B shareholders are entitled to 1 vote in ordinary and extraordinary general assembly meetings. The shares offered to the public are Group B shares. Shareholders exercise their voting rights at the General Assembly in proportion to the total nominal value of their shares. Pursuant to Article 432 of the Turkish Commercial Code, if a share is jointly owned by more than one person, they may appoint one of them or a third person as a representative to exercise their rights arising from the share at the general assembly. If there is a usufruct right on a share, unless otherwise agreed, the voting right shall be exercised by the usufructuary. However, the usufructuary shall be liable to the shareholder in the event that the usufructuary has not acted by taking into consideration the interests of the shareholder in



an equitable manner.

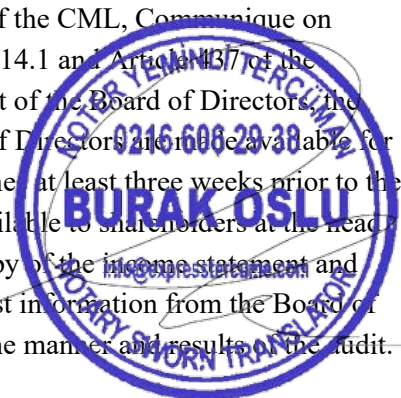
Pursuant to Article 433 of the Turkish Commercial Code, transfer of shares or share certificates or assignment of share certificates to another person for the purpose of circumventing or in any way neutralising the restrictions on the exercise of voting rights is invalid. Pursuant to Article 435 of the Turkish Commercial Code, voting rights arise upon payment of the minimum amount of the share determined by law or the Articles of Association. Pursuant to Article 436 of the Turkish Commercial Code, a shareholder may not vote in the negotiations regarding a personal business or transaction between the shareholder himself/herself, his/her spouse, his/her descendant and ascendant or the sole proprietorships in which they are shareholders or the capital companies under their control and the company, or a lawsuit before any judicial institution or arbitrator. The members of the Board of Directors of the Company and the persons authorised to sign in the management cannot use their voting rights arising from their own shares in the resolutions regarding the release of the members of the Board of Directors. Pursuant to Article 30 of the CML, the right to attend and vote in the general assembly of a publicly held company cannot be conditional upon the shareholder depositing their shares with any institution.

Right to Purchase New Shares: Pursuant to Article 461 of the Turkish Commercial Code, each shareholder has the right to purchase newly issued shares according to the ratio of their existing shares to the capital. However, within the framework of the relevant provisions of the Articles of Association, the Board of Directors of the Company is authorised to take decisions on increasing the issued capital by issuing new shares up to the registered capital ceiling, issuing privileged shares, restricting the rights of privileged shareholders, limiting the right of shareholders to acquire new shares and issuing shares above or below the nominal value when deemed necessary in accordance with the provisions of the Turkish Commercial Code and the Capital Market Law and the capital markets legislation. Exercise of rights to purchase new shares shall be carried out by MKK. Pursuant to Article 18 of the CML, no new shares can be issued unless the shares issued in the registered capital system are fully sold and the consideration is paid or the unsold shares are cancelled. The authorisation to restrict the right to acquire new shares may not be used in a manner that may lead to inequality among shareholders.

Right to Participate in the Liquidation Balance in Case of Liquidation:

Pursuant to Article 507 of the Turkish Commercial Code, in the event of the dissolution of the Company, each shareholder shall participate in the amount remaining as a result of the liquidation in proportion to their share, unless there is another provision in the Articles of Association regarding the use of the assets of the dissolved Company. Pursuant to Article 18 of the Articles of Association, the provisions of the Turkish Commercial Code, Capital Market Legislation and other relevant legislation shall apply to the termination and liquidation of the Company and how the related transactions shall be carried out.

Right to Obtain and Review Information: Pursuant to Article 14 of the CML, Communiqué on Principles Regarding Financial Reporting in Capital Markets No. 11-14.1 and Article 437 of the Turkish Commercial Code, the financial statements, the annual report of the Board of Directors, the audit reports and the profit share distribution proposal of the Board of Directors are to be available for the review of shareholders at the Company's headquarters and branches at least three weeks prior to the General Assembly meeting. These financial statements are made available to shareholders at the head office and branches for one year. Each shareholder may request a copy of the income statement and balance sheet at the Company's expense. The shareholder may request information from the Board of Directors about the Company's affairs, and from the auditors about the manner and results of the audit.



The obligation to provide information also covers the Company's subsidiaries. The information to be provided must be diligent and truthful in terms of accountability and honesty principles.

Right to Acquire Free Shares: Pursuant to Article 19 of the CML and Communiqué on Shares numbered VII-128.1, in capital increases of the Company, free shares are distributed to the existing shares on the date of the increase.

Invitation to the General Assembly and Right to Participate: Pursuant to Articles 29 and 30 of the CML, Communiqué No. 11-30.1 on Voting by Proxy and Proxy Solicitation, Articles 414, 415, 419, 425 and 1527 of the Turkish Commercial Code, the right to attend and vote in the General Assembly cannot be conditional upon the shareholder depositing their shares with any institution. The general assembly meetings of publicly held corporations whose shares are monitored in dematerialised form may be attended by the shareholders whose names appear on the list of attendees prepared by the board of directors by taking into consideration the list of shareholders provided from MKK. The right holders whose names appear in this list shall attend the general assembly by showing their identity cards. Pursuant to Article 12 of the Articles of Association, the provisions of the Turkish Commercial Code, the relevant provisions of the capital markets legislation, the internal directive of the general assembly and the relevant legislation shall apply to the invitation to the general assembly meetings, the organisation and execution of the meetings. The general assembly meeting is called by the announcement published on the Company's website, the Public Disclosure Platform and the Turkish Trade Registry Gazette. This call shall be made at least three weeks before the date of the meeting, excluding the days of announcement and meeting. This announcement is published on the Company's website, Public Disclosure Platform and Turkish Trade Registry Gazette. In addition to the announcement of the general assembly meeting and the notifications and disclosures required to be made by the Company pursuant to the relevant legislation, the issues determined by the Capital Markets Board's regulations on corporate governance principles are announced to the shareholders in a conspicuous manner on the Company's website. The information and documents stipulated in the relevant provisions of the Turkish Commercial Code and capital markets legislation shall be announced at least three weeks prior to the general assembly meeting, excluding the announcement and meeting days, and shall be made available for the inspection of the shareholders.

Right to Sue for Cancellation: Pursuant to Articles 445-451 of the Turkish Commercial Code, paragraph 6 of Article 18 and paragraph 2 of Article 20 of the CML, against the decisions taken by the board of directors within the framework of the principles regarding the registered capital system, the members of the board of directors or the shareholders whose rights are violated within the framework of the provisions regarding the cancellation of general assembly resolutions, may sue for annulment at the commercial court where the headquarters of the company is located within thirty days from the announcement of the decision.

The members of the board of directors, to the extent that damages can be personally attributed to them due to their fault and the necessity of the situation, and the independent auditors limited to the reports they have prepared, are liable for the interim financial statements not reflecting the truth, honestly or not being prepared in accordance with the legislation and accounting principles and rules. Therefore, they are liable to the partnership, shareholders, creditors of the partnership and also directly to the persons who have acquired shares in the accounting period in which the advance profit share is decided or paid, for the losses arising from the inaccuracy of the advance profit share distributed.

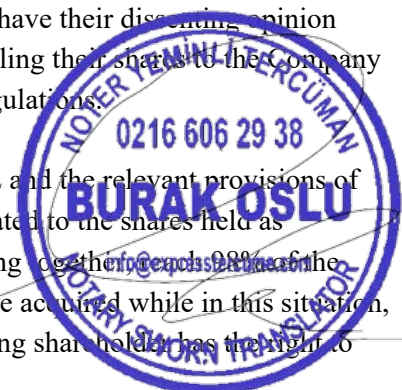


In case of existence of circumstances giving rise to legal liability, shareholders and members of the Board of Directors may sue for annulment at the court where the Company's headquarters is located within thirty days following the announcement of the resolution.

Those who were present at the general assembly meeting but voted against the resolution and recorded this opposition in the minutes, whether or not they were present at the meeting, whether or not they voted against the resolution, whether or not they were present at the meeting, whether or not they voted against the resolution, that the invitation was not duly made, that the agenda was not properly announced, that persons who are not authorised to attend the general assembly meeting or their representatives attended the meeting and voted, Shareholders who claim that they have been unfairly denied the right to attend and vote in the general assembly meeting and that the above-mentioned violations have been effective in the adoption of the general assembly resolution, may sue for annulment against the general assembly resolutions that are contrary to the provisions of the law or the Articles of Association and especially the rule of honesty within three months from the date of the resolution.

Right to Resign from the Shareholding: Pursuant to Article 24 of the CML Law, shareholders who attend the general assembly meeting regarding the material transactions specified in Article 23 of the CML, vote negatively and have this opposition recorded in the minutes, have the right to resign by selling their shares to the Company. The Capital Market Law is authorised to determine the principles regarding the exercise of the withdrawal right for the shares held on the date of public disclosure of the material transaction subject to the withdrawal right, depending on the nature of the publicly traded corporation. The publicly held corporation is obliged to purchase these shares upon the request of the shareholder at a fair price in accordance with the principles to be determined by the Capital Markets Board. The Capital Markets Board may regulate the procedures and principles regarding the recommendation of the shares subject to the withdrawal request to other shareholders or investors prior to the purchase of the shares by the partnership. In the event that the shareholder is unfairly prevented from attending or voting at the general assembly meeting regarding the material transactions specified in Article 23 of the CML, or the invitation to the general assembly meeting is not duly made, or the agenda is not properly announced, the publicly held corporation is obliged to purchase these shares according to the principles to be determined, without the requirement of dissenting to the general assembly resolution and recording the dissenting opinion in the minutes. The Capital Markets Board may determine different procedures and principles regarding the exercise of the retirement right according to the nature of the partnerships. Procedures and principles regarding the circumstances in which the right to exit does not arise, the exercise of this right, and the calculation of the put price in companies whose shares are not traded on the stock exchange are regulated in the Communique numbered II-23.3 on Common Principles Regarding Significant Transactions and the Right to Resign. Pursuant to the related Communique, shareholders who attend the general assembly meeting regarding material transactions but cast a negative vote and have their dissenting opinion recorded in the minutes of the meeting have the right to resign by selling their shares to the Company in the presence of the conditions specified in the aforementioned regulations.

Right to Issue and Right to Sell: Pursuant to Article 27 of the CML and the relevant provisions of the Communique No. 11-27.3, in the event that the voting rights related to the shares held as a result of a share purchase offer or in any other way, including acting as the trustee of the voting rights of the Company or in the event that additional shares are acquired while in this situation, except for the exceptions specified in the Communique, the controlling shareholder has the right to



exclude all other shareholders from the partnership regardless of whether the shares they hold are privileged or not, and the other shareholders have the right to sell their shares to the controlling shareholder. In the event that such persons reach the rate determined by the Board or more, the right to exclude the minority shareholders from the Company arises for these persons who own shares. These persons may request the Company to cancel the shares of the minority shareholders and to sell the new shares to be issued against these shares to them within the period determined by the Board, while the minority shareholders may request the purchase of the shares they own by the real or legal persons

or those acting in concert with them who hold 98% or more of the voting rights at the price determined within the framework of the regulations of the Board.

Minority Rights: Pursuant to Articles 411, 412, 439, 531 and 559 of the Turkish Commercial Code, shareholders who constitute at least 1/20th of the share capital may request the board of directors to call the general assembly for a meeting by stating the reasons and agenda in writing or, if the general assembly is already convened, to include the issues they wish to be resolved in the agenda. In the event that the requests of the shareholders for the convocation of the general assembly or for the inclusion of an item on the agenda are rejected by the board of directors or the request is not responded positively within seven business days, upon the application of the same shareholders, the Commercial Court of First Instance in the place where the head office of the company is located may decide to convene the general assembly.

In case the general assembly rejects the request for special audit, the shareholders constituting at least one twentieth of the capital or the shareholders whose total nominal value of their shares is at least TRY 1 million may request the appointment of a special auditor from the Istanbul Anadolu Courthouse, Commercial Courts of First Instance where the Company headquarters is located within three months.

In the presence of justified reasons, the holders of shares representing at least one twentieth of the capital may request the Commercial Courts of First Instance where the Company's head office is located to decide on the dissolution of the Company. The liabilities of the founders, members of the Board of Directors and auditors arising from the establishment of the Company and capital increase cannot be cancelled through settlement and release until four years have elapsed from the date of registration of the Company. Even after the expiry of this period, the settlement and release shall only be valid with the approval of the general assembly. However, if the shareholders representing 1/20th of the share capital are against the approval of the settlement and release, the settlement and release shall not be approved by the general assembly.

Right to Request Special Audit: Pursuant to Article 438 of the Turkish Commercial Code, each shareholder may request the general assembly to clarify certain events through a special audit, even if it is not included in the agenda, if it is necessary for the exercise of shareholding rights and if the right to obtain or review information has already been exercised. If the general assembly approves the request, the Company or each shareholder may, within thirty days, request the appointment of a special auditor from the Istanbul Anadolu Courthouse, Commercial Courts of First Instance where the Company's head office is located.

Redemption/Resale Right: There is no redemption/ resale right of the shareholders.

Conversion Option: There is no conversion option for the shareholders.



24.5. Decisions of the authorised body regarding the issuance of shares:

With the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/12, the following decision was taken for the IPO.

- That to increase the issued capital of the Company from TRY 188,037,093 to TRY 221,500,000 with a cash increase of TRY 33,462,907 within the registered capital ceiling of TRY 940,000,000, and to make a public offering of 33,462,907 Group B bearer shares with a nominal value of TRY 1 each, with a nominal value of TRY 33,462,907 to be issued in this way, by completely restricting the preferential rights of existing shareholders,

That to publicly offer TRY 10.837.093 Group B

bearer shares with a nominal value of TL 1 each, with a nominal value of TRY 10.837.093 owned by Pekar Grup İnşaat A.Ş., one of the existing shareholders, through public sale,

- Within the scope of capital increase and shareholder sales, 44,300,000 Group B bearer shares with a nominal value of TL 1 each, with a total nominal value of TL 44,300,000 to be offered to the public within the scope of capital increase and shareholder sales, will be offered to the public at a premium to the IPO price to be determined by the price determination report to be prepared by Info Yatırım Menkul Değerler A.Ş., the brokerage institution intermediating the IPO, within the scope of the Capital Markets Board's ("CMB") Communique on Sale of Capital Market Instruments numbered II-5.2, Equity Communique numbered VII-128.1 and Capital Markets Law numbered 6362 ("CMB Law") and other regulations of the CMB, including the communiqués and other regulations of the CMB, performing a public offering within the framework of the principles to be determined in the prospectus with the "Fixed Price Demand Collection" method, and to carry out the necessary works and transactions within the scope of the CML and the relevant legislation in order for the shares offered to the public to be traded on Borsa İstanbul A.Ş.
- ■ That in case the collected demand does not cover all of the shares offered to the public and the IPO process is continued, the shares to be issued through capital increase shall be sold first, and in case all of the issued shares cannot be sold within the scope of the IPO, the shares that cannot be sold within the scope of the IPO shall be cancelled by a board of directors decision to be taken after the IPO within the framework of the CMB and Borsa İstanbul A.Ş. regulations and other relevant legislation provisions,
- That to authorise İno Yatırım Menkul Değerler A.Ş. for brokerage services regarding the IPO of shares,
- ■ That the IPO price of the shares shall be set by an independent price determination report to be prepared by İno Yatırım Menkul Değerler A.Ş.,
- ■ That to apply to the Capital Markets Board and Borsa İstanbul A.Ş. and other relevant institutions and organisations regarding the IPO, and to authorise the Chairman of the Board of Directors of the Company, Mehmed Halid İsmail PEPE, individually to carry out the aforementioned works and transactions.

24.6. Information on whether there are any records on the shares to be offered to the public that would restrict the transfer and circulation of the shares or prevent the shareholders from exercising their rights: According to Article 8 titled "Share Transfers" of the Company's Articles of Association;

The transfer of Group B bearer shares of the Company is carried out freely without any restriction in accordance with the Articles of Association, the provisions of the Turkish Commercial Code and the Capital Markets Law and other relevant legislation.



The following principles shall be complied with in the transfer of registered Class A shares:
Since the realisation of the Company's business subject depends on a harmonious shareholding structure and the protection of the Company's economic and commercial interests requires accumulation, expertise and corporate memory, in order to protect the composition of the Company's shareholders and the Company's business subject or the economic independence of the business as stipulated in the Turkish Commercial Code, registered Group A shares may be transferred primarily to the Company's founding family shareholders and blood relatives up to the second degree of these founding shareholders. In the event that the founding family shareholders of the Company do not take over the share subject to transfer, Group A registered shares of the Company may be transferred to a third party only with the consent of all members of the Board of Directors.

Within the framework of the Articles of Association, the registered Group A shares of the Company may not be transferred to a competitor company operating in the same line of business as the Company and/or to a shareholder of a competitor company and/or to an employee of a competitor company.

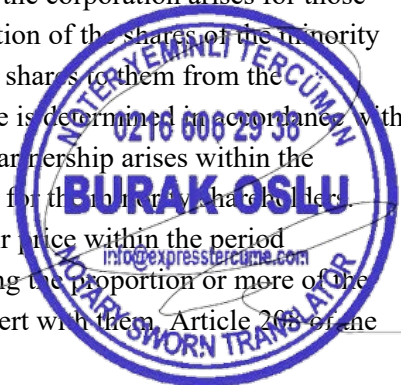
In the event that a registered Class A share of the Company is acquired by a third party other than the founding family of the Company as stipulated in the Articles of Association pursuant to the provisions of the property regime between spouses and/or forcible execution, and if the approval stipulated in the Articles of Association is not given for the transfer, the third party acquiring the share shall not have the right to participate in the general assembly and shall not be entitled to vote. Within the scope of this article, the third party acquiring the share and the members of the board of directors shall propose to the board of directors to take over the acquired Company share with its real value, and if the third party refuses to transfer the share to the board of directors, it shall not be recorded in the share ledger by the board of directors.

In the event that the Company buys back its own shares, it acts in accordance with the capital markets legislation and other relevant legislation and necessary material event disclosures are made.

24.7. Information on the mandatory bid for the shares to be issued and the rules regarding the rights to purchase and/or sell:

In case of acquisition of shares or voting rights that provide management control in publicly held corporations, it is obligatory to make an offer to purchase the shares of other shareholders who are shareholders on the date of public announcement of the acquisition of such shares or voting rights, and the principles regarding the share purchase offer to be made to the shareholders of publicly held joint stock companies are set out in the Board's regulations on share purchase offers.

In the event that the shares held as a result of a share purchase offer or in any other way, including acting in unison, reach the rate determined by the Board or more of the voting rights of the publicly held corporation, the right to exclude the minority shareholders from the corporation arises for those persons holding such shares. These persons may request the cancellation of the shares of the minority shareholders and the sale of the new shares to be issued against these shares to them from the corporation within the period determined by the Board. The sale price is determined in accordance with Article 24 of the CML. In cases where the right to exclude from the partnership arises within the framework of the above-mentioned conditions, the right to sell arises for the minority shareholders. These shareholders may demand the purchase of their shares for a fair price within the period determined by the Board from the real persons or legal entities holding the proportion or more of the voting rights determined by the Board, and from those acting in concert with them. Article 268 of the



TCC is not applicable to publicly held companies.

Shareholders who attend the general assembly meeting regarding the material transactions mentioned in Article 23 of the CML, vote negatively and have this opposition recorded in the minutes, have the right to resign by selling their shares to the publicly held corporation. The Board is authorised to determine the principles for exercising the right to resign for the shares held at the date of public disclosure of the material transaction subject to the right to resign, depending on the nature of the publicly held corporation. The publicly held corporation is obliged to purchase these shares upon the request

of the shareholder at a fair price in accordance with the principles to be determined by the Board. The principles regarding the right to resign of shareholders in public joint stock companies are set out in the Board's regulations on material transactions and resign rights.

In the event that the shareholder is unjustly prevented from attending or voting at the general assembly meeting regarding the material transactions specified in Article 23 of the CML, or the invitation is not duly made, or the agenda is not duly announced, the provision in the previous paragraph shall apply without the requirement of opposing the general assembly resolutions and recording the opposition to the minutes.

24.8. Information about the takeover bids made by third parties on the issuer's shares in the current year and the previous year, and the prices and results of such bids:

None.

25. ISSUES RELATED TO PUBLIC OFFERING

25.1. Conditions of the IPO, information about the public offering, estimated public offering schedule and the requirements to participate in the IPO

25.1.1. Conditions subject to public offering:

In order for the IPO to be realised, the Board of Directors of Borsa Istanbul must make a positive decision within the framework of the relevant provisions of the legislation in order for the shares offered to the public to be traded on the stock exchange, except for the approval of the CMB.

The opinion of the Stock Market is included in the "I. Stock Market Opinion" section of this prospectus.

The approval of authorities other than these two organisations is not required.

25.1.2. Nominal value of the Public Offered Shares:

The ratio of shares with a nominal value of TL 44,300,000 to be offered to the public through capital increase and shareholder sales to the issued capital, which shall reach TRY 221,500,000 after the public offering, shall be 20.00%.

Share Group	Registered /Bearer	Privileges	Nominal Value of a Share (TRY)	Total Shares to be Offered to Public (TRY)	Ratio to Capital (%)
B	Bearer	None	1	33,452,907 (Capital Increase)	15.11
B	Bearer	None	1	10,337,093 (Shareholder Sale)	4.69
Total				44,300,000	20.00



However, the Company has preferred the registered capital system and since the shares that cannot be sold from the shares created by the capital increase as a result of the IPO shall be cancelled by the board of directors, the amount and ratio of the issued capital may change in the event of such a situation. The final amount and rate shall be determined by the decision of the Board of Directors and shall be registered and announced following the approval of the CMB.

25.1.3. Information on the IPO period and participation in the IPO

25.1.3.1. IPO period and estimated public offering schedule:

The demand for the shares to be offered to the public shall be collected for at least 2 (two) business days. The start and end dates of this period shall be specified in the announcement of sale to account owners to be announced on PDP.

25.1.3.2. Public offering application process

a) Method of sale and application process:

Sale Method

In the IPO of the Company's shares through capital increase and shareholder sale, the sale shall be carried out by the consortium to be formed under the leadership of İno Yatırım through 'Fixed Price Demand Collection' and 'Best Effort Underwriting' method.

Application Process

The investors who will make demand for the IPO of the Company's shares are Domestic Individual Investors, Domestic Institutional Investors and Foreign Institutional Investors.

The investors who will make demand in the IPO of the Company's shares are grouped as follows.

a) Domestic Individual Investors: (i) real persons and legal entities residing in Türkiye, including citizens of the Turkish Republic of Northern Cyprus, workers, self-employed and self-employed persons abroad, (ii) real persons who reside in Türkiye continuously for more than 6 (six) months in a calendar year, and (iii) all legal entities headquartered in Türkiye, excluded from the definitions of Domestic Institutional Investors and Foreign Institutional Investors.

b) Domestic Institutional Investors: Brokerage institutions headquartered in Türkiye,

i) banks, asset management companies, collective investment schemes, pension investment funds, insurance companies, mortgage finance companies, asset management companies,

ii) Pension and provident funds, funds established pursuant to the provisional article 20 of the Social Insurance Law dated 17/7/1964 and numbered 506,

iii) Public institutions and organizations, Central Bank of the Republic of Türkiye,

iv) Other institutions that may be deemed by the CMB to be similar to these institutions in terms of their qualifications (*).

(*) In the evaluation of the demands of Domestic Institutional Investors, the criteria within the framework of the Board Decision No. i-CML 5.2 (dated 19/01/2023 and 3/96 numbered decision) shall be taken into consideration.

c) Foreign Institutional Investors: Brokerage houses, banks, portfolio management companies, collective investment schemes, asset management companies and their equivalent non-resident institutions, pension funds and foundations, and international institutions such as the World Bank and the European Bank for Reconstruction and Development (EBRD). Since the shares are offered to the public to be traded on BIST in accordance with Turkish legislation, investors in this category shall purchase the shares in Türkiye.



d) All Domestic Individual Investors wishing to participate in the IPO of the Company's shares are required to apply to the application places specified in Article 25.1.3.2.c of this prospectus within the IPO demand collection period, and Domestic Institutional Investors and Foreign Institutional Investors are required to apply only to Info Yatırım and fill out a demand form. Investors shall indicate the number of shares they request in the request form.

Investors who will make a request shall attach the following documents to their request forms:

- **Real Person Investors:**
Photocopy of ID Card (driver's license or passport).
- **Legal Person Investors:** A notarized copy of the specimen of signature, a copy of the establishment gazette, tax certificate and trade registry certificate.

Investors who will make requests via internet, telephone banking, mobile banking or ATMs will be required to be authorized to make transactions at the internet branch, telephone banking branch, mobile banking or ATM (having internet and telephone banking accounts, having signed an interactive banking commitment letter and/or having a magnetic card used at the ATM).

In this public offering, requests shall be collected from the investors as follows:

Domestic Individual Investors

Domestic Individual Investors are required to fill in the request form. The amount of demand must be in the form of 1 (one) lot and multiples. The maximum amount of shares that can be requested for each investor is limited to the total amount of lots offered to the public. If investors wish, they can set a lower limit on the amount they wish to purchase in the request form. The minimum demand amount shall be 1 lot. They shall deposit the share price, which is calculated by multiplying the sales price of a share with a nominal value of TRY 1 as stated in the Price Determination Report by the number of shares demanded, to the accounts to be specified by the brokerage institutions in cash or in account or by means of collateral method.

Domestic Institutional Investors and Foreign Institutional Investors

Domestic Institutional Investors and Foreign Institutional Investors shall specify the number of shares they request in the request form. The amount of demand must be in the form of 1 (one) lot and multiples. The maximum amount of shares that can be requested for each investor is limited to the total amount of lots offered to the public. If investors wish, they can set a lower limit on the amount they wish to purchase in the request form. The minimum demand amount shall be 1 lot. They shall deposit the share price, which is calculated by multiplying the sales price of a share with a nominal value of TRY 1 as stated in the Price Determination Report by the number of shares demanded, to the accounts to be specified by the brokerage institutions in cash or in account or by means of collateral method.

The requests entered from the joint accounts of the investors within the Domestic Individual Investors who will be distributed according to the "Equal Distribution Method" within their own groups shall be canceled and shall not be subject to distribution.

Requests submitted by Domestic Individual Investors shall be screened for our cases and requests other than the highest amount requests shall be canceled and not subject to distribution. In the event that an investor in the Domestic Individual Investors group submits the highest amount of demand from more than one consortium member, the demand subject to distribution shall be determined according to the



time priority rule.

After the duplicate demands are canceled and removed from the distribution list and allocated on the basis of each allocation group, the final number of demands shall be determined.

After the collected requests are gathered separately for each allocation group, the records that do not contain the minimum information required according to the request form annexed to the Communiqué on the Sale of Capital Market Instruments No. II-5.2 and do not contain the identification number of individual investors, the records of the citizens of the Turkish Republic of Northern Cyprus who do not have an identification number and the records of foreign nationals residing in Turkey that do not contain tax identification number information shall be canceled and shall not be included in the distribution. After the canceled registrations due to incompleteness are removed from the demand lists and the demands are separated on the basis of each allocation group, the final number of demands will be determined according to the final public offering price as follows.

The distribution to each allocation group shall be made separately as set out below.

Distribution to Domestic Individual Investors:

It shall be made according to the equal distribution method. The order with the highest amount among the investor orders transmitted from the same and/or different brokerage houses but having the same Turkish ID number or tax ID number shall be taken into consideration according to the principle of unification on investor basis using the Turkish ID number or tax ID number. Other orders entered with the same Turkish ID number or tax ID number shall not be subject to distribution. In the event of a resentment in the distribution accounts, the shares that cannot be distributed shall be distributed among the investors whose share request is not fully met, as deemed appropriate by the Info Yatırım, Company and Shareholder.

The total amount of lots allocated for this group shall be divided by the number of investors making a demand, and the purchase demands at or below the amount found in this way shall be met. The remaining amounts shall be distributed in the same way, divided by the number of investors whose demand cannot be fully met. In this way, the distribution process shall be allocated for this group and shall continue until all of the capital market instruments offered for sale are distributed. The amounts resulting from the distribution shall be reviewed for investors who set a lower limit on the amount. If the amount remains below this lower limit, it shall be removed from the list in accordance with the investor's request and these amounts shall be subject to redistribution. In the event of a resentment in the distribution accounts, the shares that cannot be distributed shall be distributed among the investors whose share request is not fully met, as deemed appropriate by the Info Yatırım, Company and Shareholder.

Distribution to Domestic Institutional Investors:

The amount of shares to be given to each Domestic Institutional Investor shall be decided together by the Investment, Company and Shareholder who has increased their shares.

Distribution to Foreign Individual Investors:

The amount of shares to be given to each Foreign Institutional Investor shall be decided together by the Investment, Company and Shareholder who has increased their shares.



While distributing to all investor groups, the amounts resulting from the distribution shall be reviewed for investors who set a lower limit on the amount. If the amount remains below this lower limit, it shall be removed from the list in accordance with the investor's request and these amounts shall be subject to redistribution. In the event that any fraction arises in the distribution calculations, the fraction shall be converted into a whole and the distribution shall be made among the investors whose demand cannot be fully met, as deemed appropriate by Info Yatırım, the Company and the Shareholder who has offered its Shares to the Public.

When distributing to investor groups according to the methods mentioned above, in case of any fraction in the calculations, the shares that cannot be distributed shall be subject to redistribution starting from the highest amount of demand among the investors whose share demand cannot be fully met. Within 1 (one) business day at the latest following the end of the demand collection period, Info Yatırım shall finalize the distribution lists separately for each allocation group and submit them to the Company and the Shareholder Offering Shares to the Public. The Company and the IPO Shareholder shall approve the distribution lists within one (1) business day following the day on which they are delivered to the Company and shall notify Info Investment of such approval.

b) Information on the place, method and period of payment of share fees:

Domestic Individual Investors

Domestic Individual Investors are required to apply to the application centres of the consortium members specified in article 25.1.3.2.c of this prospectus to make a request and fill in a request form.

Domestic Individual Investors may partially or wholly deposit the demand price for the number of shares they request in cash, or they may demand shares by pledging as collateral one or more of the securities and/or foreign currencies specified in the table below, which are available in their investment accounts and which have not been previously pledged as collateral for a different transaction and on which there is no blockage. Domestic Individual Investors can make a request by selecting one or more of the following payment options. For Domestic Individual Investors, the "Demand Price" is the amount that shall arise as a result of the multiplication of the number of shares demanded by them and the IPO price.

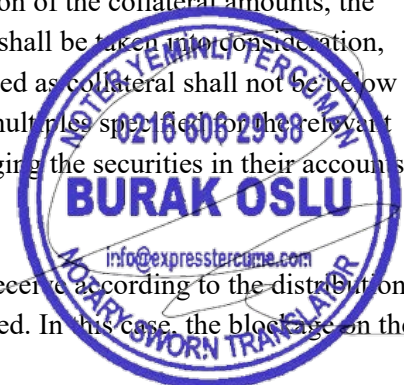
A- Payment in cash:

Domestic Individual Investors shall be able to deposit the Demand Fee for the number of shares they request in cash and/or on account.

B- Request by Blockage Method:

The securities and/or foreign currencies to be taken as collateral against the Domestic Individual Investors Demand Fee, collateral ratios and the prices to be applied for buying and cashing the collateral shall be added to this section in the process. In the calculation of the collateral amounts, the minimum number, multiples and unit amounts of the securities used shall be taken into consideration, and rounding up shall be made so that the number of securities pledged as collateral shall not be below the minimum number and shall not be fractional and/or outside the multiples specified for the relevant security. Domestic Individual Investors who make a request by pledging the securities in their accounts as collateral;

- They may pay in cash the amount of the share they are entitled to receive according to the distribution list until 12:00 a.m. on the day the distribution lists are announced. In this case, the blockage on the



securities and/or foreign currencies taken as collateral shall be removed on the same day.

Until 12:00 a.m. on the day the distribution lists are announced, they may partially pay in cash for the shares they are entitled to receive according to the distribution list. In this case, in order to collect the unpaid portion, the assets taken as collateral shall be cashed. In case more than one security is subject to collateral, the securities selected in the request form shall be cashed in order from the most liquid to the least liquid. However, the Consortium Member brokerage houses and the authorised order transmission brokerage institutions shall be entitled to cash the assets taken as collateral ex officio in the order to be determined by them and to collect the amounts, provided that it is specified in the relevant request form.

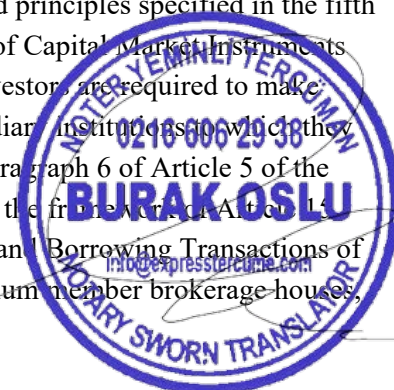
The risks related to the conversion of the collaterals of Domestic Individual Investors into cash belong to the brokerage institution receiving the request.

Consortium Members and brokerage institutions authorised for order transmission may accept different securities as collateral.

As soon as the Domestic Individual Investors who make a request by pledging their existing securities as collateral in order to constitute the guarantee for the price of the shares entitled to be purchased as a result of the approval of the distribution list sign the request form, a pledge is established on the securities taken as collateral in favour of the Consortium Member brokerage house where the account is located in order to enable them to realise their requests. In the event that the entitled share amounts are not paid in cash and in full on time, the securities and/or foreign currencies in the nature of collateral shall be converted into cash ex officio by the brokerage institution without any written or verbal notice or warning and without the need for any other action, at the "Price to be Applied in Collateral Breakdown" specified in the table above, and the share amounts entitled to receive shall be collected ex officio. Investors making a request within this scope shall irrevocably accept, declare and undertake that they have authorised the brokerage institution to which the request is made and that the relevant brokerage institution shall not be liable in any way for any damages that may arise from the performance of this authorisation.

With the Resolution of the CMB Decision Body numbered i-CML45.4 (dated 24/03/2022 and 14/461 numbered decision) and the Resolution numbered i-CML45.5 (dated 16/06/2022 and 32/917 numbered decision) taken for the disclosure of the matters included in the said resolution; In order to uniformise the practice regarding the collection of requests subject to credit transactions by brokerage institutions in the IPO of the shares of the corporations and to guide the practice on certain issues related to capital market instrument transactions on credit, it has been decided to implement the following principles:

A. In the IPO of the shares of the corporations, it is obligatory to collect the requests of the investors wishing to purchase the shares in accordance with the procedures and principles specified in the fifth and sixth paragraphs of the fifth article of the Communique on Sale of Capital Market Instruments numbered II-5.2 (Communique numbered II-5.2). In this context, investors are required to make their requests with the cash amounts in their accounts at the intermediary institution to which they submit their requests or by blocking the assets within the scope of paragraph 6 of Article 5 of the Communique numbered II-5.2 as specified in the prospectus. Within the framework of Article 11 of the Communique on Credit Purchase, Short Selling and Lending and Borrowing Transactions of Capital Market Instruments (Communique Serial V, No 65), consortium member brokerage houses, which are not subject to the prohibition during the public



offering, may make capital market instrument transactions on credit to their customers. However, in the event that capital market instrument transactions are carried out on credit in this manner, at the moment when the request for public offering is submitted by the investors, the cash extended as credit shall be blocked by the brokerage institutions in a separate account to be transferred to the relevant bank account as in the case of cash applications, and the provisions of the Communiqué Serial V, No. 65 on capital market transactions on credit, particularly general transaction limits, special transaction limits and minimum equity ratios, shall be complied with starting from the moment of request submission. Brokerage institutions may not execute transactions with net assets less than the value of the shares requested to be purchased by their customers within the scope of Article 9 of the Communiqué Serial V, No 65 in primary market transactions and demand collection related to public offering of shares.

A. Regarding the application of the second paragraph of Article 5 of the Communiqué Serial V, No 65 (in all transactions without being limited to public offerings):

- The credit limit must be determined by the credit committee for each customer with whom a credit transaction agreement is signed and this limit must be notified to the data storage institution on the date of the decision. During the determination of the credit limit, customers' assets, solvency, liquidity and all other necessary certifying information and documents must be provided.
- A book shall also be kept in electronic environment for the decisions taken in the decision book of the credit committee and the decisions taken shall also be recorded in the electronic decision book time-stamped by giving date and sequence number in accordance with the document and record regulations of the Board on the date the decision book of the credit committee is signed.

Domestic Institutional Investors:

Domestic Institutional Investors will only be able to apply to Info Yatırım.

Domestic Institutional Investors may not pay their share prices at the time of request. Domestic Institutional Investors shall pay the share price, which will be formed as a result of multiplying the amount of shares they are entitled to receive by the determined IPO price, to Info Yatırım until 12:00 a.m. on the second business day following the notification of the distribution lists. Subsequent payments to be made by Domestic Institutional Investors in this manner shall be made in cash.

Foreign Institutional Investors:

Foreign Institutional Investors may apply only to Info Yatırım.

Foreign Institutional Investors may not pay their share prices at the time of request. Domestic Institutional Investors shall pay the share price, which will arise as a result of multiplying the amount of shares they are entitled to receive by the determined IPO price, to Info Yatırım until 12:00 a.m. on the second business day following the notification of the distribution lists. Subsequent payments to be made by Foreign Institutional Investors in this manner shall be made in cash.

The share prices to be paid by the investors participating in the IPO shall be transferred to the account of Info Yatırım by the investment institutions making the collections. The share prices to be paid by the investors participating in the IPO shall be transferred to the account of Info Yatırım by the investment institutions making the collections.



Account Owner	Hat-San Gemi İnşaa Bakım Onarım Deniz Nakliyat Sanayi ve Ticaret A.Ş.
Bank	T. Vakıflar Bankası T.A.O.
Branch	Tuzla Ticari
IBAN	TR19 0001 5001 5800 7319 7202 86

Account Owner	Pekar Grup İnşaat A.Ş.
Bank	T. Vakıflar Bankası T.A.O.
Branch	Tuzla Ticari
IBAN	TR47 0001 5001 5800 7319 7203 64

c) Application locations:

Investors wishing to participate in the IPO of the Company's shares from the category of Domestic Individual Investors may apply to the headquarters and branches of all of the following authorised brokerage institutions and the relevant branches of the banks that are authorised to transmit orders for sales.

Investors in the Domestic Individual Investors category may apply to the headquarters and branches of the following authorised brokerage institutions and the relevant branches of the banks that are authorised order transmission intermediaries for sales, as well as ATM, internet or telephone banking branches of these institutions to submit their requests. Investors who will make a request via internet, telephone banking, mobile banking or ATMs shall be required to be authorised to make transactions at the internet branch, telephone banking branch, mobile banking or ATM (having internet and telephone banking accounts, having signed an interactive banking commitment letter and/or having a magnetic card used at the ATM).

The requests of Domestic Institutional Investors and Foreign Institutional Investors shall be collected only by Info Yatırım.

The contact and application information of the consortium leader Info Yatırım is given below and the information of the consortium members shall be added in the proce



İFO YATIRIM MENKUL DEĞERLER A.Ş.

Saray Mah. Dr. Adnan Büyükdeniz Cad. No:4 2. Blok D: 16 Ümraniye/İstanbul

Tel: +90 212 700 35 00 Fax:+90 216 692 12 75

Info Yatırım Menkul Değerler A.Ş. Head Office and Ataşehir, Bakırköy, Beşiktaş, Beylikdüzü, Göztepe, Göktürk,

Levent, Etiler, Şişli, Tuzla, Ankara, Çankaya, Söğütözü, Adana,

Aydın, Balıkesir, Bodrum, Bursa, Diyarbakır,

Gaziantep, İzmir, Kayseri, Kırıkkale, Mersin, Samsun and Van Liaison Offices and

www.infoyatirim.com address and InfoTrade Pro application

The assets to be accepted as collateral by each consortium member shall be added to this section in the process.

d) Time and place of distribution of shares:

The shares of the investors who purchased shares from the IPO shall be dematerialised on the basis of right holders at the MKK within the framework of the capital markets legislation.

The shares shall be transferred by the Consortium Members to the accounts of the investors at the MKK following the approval of the distribution list by the Company and the IPO Shareholder and provided that the share prices are paid.

The shares of the investors whose requests are met shall be delivered in dematerialised form within 2 (two) business days at the latest following the transmission of the distribution list to the Consortium Members within the framework of the principles of the dematerialised system and provided that the share prices are paid.

25.1.4. When and under what conditions the IPO may be cancelled or postponed, and whether cancellation is possible after the start of the sale:

In the event that one of the following situations occurs before the beginning of the demand collection period or during the period from the beginning of the demand collection period until the handing over of the shares to the investors, Info Yatırım, the Consortium Leader, the Company and/or the Shareholder offering its shares to the public may immediately terminate the IPO Brokerage Agreement between them by mutual agreement and may stop the public offering and/or postpone it to a later date.

- 1- Legal arrangements that would make it impossible or significantly difficult to fulfil its obligations regarding public offering due to the regulations made by the legislative, executive or bodies authorised to take decisions regarding capital markets or banks,
- 2- The occurrence of natural disasters such as war, fire, earthquake, flood, epidemic, energy shortage and similar natural disasters that may affect the IPO and events that prevent the maintenance of social order,
- 3- Prediction by the Consortium Leader or the Company that there will not be sufficient demand and/or the expected benefit of the IPO will not be realised due to the economic and political developments, developments in the money and capital markets and/or the sector in which the Company operates or the financial structure of the Company,
- 4- The initiation of any investigation and/or lawsuit against the Company and its subsidiaries and their managers, direct and indirect shareholders that may affect the marketing of the shares and the IPO and the initiation of any investigation, lawsuit and/or other judicial or administrative proceedings against the Company that materially affect or may affect the IPO,
- 5- Being less than the number of shares offered to the public and the amount of shares offered for sale,



In the event of developments that have serious adverse economic and political consequences in the world's major financial markets or in Turkiye during the period from the approval of the distribution list by the Company and the IPO Shareholder until the handing over of the shares to the investors, the settlement transactions related to the IPO shall be completed only with the joint agreement of the Company and the Consortium Leader. In the event that the Company and the Consortium Leader fail to reach an agreement as referred to in this paragraph, the IPO Agreement shall be terminated and the IPO shall be deemed to be cancelled.

25.1.5. Information on the refund method of the amounts belonging to the unmet requests and the amounts paid by the investors above the sales price:

The refund amount arising from the unmet demands shall be refunded to the investors who paid their share prices in cash at the application places by the consortium member who realised the sale within the next business day following the handing over of the distribution list to the consortium members.

The blockages on the assets of the investors who apply with the blockage method shall be removed as described in section

25.1.3.2. 25.1.3.2.b. of this Prospectus titled "Information on the place, method and period of payment of the share prices".

25.1.6. Information on the minimum and/or maximum amount of shares that may be requested:

The amount of demand must be in the form of 1 (one) lot and multiples. The maximum amount of shares to be demanded is limited to the amount of shares offered to the public.

The maximum amount of shares that can be demanded for each investor is limited to the total amount of lots offered to the public.

All investors may, if they wish, set a lower limit on the amount they wish to purchase in the request form.

25.1.7. Information on the right of investors to withdraw their purchase demands:

Pursuant to Article 8 of the CML, in the event of any changes or new issues that may affect the investment decisions of the investors in the information disclosed to the public in the prospectus before the commencement of the sale or during the sale period, the situation shall be immediately notified to the Board by the Company or the public offeror through the most appropriate means of communication.

In the event that new issues arise or require changes, the sale process may be suspended.

The matters to be changed or newly added are approved by the Board within 7 (seven) business days following the date of notification within the framework of the principles set forth in the CML and the part of the prospectus relating to the changed or newly added matters is published.

Investors who have made a demand to purchase shares before the publication of the amendments or new issues have the right to withdraw their demands within two business days following the publication of the additions and amendments made in the prospectus. In addition, even if there is no change in the prospectus, investors have the right to change or withdraw their demands within the demand collection period.

25.1.8. Method and duration of shares handover:

The shares to be issued shall be dematerialised by MKK on the basis of right holders within the



framework of dematerialisation principles and no physical handover of the shares shall be made. Following transmission of the maximum distribution book of registered shares to the consortium members which will be delivered within 2 working days. Information on how the results of the IPO will be declared to the public:

The results of the IPO shall be declared to the public within 2 (two) business days following the day on which the distribution list is finalised within the framework of the principles set forth in the regulations of the Board regarding the sale of capital market instruments, in accordance with the regulations of the Board regarding the public disclosure of material events.

25.1.9. Information on New Share Purchase Right

The rights of existing shareholders to acquire new shares are completely restricted for the purpose of realising an IPO through capital increase.

25.1.10. The names and business addresses of the natural and/or legal persons who have made a purchase commitment, the purchase price of a share and information about their relationship with the issuer:

None.

25.1.11. Newspapers, if any, in which the announcement of the sale to account owners will be announced:

None.

25.1.12. Whether the amounts collected due to the IPO will accrue interest, and if so, the basis of such accrual:

No interest will be accrued.

25.1.14. List of persons in a position to access inside information in the IPO:

Name/Surname	Company
Osman PEPE	Hat-San Gemi
Birgöl PEPE	Hat-San Gemi
Mehmed Halid İsmail PEPE	Hat-San Gemi
Mustafa Talha PEPE	Hat-San Gemi
Mesud Abdurrahman PEPE	Hat-San Gemi
Ömer BAŞOL	Hat-San Gemi
Turgut İZMİT	Hat-San Gemi
Namık Kemal GÖKALP	Info Yatırım
Bülent KIRIMLI	Info Yatırım
Murat TANRIÖVER	Info Yatırım



Hüseyin Tarkan AKGÜL	Info Yatırım
Tamer AKBAL	Info Yatırım
Engin Emre SEÇEN	Info Yatırım
Hüseyin GÜLER	Info Yatırım
Temur KAYHAN	Info Yatırım
Halil ARSLAN	Info Yatırım
Hümevra ODABAŞ	Info Yatırım
Emirhan BIYIKCI	Info Yatırım
Ahmet Çağatay ÜNSAL	Info Yatırım
Ege ÖZER	Info Yatırım
Ömer Gökhan ÖZMEN	Özmen Yalçın Attorney Partnership
Güneş YALÇIN	Özmen Yalçın Attorney Partnership
Murat AYYILDIZ	Özmen Yalçın Attorney Partnership
Buse TUNÇEL	Özmen Yalçın Attorney Partnership
Beyza ÇANKAYA	Özmen Yalçın Attorney Partnership
Doğuş BEKTAŞ	Abaküs Bağımsız Denetim A.Ş.
Murat Turfan DEMİRCAN	Ser&Berker Bağımsız Denetim A.Ş.
Serhan AKKOYUNLU	Ser&Berker Bağımsız Denetim A.Ş.
Mustafa AKARSLAN	Universal Yeminli Mali Müşavirlik A.Ş.
Uğur BIYIKLIOĞLU	Universal Yeminli Mali Müşavirlik A.Ş.
Funda SEVİM	Pehlivan Hukuk
Ahmet Niyazi ÖZALTIN	Forensis Hukuk
Mehmet Hakan TÜFEKÇİ	Tüfekçi Hukuk
Rona KASPI	Akt Hukuk
Didem SERTCAN	Mitra Kurumsal Danışmanlık A.Ş.

25.2. Distribution and allocation plan:

25.2.1. In cases where the IPO is made in more than one country at the same time, if a certain amount of allocation is made to one of these countries, information regarding this:
None.

25.2.2. Information on whether, to the best of the issuer's knowledge, the issuer's main shareholders or members of the board of directors and persons having a say in the management intend to make a subscription commitment in the IPO or whether any person intends to make a commitment for more than five per cent of the shares to be offered to the public:
None.

25.2.3. Principles of allocation and distribution to investors in public offerings:

a) Allocation rates by investor group:

Pursuant to the fourth paragraph of Article 18 of the CMB's Communique on Sale of Capital Market Instruments numbered II-5.2, at least 10% of the nominal value of the capital market instruments to be offered to the public must be allocated to domestic individual investors and 10% to domestic institutional investors. The Board is authorised to reduce the minimum allocation ratios stated in this paragraph to zero or increase them by one more time by taking into consideration the market value of the capital market instruments to be offered to the public, market conditions and similar grounds and the request of the Company and/or the public offeror.

Allocation ratios have not yet been determined and shall be determined in the process within the framework of the relevant regulations of the CMB and shall be added to this section.



b) The conditions under which an allocation change can be made, its size and the applicable percentages for individual tranches in the allocation change:

At the end of the demand collection period, in the event that there is sufficient demand to meet the amount allocated to a certain investor group, the allocation ratio of the said group cannot be shifted to other groups. In case there is an investor group for which there is insufficient demand, the unmet portion of the allocation belonging to that group shall first be transferred to the Domestic Individual Investor group in order to meet the unmet demands, if any. After this transfer or in case there is no demand as much as allocated to the Domestic Individual Investor group, the remaining portion can be uninhibitedly transferred to other groups.

In case of sufficient demand, the amount of shares to be distributed on the basis of each investor in the Domestic Institutional Investor group shall not exceed 1% of the amount of shares offered to the public. For funds founded and/or managed by a portfolio management company (PMC), the said limitation is applied on a PMC basis and is 3%.

c) Distribution method(s) to be applied in case of more demand than the nominal value allocated in the allocation group for individual investors and employees of the issuer:

Distribution to Domestic Individual Investors:

It shall be made according to the equal distribution method. The order with the highest amount among the investor orders transmitted from the same and/or different brokerage houses but having the same Turkish ID number or tax ID number shall be taken into consideration according to the principle of unification on investor basis using the Turkish ID number or tax ID number. Other orders entered with the same Turkish ID number or tax ID number shall not be subject to distribution. In the event that there is a fraction in the distribution accounts, the shares that cannot be distributed will be distributed among the investors whose share demand is not fully met, as deemed appropriate by Info Yatırım, the Company and the IPO Shareholder.

The total amount of lots allocated for this group shall be divided by the number of investors making a demand, and the purchase demands at or below the amount found in this way shall be met. The remaining amounts shall be distributed in the same way, divided by the number of investors whose demand cannot be fully met. In this way, the distribution process shall be allocated for this group and shall continue until all of the capital market instruments offered for sale are distributed. The amounts resulting from the distribution shall be reviewed for investors who set a lower limit on the amount. If the amount remains below this lower limit, it shall be removed from the list in accordance with the investor's request and these amounts shall be subject to redistribution. In the event that a fraction arises in the distribution calculations, the fraction shall be rounded up to the whole and the distribution shall be made among the investors whose demand cannot be fully met, as deemed appropriate by Info Yatırım, the Company and the Shareholder Offering Shares to the Public. Privileges that may be granted to certain groups of investors or certain other groups in the allocation and the criteria for inclusion in these groups:

There is no privilege for any investor group.

d) The minimum amount of shares to be distributed to a single individual investor:

Distribution to Domestic Individual Investors:

It shall be made according to the equal distribution method. The order with the highest amount among the investor orders transmitted from the same and/or different brokerage houses but having the same Turkish ID number or tax ID number shall be taken into consideration according to the principle of unification on



investor basis using the Turkish ID number or tax ID number. Other orders entered with the same Turkish ID number or tax ID number shall not be subject to distribution. In the event that there is a fraction in the distribution accounts, the shares that cannot be distributed shall be distributed among the investors whose share demand is not fully met, as deemed appropriate by Info Investments, the Company and the Shareholder Offering its shares to the Public.

The total amount of lots allocated for this group shall be divided by the number of investors making a demand, and the purchase demands at or below the amount found in this way shall be met. The remaining amounts shall be distributed in the same way, divided by the number of investors whose demand cannot be fully met. In this way, the distribution process shall be allocated for this group and shall continue until all of the capital market instruments offered for sale are distributed. The amounts resulting from the distribution shall be reviewed for investors who set a lower limit on the amount. If the amount remains below this lower limit, it shall be removed from the list in accordance with the investor's request and these amounts shall be subject to redistribution. In the event that any fraction arises in the distribution calculations, the fraction shall be rounded up to the whole and the distribution shall be made among the investors whose demand cannot be fully met, as deemed appropriate by Info Investment, the Company and the Shareholder who offered their shares to the public.

e) Principles to be applied in case of duplicate demands:

In the Domestic Individual Investors group, equal distribution method shall be used and only the requests with the highest amount shall be taken into consideration after the duplicate demands control is performed.

The total number of demands of the Domestic Individual Investors who demand more than once shall be compared with the maximum demand amount mentioned in the section titled 25.1.6. 'Information on minimum and/or maximum amount of shares that may be demanded' of this prospectus. The parts of the demands of the Domestic Individual Investors who make demands exceeding the maximum demand amount shall be taken into account in the calculation as the total maximum demand amount for the investor in question after the cancellation of the parts of their demands exceeding the maximum demand amount retrospectively from their last demand, taking into account their demand times.

The order with the highest amount among the orders of Domestic Individual Investors with the same Turkish ID number or tax identification number, which are transmitted from the same and/or different brokerage institutions, shall be taken into consideration according to the principle of unification on investor basis by using the Turkish ID number or tax identification number. Other orders entered in duplicate with the same Turkish ID number or tax ID number shall not be subject to distribution. In the event that there is a fraction in the



distribution accounts, the shares that cannot be distributed shall be distributed among the investors whose share demand is not fully met, as deemed appropriate by Info Yatırım, the Company and the IPO Shareholder of the Shares.

The total amount of lots allocated for this group shall be divided by the number of investors making a demand, and the purchase demands at or below the amount found in this way shall be met. The remaining amounts shall be distributed in the same way, divided by the number of investors whose demand cannot be fully met. In this way, the distribution process shall continue until all of the capital market instruments allocated and offered for sale for this group are distributed. The amounts resulting from the distribution shall be reviewed for investors who set a lower limit on the amount. If the amount remains below this lower limit, it shall be removed from the list in accordance with the investor's request and these amounts shall be subject to redistribution. In case of any fraction in the distribution calculations, the fraction shall be rounded up to the whole and the distribution shall be made among the investors whose demand cannot be fully met, as deemed appropriate by Info Investment, the Company and the Shareholder Offering Shares to the Public.

f) Conditions for early termination of the IPO period and dates for early termination:

None.

g) Information on whether it is possible to determine the demands or price offers submitted for the allocations to be made for the shares to be offered to the public on the basis of the authorised institution that makes or intermediates the transaction:

It is possible to determine the demands submitted for the allocations to be made for the shares to be offered to the public on the basis of the authorised institution making or intermediating the transaction.

25.2.4. Information on the process of informing the investors about the finalised amount of shares they received from the public offering:

Investors who have made a request in the IPO can learn the finalised amount of shares they have received from the IPO by applying to the Consortium Member to which they have made a request on the business day following the day the distribution lists are approved.

25.2.5 Information on add-on sales:

None.

25.3. Information on the determination of the price of the shares:

25.3.1.1 Information on the sale price of a share with a nominal value of TRY 1 and the costs to be incurred by the investor making the demand

The sale price of a share with a nominal value of TRY 1 has been determined as TRY [-].

The commissions and similar expenses that Info Yatırım, as the authorised institution, will demand from the investors in the IPO, excluding the transaction commission cost and BITT cost, are shown in the table below. The commissions and similar costs to be demanded by the Consortium Members from the investors in the IPO shall be added to this section in the process.



Corporate	Account Opening Fee	Capital Market Instrument	Transfers to Investor Account at Another Brokerage Institution	EFT Fee	Stamp Duty	Other
Info Yatırım Menkul Değerler A.Ş.	MKK Tariff	MKK Tariff	MKK Tariff	-	-	Fees charged by MKK are credited to customer accounts.

25.3.2. Information on the methods used in determining the IPO price, the process of public announcement of the IPO price in case the sales price is not determined, and information on who is responsible for determining the IPO price or the criteria for price determination:

The sale price of 1 share with a nominal value of TRY 1 was determined as TRY [-] and in the Price Determination Report prepared by İfo Yatırım Menkul Değerler A.Ş., [-] and [-] methods were used in the appraisal study for determining the IPO price. The Price Determination Report is included in Annex 5.Hat-San Gemi and the IPO Shareholder are ultimately responsible for determining the IPO price.

Different appraisal methods, financial data of different dates and market multipliers may lead to different values, and investment decisions to be made by account owners should be made after taking these factors into consideration.

The Price Determination Report shall be published on the Public Disclosure Platform (www.kap.gov.tr), the Company's website (www.hat-san.com.tr) and the website of the Authorised Institution (www.infoyatirim.com) at least 3 (three) days prior to the start date of the public offering.

25.3.3. If the right to purchase new shares is restricted, information about those who benefit from the restriction of the right to purchase new shares:

The present shareholders' right to purchase new shares is completely restricted.

The Company and its present shareholders will directly benefit from the restriction of new share purchase rights. The Company will receive funds in return for the shares offered to the public. The present shareholders may benefit indirectly. As a result of the profitability of the Company's activities as a result of the use of the funds obtained by the Company, the shareholders may benefit from both profit share and the appreciation of their current shares. In addition, the fact that the stock exchange price of the publicly offered shares in the secondary market is a benchmark for determining the value of the current shares may also provide an indirect benefit.



25.3.4. Comparison of the public offering price with the price paid or to be paid by the members of the board of directors of the issuer, persons having a say in the management or related persons (their spouses and first degree relatives by blood or marriage) for the shares of the issuer which they have acquired or have the right to acquire in the previous year and the current year:

None.

25.4. Intermediation Predicate and Intermediation in Public Offerings

25.4.1. Information on authorised institutions to act as broker for the IPO:

Information regarding the authorised institutions to act as broker for the IPO is provided in Article 25.1.3.2.C of the Prospectus.

Domestic Institutional Investors and Foreign Institutional Investors may only make demands through Info Yatırım.

25.4.2. The names of the custody and payment institutions in the countries where the public offering will be made:

Since the public offering will take place only in the Republic of Turkiye, the custody, settlement and payment transactions of the shares shall be carried out by Takasbank (Istanbul Takas ve Saklama Bankası A.Ş.) and MKK (Merkezi Kayıt Kuruluşu A.Ş.).

25.4.3. Information about the type of brokerage:

Consortium Leader Info Investment and Consortium Members shall mediate the sale through 'Best Effort Underwriting'. For this reason, there is no person or corporate underwriting the sale.

25.4.4. Information about the brokerage agreement:

The '**IPO Brokerage Agreement**' signed between the Company, Pekar Grup İnşaat A.Ş., the Shareholder Pekar Grup İnşaat A.Ş. and Info Yatırım shall remain in force for 12 (twelve) months from 08.05.2023, the date of signature. In the event that the obligations within the scope of this agreement are mutually fulfilled or terminated for the reasons specified in this agreement, it shall automatically expire on that date.

25.4.5. Interests of real and legal persons related to the IPO:

In the IPO of the shares, the IPO Shareholder shall receive share sales income and the Company shall receive equity/public offering income.

There is no capital relationship between the Company and Info Yatırım, which acted as Consortium Leader in the IPO, and Hat-San Gemi. The Consortium Leader does not have any economic interest directly or indirectly linked to the success of the IPO, except for the brokerage commission to be obtained due to the IPO transaction. The other Consortium Members who will act as broker for the IPO shall also receive an brokerage commission for the IPO. There is no conflict of interest or any conflict of interest between the Company and other Consortium Members.



There is no conflict of interest between Hat-San Gemi and Abaküs Bağımsız Denetim A.Ş., the independent auditor of the financial statements. There is no capital relationship between Abaküs Uluslararası Bağımsız Denetim A.Ş. and Hat-San Gemi. Abaküs Bağımsız Denetim A.Ş. has no economic interest directly or indirectly linked to the success of the public offering. Abaküs Bağımsız Denetim A.Ş. has no economic interest directly or indirectly linked to the success of the public offering.

There is no conflict of interest between Hat-San Gemi and Özmen Yalçın Attorney Partnership, which prepared the Independent Lawyer Report. There is no capital relationship between Özmen Yalçın Attorney Partnership and Hat-San Gemi. Özmen Yalçın Attorney Partnership does not have any economic interest directly or indirectly linked to the success of the public offering. Özmen Yalçın Attorney Partnership receives consultancy fee for the legal consultancy services provided in relation to the IPO.

There is no conflict of interest or benefit between Hat-San Gemi and Mitra Kurumsal Danışmanlık A.Ş., which provides IPO process consultancy services. There is no capital relationship between Mitra Kurumsal Danışmanlık A.Ş. and Hat-San Gemi. Mitra Kurumsal Danışmanlık A.Ş. has no economic interest directly or indirectly linked to the success of the IPO. Mitra Kurumsal Danışmanlık A.Ş. receives consultancy fee for the process consultancy services provided in relation to the IPO.

Apart from these, there are no consultants, etc. with significant interests in the IPO.

These costs are detailed in section 28 of this prospectus titled 'IPO Proceeds and Costs'.

26. INFORMATION RELATED TO BEING TRADED ON THE STOCK EXCHANGE

26.1. Whether an application has been made for the shares to be traded on the Stock Exchange and, if known, the earliest trading dates:

The approval of the Company's prospectus set by the Board does not mean that these shares will be traded on the Stock Exchange. Trading of the Publicly Offered Shares on the Stock Exchange is subject to the favourable decision of the Board of Directors of Borsa Istanbul within the framework of the relevant provisions of the BIST A.Ş. legislation.

The date of trading of the shares on the Stock Exchange shall be determined by the announcement to be made by the Board of Directors of Borsa Istanbul.

An application has been made to Borsa Istanbul for the Company's shares to be traded on BIST Star and the opinion of Borsa Istanbul will be attached to the "I. Stock Exchange Opinion" section of this prospectus.

26.2. Information on whether the issuer's shares of the same group are listed/traded on the stock exchange or not, or whether the issuer has made an application in this regard:

None.



26.3. Simultaneously with the shares intended to be traded on the stock exchange;

- **Subjecting the shares in the same group with the shares in question to sale to allocated/qualified investors or undertaking to purchase them or,**
- **In the event that another group of shares or capital market instruments of the issuer are subject to sale or public offering to allocated/qualified investors detailed information about the nature of these transactions and the number, nominal value and characteristics of the capital market instruments to which these transactions belong:**

None.

26.4. Principles of market maker and market making:

None.

26.5. Whether price stabilisation operations are planned:

Not planned.

26.5. Whether price stabilisation operations are planned:

Not planned.

26.6. Public offering incentives:

Daily Purchase Order Commitment:

On behalf of Pekar Grup İnşaat A.Ş., which is one of the existing shareholders of the Company and which will also offer its shares to the public by way of shareholder sale method, a total of 2,167,419 daily valid purchase orders shall be entered through Info Yatırım at the IPO price in the opening session every day for a period of 5 trading days (Daily Purchase Order Commitment Period), including the day the Company shares start to be traded on the Stock Exchange. The maximum resource to be used within the scope of the Daily Purchase Order Commitment shall be the gross resource obtained within the scope of the common sale.

The transactions to be carried out within the scope of the Daily Buy Order Commitment are limited to 5 (five) business days and the orders entered cannot be cancelled.

Within 5 business days, if the IPO price remains below the base price valid on the Stock Exchange for that day, the obligation to enter 2,167,419 daily purchase orders for Pekar Grup İnşaat A.Ş., the shareholder who offered its shares to the public, shall be deemed to be completed.

Within 5 (five) business days, if the IPO price remains above the ceiling price valid on the Stock Exchange on that day, 2,167,419 daily purchase orders are entered at the ceiling of the price range valid on that day. The obligation of Pekar Grup İnşaat A.Ş., the shareholder who offered its shares to the public for that business day, to enter a purchase order is fulfilled.

The Company shares purchased during the Daily Purchase Order Application shall not be subject to sale on the Exchange within the Daily Purchase Order Commitment Period (for 5 business days).



Pekar Grup İnşaat A.Ş., the shareholder who has offered its shares to the public, has also accepted, declared and undertaken that in case shares are purchased within the scope of the repurchase order commitment, the purchased shares will not be offered for sale below the IPO price for 1 (one) year.

The highest price to be entered into the system within the scope of the said daily purchase order commitment shall be the IPO price specified in the sales announcement of the account owners and no purchase shall be made above the said IPO price. However, if the IPO price remains above the ceiling price valid on the Stock Exchange on that day within the Daily Purchase Order Commitment Period, it shall be possible to purchase at prices below the IPO price.

27. INFORMATION AND COMMITMENTS REGARDING THE SALE OF CURRENT SHARES

27.1. Information on the shareholder/partners who will offer their shares to the public:

Title of the Selling Shareholder	Address	Positions held in the Company or its Predecessors or Subsidiaries within the last three years
Pekar Grup İnşaat A.Ş.	Florya Cad. Florya Plaza No:88 Kat:2 Bakırköy/Istanbul	Shareholder

27.2. Nominal value of the shares offered for sale by the shareholders who will offer their shares to the public

The shares offered for sale by Pekar Grup İnşaat A.Ş. are shown in the table below.

Group	Registered / Bearer	Privileges	Number of Shares	Ratio of Share Number to Group Share Number	Nominal Value of a Share (TRY)	Total (TRY)	Ratio to Capital (%)
B	Bearer	None.	10.837.093	6,32	1,00	10.837.093	4,89
Total						10.837.093	4,89

The share of Group B bearer shares with a nominal value of TL 10,837,093 to be offered to the public through public offering will be 6.32% of the Group B shares with a nominal value of TL 171,500,000 to be formed after the IPO, and its ratio to the Company's capital of TL 221,500,000 to be formed after the IPO will be 4.89%.

After the IPO, the capital share of the shareholders will be as follows:

Shareholder's Name Surname/Title	Share Group	Pre-Public Offering		After Public Offering	
		Capital Amount (TRY)	Share of Capital (%)	Capital Amount (TRY)	Share of Capital (%)
Pekar Grup İnşaat A.Ş.	A	49.880.000	99,76	49.880.000	79,80
	B	137.712.988		126.875.895	
Mehmed Halid İsmail PEPE	A	40.000	0,08	40.000	0,07
	B	108.035		108.035	
Mustafa Talha PEPE	A	40.000	0,08	40.000	0,07
	B	108.035		108.035	
Mesud Abdurrahman PEPE	A	40.000	0,08	40.000	0,07
	B	108.035		108.035	



Open to Public Part	B	0	0,00	44.300.000	20,00
TOTAL	A+B	188.037.093	100,00	221.500.000	100,00

27.3. Commitments not to increase the amount of shares in circulation after the IPO:

a) Commitment given by the Issuer:

With the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/16 dated 08.05.2023, a commitment dated 08.05.2023 was given within the scope of the following issues For 1 (one) year from the date on which the Shares Offered to Public by the Company start to be traded in Borsa Istanbul;

- (vi) No capital increase through rights issue shall be made by the Company and the amount of the Company's shares in circulation shall not be increased in this way,
- (vii) Not to subject the Company's shares to sale or public offering in a way to increase the amount of shares in circulation,
- (viii) No decision is taken in this direction and/or no application is made to Borsa Istanbul or the CMB or any securities regulatory authority, stock exchange or listing authority abroad,
- (ix) No announcement is made during this period that a new sale or IPO shall be made in the future; and
- (x) Make the necessary commitments in line with these decisions

b) Commitments given by the shareholders:

Pekar Grup İnşaat A.Ş., Mehmed Khalid Ismail PEPE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE, who are the present shareholders of the Company, have accepted, declared and undertaken the following with their commitment letter dated 08.05.2023: For 6 (six) months from the date the Company shares started to be traded in Borsa Istanbul, the Company shares that are not subject to public offering shall not be subject to sale or public offering in a way that will lead to an increase in the amount of shares in circulation; no decision shall be taken in this direction and/or no application shall be made to Borsa Istanbul or CMB or any securities regulatory authority, stock exchange or listing authority abroad; and that no announcement shall be made during this period that a new sale or public offering will be made in the future .

c) Commitments given within the scope of capital markets legislation:

Pekar Grup İnşaat A.Ş., Mehmed Khalid Ismail PEPE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE, who are the current shareholders of the Company, have accepted, declared and undertaken the following in their undertakings dated 08.05.2023: Within the framework of Article 8 of the CMB's Communiqué on Shares numbered VII,

128.1 for a period of 1 (one) year from the commencement of trading of the Company's shares in Borsa Istanbul, they shall not sell the Company shares they own in Borsa Istanbul at a price below the IPO price and shall not subject these shares to any transaction that will result in the sale of these shares in Borsa Istanbul below the IPO price; in the event that the shares in question are sold or transferred partially or completely outside Borsa Istanbul within the specified period, it will make a material event disclosure within the framework of the regulations of the Capital Markets Board regarding the public disclosure of material events; and notify the purchasers that those who will purchase or transfer the shares they own outside Borsa Istanbul shall also be subject to the same limitation.



In addition, pursuant to the Capital Markets Board Resolution i-SPK-128.21 (dated 30/03/2023 and 20/412 numbered decision), investors who receive shares from the distribution may not sell the shares transferred to their accounts following the finalisation of the distribution list outside the Stock Exchange, transfer them to other investor accounts or subject them to special order and/or wholesale transactions in the Stock Exchange for 90 (ninety) days from the date the shares are transferred to their accounts. Pekar Grup İnşaat A.Ş., Mehmed Khalid İsmail PEPE, Mesud Abdurrahman PEPE and Mustafa Talha PEPE, the present shareholders of the Company, have given undertakings dated 08.05.2023 within the scope of the relevant issues.

d) Commitments given by authorised organisations:

None.

e) Other important matters in the commitments:

None.

28. PUBLIC OFFERING INCOME AND COSTS

28.1. The net proceeds and the estimated total and per share costs to be incurred by the issuer in relation to the IPO:

The Company shall receive gross proceeds of TRY [-] from the IPO. The IPO Shareholder shall receive gross income of TRY [-] from the public offering.

Pursuant to paragraph 4 of Article 32 of the Communiqué on Shares No. VII-128.1, since the initial public offering of the shares is carried out both through capital increase and sale of some of the shares owned by the shareholders, the brokerage commission, consultancy costs, the Board fee to be charged over the difference between the nominal value and the issue value of the shares to be offered to the public, and the Borsa Istanbul Listing Application Fee shall be borne by the IPO Shareholder and the Company, taking into consideration the ratio of the Publicly Offered Shares to each other. The Board fee charged over the nominal value of the entire capital of the Company and other expenses shall be covered by the Company.

The total cost of the public offering is estimated to be TRY [-]. The cost per share is estimated to be TRY [-]. The Company's net proceeds from the IPO are estimated to be TRY [-].

The breakdown of IPO costs is given in the table below:

Estimated Public Offering Cost (TRY)	Total	Company	Shareholder
CMB Board Fee	[•]	[•]	[•]
Stock Exchange Listing Fee	57.330	14.025	43.305
MKK Membership Fee	232.575	232.575	0
Brokerage Commission	[•]	[•]	[•]
Public Offering Process Consultancy Fee	[•]	f]	[•]
Advertising / PR Costs	[•]	[•]	[•]
Legal Opinion	[•]	[•]	[•]
Independent Audit Costs	[•]	[•]	[•]
PDP Service Fee	27.293	27.293	0



Other	[•]	f]	[•]
Total Cost	[•]	[•]	f]
Number of Shares Offered to Public	44.300.000	33.462.907	10.837.093
Cost per Share	[•]	[•]	[•]
Net Income	[•]	[•]	[•]

28.2. The reasons for the IPO and the uses of the IPO proceeds can be listed as follows:

Reasons for Public Offering:

- Strengthening the Company's equity,
- Strengthening the Company's working capital,
- Ensuring the continuity of the Company's growth targets,
- Increasing the recognition of the Company in Turkiye and abroad,
- Increasing the competitiveness of the Company.
- Expansion of company activities to international markets,
- Increasing existing credibility and reputation before potential customers,
- Establishing a sustainable corporate structure and developing reporting standards,
- Increasing the level of transparency and accountability,
- As a result of the liquidation of the Company's shares, it is possible to borrow at a lower cost in case of need before the lenders.

Utilisation of Public Offering Proceeds:

Pekar Grup İnşaat A.Ş., the shareholder who has offered its shares to the public, will receive the net proceeds from the sale of 10,837,093 shares, less the IPO costs, at the disposal of Pekar Grup İnşaat A.Ş.

The remaining portion of the funds to be obtained in return for the shares with a nominal value of TRY 33,462,907 to be issued by the Company through capital increase, after deducting the IPO costs, shall be used within the framework of the report on the places of use of the fund accepted by the decision of the Board of Directors of the Company dated 08.05.2023 and numbered 2023/13, and the said report is attached to this prospectus (Annex 7).

It has been determined that the portion remaining after deducting the IPO costs from the resources to be obtained in return for the shares with a nominal value of TRY 33.462.907 to be issued will be used for the following:

- To use 75% to 85% of this amount for the construction or purchase of a floating dock in order to increase the ship production and repair & maintenance capacity of our Company,
- To use 15% to 25% for the establishment of a power generation plant to generate electricity for the Company's own use and for the improvement and renewal of existing ship production and repair & maintenance facilities, provided that the Company obtains permission from the Energy Market Regulatory Authority and other necessary authorities and complies with the relevant legislation,
- In case of need, it is possible to switch between the above-mentioned fund utilisation items up to 10%.

• Construction or Purchase of Floating Dock

The Company's shipyard areas have a wide range of production diversity such as dry cargo, tankers, pontoons, floating docks, fishing vessels, etc. within the scope of new shipbuilding activities, while on the other hand, the Company can perform maintenance and repair of vessels with large carrying capacity with a floating dock with a lifting capacity of 25,000 tonnes. The floating dock is built by



filling the tanks within its structure with pumps, allowing the ship to enter it and can be floated to other places if desired. In addition to increasing the Company's ship repair & maintenance capacity, high capacity floating docks are needed to produce larger tonnage ships and in order to meet this need, it is deemed appropriate in the context of the Company's future planning and growth strategy to use 75% to 85% of the net proceeds from the IPO for the construction or purchase of floating docks.

- **Electricity Generation Plant Installation, Upgrading & Renovation of Existing Plants**

It is planned to establish an electricity generation plant in order to meet its own electricity needs from its own generation facility closest to the point of consumption by generating electricity for self-consumption within the scope of the Unlicensed Electricity Generation Regulation in the Electricity Market, provided that the Company obtains permission from the Energy Market Regulatory Authority and other necessary institutions and complies with the relevant legislation. In addition, it is also planned to make the necessary improvements and renewals within the scope of increasing the efficiency and modernisation of the facilities and machinery currently used by the Company in ship production and repair & maintenance services. Within the scope of all these issues, it is planned to use 15% to 25% of the net proceeds from the IPO for the establishment of an electricity generation plant and the improvement & renovation of the Company's existing facilities.

The Company shall be able to switch between fund utilisation areas up to 10% by considering the interests of the Company to the extent that it does not need and/or cannot use the net proceeds from the IPO as explained above.

However, during the period until the use of the resources to be obtained from the IPO in the specified areas of use, it is planned to utilise the said resources in various financial instruments, primarily (TRY) deposits/participation accounts, and to contribute to the Company by earning interest in this context.

29. DILUTION EFFECT

	Pre-Public Offering	After Public Offering
Public Offering Price		[•]
Number of Shares Offered to Public (Capital		TRY 33.462.907
Public Offering Cost for the Company		[•]
Public Offering Income		[•]
Net Income		[•]
Equity (31.12.2022)	TRY 330.407.771	[•]
Issued Capital	TRY 188.037.093	TRY 221.500.000
Book Value	TRY 1,7571	[•]



Dilution Effect per Share for Present Shareholders (Positive)		[•]
Dilution Effect per Share for Present Shareholders (Positive)		[•]
Dilution Effect per Share for New Shareholders		[-]
Dilution Effect per Share for New Shareholders		[•]

29.1. Amount and percentage of the dilution effect resulting from the IPO:

The IPO of the partnership shares shall be in the form of capital increase and share sale by restricting the pre-emptive rights of the present shareholders. For those who will buy shares from the IPO, there will be a dilution effect at the rate of [-], and the amount of the dilution effect for a share with a nominal value of TRY 1 is TRY [-].

29.2. Amount and percentage of the dilution effect if the present shareholders do not buy shares in the IPO (in case they do not exercise their right to purchase new shares):

For present shareholders, there will be a positive dilution effect at the rate of [-], and the amount of the dilution effect for a share with a nominal value of TL 1 is TL [♦].

30. EXPERT REPORTS AND INFORMATION OBTAINED FROM THIRD PARTIES

30.1. Information on those who provide consultancy to the issuer during the IPO process:

Those who provided consultancy services to the Issuer during the IPO process are listed in the table below:

Corporate	Consultancy Service
info Yatırım Menkul Değerler A.Ş.	Brokerage Services
Özmen Yalçın Attorney Partnership	Legal Consultancy Services
Abaküs Bağımsız Denetim A.Ş.	Independent Audit Services for the financial periods 2020, 2021 and 2022
Mitra Kurumsal Danışmanlık A.Ş.	IPO Process Consultancy Services

30.2. Expert and independent audit reports and information obtained from third parties:

This prospectus contains historical market data and forecasts obtained from industry publications and other publicly available sources of information. Where third party information is used in the prospectus, the source of that information is indicated. We confirm that such third party information has been accurately conveyed in the prospectus. However, information provided by third parties in industry publications or other publicly available information sources is considered to be reliable, but has not been independently verified.

The Company declares that to the best of its knowledge and to the best of its judgement from the information published by the relevant third party, there are no deficiencies that would make the information disclosed inaccurate and misleading and that such information has been received in full.

The comparative financial statements dated 31.12.2020, 31.12.2021 and 31.12.2022 and the related footnotes have been audited by Abaküs Bağımsız Denetim A.Ş. and the related special independent audit reports have been prepared and presented in Annex 3.



Financial Statement Period	Trade Title of the Independent Auditing Firm	Address of Independent Auditing Firm	Full Name of the Responsible Partner Chief Auditor of the	Opinion/ Result
1 January - 31 December 2020 and 2021	Abaküs Bağımsız Denetim A.Ş.	Barış Mah. Akdeniz Cad. No: 8/1/5 Beyaz Center, Beylikdüzü/Istanbul	Doğuş BEKTAŞ	Limited Positive
1 January - 31 December 2022	Abaküs Bağımsız Denetim A.Ş.	Barış Mah. Akdeniz Cad.No : 8/1/5 Beyaz Center,	Doğuş BEKTAŞ	Positive

31.12.2022 Auditor's opinion in the special independent audit report for the period 31.12.2022:

'In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ('TFRSs').' "

31.12.2021 and 31.12.2020 auditor's opinion in the special independent audit report:

'In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, 31 December 2020 and 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ('TFRSs').' "

Basis for Limited Positive Opinion:

'As of December 31, 2021, 2020 and 2019, the physical counts of inventories and cash on hand in the statement of financial position could not be observed by us due to the fact that we were not appointed as the independent auditor of the Company on that date, and we attempted to determine the accuracy of the cash on hand and cash on hand amounts through alternative audit procedures, but we could not determine the possible effects of the results that would arise if the cash on hand and cash on hand amounts were not accurate on the financial statements of December 31, 2021, 2020 and 2019. Due to the possible effects of this matter on the comparability of the current period information and the corresponding information, express a limited favourable opinion on the consolidated financial statements.

We conducted independent audit in accordance with Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority ('POA') which is a component of the Turkish Auditing Standards ('TAS'). Our responsibilities under these Standards are further described in the Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to our audit of the consolidated financial statements. Our responsibilities regarding ethics within the scope of the Code of Ethics and regulations have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.' "



The Legal Report used in this prospectus has been prepared by Özmen Yalçın Attorney Partnership and is attached as Annex 6.

Law Office	Özmen Yalçın Attorney Partnership
Address	Büyükdere Cad. No: 191 Apa Giz Plaza Kat:9 Levent, Beşiktaş/Istanbul
Telephone	+90 212 942 35 25

The expert persons or organisations whose opinions are presented in this prospectus in relation to the sector in which the Company operates and the independent auditors who audit the financial statements have no relationship with the Company, nor do they hold any securities issued by the Company or any options granting or committing them to acquire securities issued by the Company. The same persons have not been previously employed by the Company or received any remuneration from the Company. They have not been a member of any of the Company's management and audit bodies. In addition, these persons or entities (other than Info Yatırım Menkul Değerler A.Ş., which is the authorised institution) do not have any connection with Info Yatırım, which is the authorised institution intermediating the IPO.

Data and information related to the sector in which the Company operates consist of publicly available information published by official institutions and organisations and professional organisations and information obtained from the Company.

31. INFORMATION ABOUT SUBSIDIARIES

31.1. Information on the issuer's financial investments, excluding those included in consolidation:

None.

32. TAXATION PRINCIPLES RELATED TO SHARES

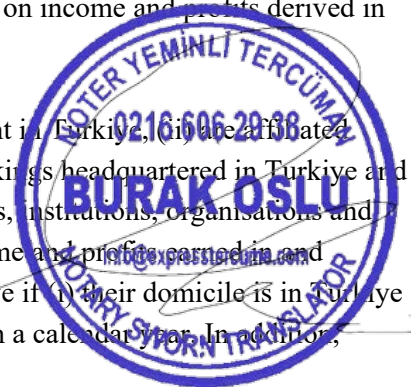
The following summarised explanations on holding and disposal of shares to be traded on the stock exchange and taxation of profit shares and profit share advances have been prepared in accordance with the tax legislation in force as of the date of this Prospectus for general information purposes. We would like to point out that the tax legislation and the tax rates and amounts applied may change in the future and investors should consult their tax advisors for information regarding the tax consequences of specific situations.

32.1. Overview

32.1.1. Taxation of Natural Persons

In accordance with the income tax legislation, there are two types of taxpayer status that determine the obligations of taxpayers in Turkish law. Individuals and corporations resident in Türkiye (**'Full Fledged Taxpayer'**) are taxed on all income and profits derived in and outside Türkiye. Individuals and entities that are not resident in Türkiye (**'Limited Taxpayer'**) are taxed only on income and profits derived in Türkiye.

Pursuant to the Income Tax Law, Turkish citizens who (i) are resident in Türkiye, (ii) are affiliated to official departments and institutions or organisations and undertakings headquartered in Türkiye and reside in foreign countries due to the business of the said departments, institutions, organisations and undertakings, are taxed as full fledged taxpayers on all of their income and profits earned in and outside Türkiye. Turkish citizens are deemed to be resident in Türkiye if (i) their domicile is in Türkiye or (ii) they reside in Turkey continuously for more than six months in a calendar year. In addition,



business, scientific and scientific men, experts, civil servants, press and broadcasting correspondents and other persons whose status is similar to these, foreigners who come to Turkiye for education or treatment or rest or travel, and those who are detained or stayed in Turkiye for unavoidable reasons such as detention, conviction or illness are not considered as residents in Turkiye and therefore are not considered as Full Fledged Taxpayer. However, the provisions of the double taxation avoidance agreement signed between Turkiye and the foreign country where the relevant person is a resident should also be taken into consideration in determining whether the non-residents are full fledged or limited taxpayers in Turkiye.

Securities capital income derived by the holders of the IPO Shares from the value increase gains arising from the delisting of the said IPO Shares on the BIST and the profit shares distributed in relation to the IPO Shares are deemed to have been obtained in Turkiye.

The income of natural persons subject to income tax for the calendar year 2023 is taxed at the following rates.

Income Range	Income Tax Ratio (%)
Up to 70.000 TL	15
150.000 TL for 70.000 TL of 10.500 TL, more than TRY 26.500 for TRY 150.000 of TRY 370.000 (TRY 26.500 for TRY 150.000 of TRY 550.000 for fee income), more	20
TRY 85.900 for TRY 370.000 of TRY 1.900.000 (TRY 134.500 for TRY 550.000 of TRY 1.900.000 for fee income), more	
TRY 621.400 for TRY 1.900.000 of more than TRY 1.900.000 (TRY 607.000 for TRY 1.900.000 of more than TRY 1.900.000 in fee income), more	

32.1.2. Taxation of Theories

Pursuant to the Corporate Income Tax Law No. 5520 ('CIT Law'), capital companies, cooperatives, public economic enterprises, economic enterprises belonging to foundations or foundations and business partnerships are subject to corporate income tax on their corporate income. Taxable profits of corporations are determined in accordance with the Tax Procedure Law and other Turkish tax laws. The statutory rate currently applied to corporate profits is 20% and this rate has been changed to 25% for corporate profits for the taxation period of 2021 and 23% for corporate profits for the taxation period of 2022 with the Law No. 7316 on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws. The corporate tax rate to be applied to the corporate earnings of corporations whose shares representing at least 20% of their capital are offered to the public to be traded for the first time in the Borsa Istanbul Equity Market shall be reduced by two

(2) points for five accounting periods starting from the accounting period in which the shares are offered to the public for the first time.

Two types of tax liability are defined in the KVK as full fledged and limited taxpayers. In order for a corporation to be considered as a full fledged taxpayer in accordance with the CIT Law: (i) its legal headquarters is located in Turkiye or (ii) although its legal headquarters is located outside Turkiye its business centre, which is the centre where the transactions are actually gathered and managed in terms of business, must be located in Turkiye. An organisation that does not meet these two conditions under Turkish tax legislation is considered as a Limited Taxpayer. Full fledged taxpayer



corporations are taxed in Turkiye on all of their earnings both in Turkiye and abroad. Limited Liability Taxpayer corporations are taxed only on the income they derive in Turkiye.

In order for the income from movable capital to be recognised as derived in Turkiye for limited taxpayers, the capital must be invested in Turkiye. In order for the value increase gains to be accepted as derived in Turkiye for the persons subject to limited taxpayer, the work or transaction giving rise to the said value increase income must be performed in Turkey or evaluated in Turkiye. The expression 'consideration in Turkiye' means that the payment is made in Turkiye or, if the payment is made in a foreign country, it is transferred to the accounts of the payer or the person on whose behalf and account the payment is made in Turkiye or it is separated from the profit.

32.2. Taxation of income derived from the disposal of shares

32.2.1. Taxation principles of shares traded on the stock exchange

Until 31.12.2025, the taxation of value increase incomes arising from the disposal of shares traded on the BIST is carried out within the framework of Provisional Article 67 of the Income Tax Law. Within the scope of the provisional Article 67 of the Income Tax Law, value increase gains are taxed with withholding tax by banks, brokerage institutions and depository organisations that intermediate the transactions. In the event that the effective period of Provisional Article 67 of the Income Tax Law is not extended beyond 31 December 2025 or its scope is not included in the tax legislation in any way, after 31 December 2025, as explained below (See 33.2.2 Taxation of Gains on Sale and Purchase of Shares in General) (Except for Investment Trust Shares), the value increase incomes to be derived from the disposal of shares traded on BIST shall be taxed in accordance with the general provisions.

Among others, banks, brokerage institutions and depository organisations are responsible for the taxation of the income generated by the investors for which they act as intermediaries in the trading of shares traded on BIST, and therefore are responsible for withholding tax. Banks, brokerage institutions and depository organisations shall declare their related tax declarations under their withholding tax obligations on a quarterly basis. For the transactions of investors receiving depository services from depository organisations other than İstanbul Takas ve Saklama Bankası A.Ş.-MKK, tax withholding is essentially the responsibility of the relevant depository institution.

In the event that a share traded on BIST is requested to be transferred to another bank or brokerage institution, the bank or brokerage institution that will carry out the transfer shall notify the institution to which the transfer will be made of the purchase price and purchase date of the security to be transferred. The date and price to be notified shall be taken into consideration in determining the withholding tax base. In the event that the shares in question are transferred on behalf of another person or institution, the purchase price and the date of purchase must be notified to the relevant bank or brokerage institution, as well as the transaction must be notified to the Republic of Turkiye Ministry of Treasury and Finance. These notifications shall also be made in the event that the transfer on behalf of another person or corporation is carried out within the same bank or brokerage institution or the security is physically received by the owner.

The rate of withholding tax to be withheld by depository organisations, banks and brokerage institutions is set at 15% by law. The said withholding tax rate is applied by banks, brokerage institutions and depository organisations on the following incomes:

- a) The difference between the purchase and sale prices of securities and other capital market instruments for which they act as an brokerage house,
- b) In case of redemption of securities or other capital market instruments for which they act as a



broker, the difference between the purchase price and the redemption price,

c) Periodic incomes from the collection of securities

or other capital market instruments (not linked to any securities or other capital market instruments),

d) Incomes from securities or other capital market instruments lending transactions in which they act as a broker.

However, in accordance with the Income Tax Law and the Council of Ministers Decree No. 2012/3141 ('Decree'), the statutory withholding tax rate of 15% has been revised for the following situations: (i) futures and options contracts based on equities and equity indices, shares (excluding securities investment trust shares) including brokerage house warrants traded on BIST and participation certificates of equity intensive funds, gold backed government debt securities issued by the Republic of Turkey Ministry of Treasury and Finance and gold backed lease certificates issued by asset leasing companies established in accordance with the Law No. 4749 on the Regulation of Public Finance and Debt Management 0%, Income from financing bonds and lease certificates with maturities of less than one year issued by asset leasing companies and gains arising from the disposal of these bonds and lease certificates approved by the CMB in accordance with the CML by 15%; and (ii) Except for the taxpayers within the scope of Article 2/1 of the CIT Law and the taxpayers operating exclusively for the purpose of obtaining returns on securities and other capital market instruments and value increase gains and using the rights attached to them, 10% is applied for the remaining gains other than those specified in subparagraph (i) above, except for those determined by the Ministry of Treasury and Finance to be similar to the investment funds and investment trusts established in accordance with the CML No. 6362.

Investors should be aware that the rates stated in the collar may be subject to change in the future.

In case the shares are purchased on different dates and some of them are disposed of, the first-in, first-out method shall be taken as basis in determining the purchase price to be taken into consideration in determining the withholding tax base. If the shares are disposed of before the date of purchase, the amount to be withheld is determined on the basis of the initial purchase transaction made after the date of disposal. If more than one purchase and sale is made on the same day, the weighted average method can be applied in determining the purchase cost on that day. Commissions paid for purchase and sale transactions and bank and insurance transactions tax are taken into consideration in determining the withholding tax base. In accordance with the Income Tax General Communiqué Serial No. 282, the types of securities and other capital market instruments are determined as (i) fixed income securities; (ii) variable income securities; (iii) other capital market instruments; and (iv) investment funds participation certificates and investment trust shares. Futures and options contracts based on equities and equity indices shall be considered within the class in which the security is included. In this context, futures contracts based on equities and equity indices and brokerage institution warrant shares issued based on equities and equity indices traded in BIST shall be evaluated within the scope of the variable income securities class. In the event that more than one share and securities which are accepted to be of the same type are traded within a quarterly period, these transactions are considered as a single transaction in the realisation of withholding tax. Losses arising from the purchase and sale of shares and securities deemed to be of the same type are carried forward to the following quarter, provided that the calendar year is not exceeded, and are deducted from the withholding tax base of the following periods. It is not possible to transfer the loss amount incurred in the last quarter of the calendar year to the following period. The withholding tax base is determined based on the TRY equivalents of the purchase and sale prices of the securities or other capital market instruments issued in foreign currency, gold or another value on the transaction date. If the securities and other capital market instruments are issued in a foreign currency, the exchange rate difference is not taken into account in



determining the withholding tax base. No withholding tax is applied on the disposal of shares held by Full Fledged Taxpayer and Limited Taxpayer shareholders for more than one year, which are owned by full fledged taxpayer institutions and traded on BIST. The income obtained within the scope of commercial activity is taken into account in the determination of income within the framework of the provisions of commercial income, which is defined as the earnings of taxpayers from all kinds of commercial and industrial activities. Taxes paid by withholding during the generation of commercial income are deducted from the tax calculated in the declarations in which the income subject to withholding is declared within the framework of the provisions of the relevant provisions of the Income Tax Law to which the withheld taxes are subject. No annual or individual declaration is submitted by real persons for the earnings subject to withholding tax under the Provisional Article 67 of the Income Tax Law. These incomes are not also included in the annual declaration to be submitted for other incomes. Whether or not subject to withholding tax pursuant to the provisions of the aforementioned article, no individual or special declaration shall be submitted for the income and revenues derived from the securities issued abroad by the Ministry of Treasury and Finance, by the asset leasing companies established in accordance with the Law No. 4749 on the Regulation of Public Finance and Debt Management by real persons or corporations with limited taxpayers and full fledged taxpayer corporations.

In the determination of the purchase and sale incomes of securities and capital market instruments to be subject to withholding tax on a quarterly basis, it shall be ensured that the transactions subject to purchase and sale are of the same type (as stated above). Incomes shall be determined and subject to withholding tax separately according to these types. Pursuant to the Provisional Article 67/5 of the Income Tax Law, whether the income holder is a real or legal person, a limited or full fledged taxpayer, whether the taxpayer is a tax resident or not, whether the taxpayer is exempt from tax or not, and whether the income obtained is exempt from tax or not do not affect the taxation practice detailed above. Pursuant to the Council of Ministers Decree No. 2006/10731 and various Council of Ministers and Presidential Decrees amending this Decree, the withholding tax rate as of the date of public offering is determined as 0% by the Council of Ministers; however, in case of an increase in this rate, the problem of double taxation will arise for limited taxpayers. The provisions of the double taxation avoidance agreement in force with the country of residence of the person who has earned the income subject to withholding are important in the withholding practices regulated in the Provisional Article 67 of the Income Tax Law. The provisions of this agreement shall apply before Turkish tax laws. Limited taxpayer real persons and corporations are required to obtain a tax identification number in order to invest in financial instruments in Turkiye by themselves or through portfolio management companies abroad within the scope of Provisional Article 67 of the Income Tax Law. In order to obtain a tax identification number, (i) Limited Taxpayer real persons are required to submit a notarised copy of their passports or the original and photocopy of their passports to be approved by the tax office authorities, (ii) Limited Taxpayer corporations are required to submit to the relevant tax office a Turkish copy of the certificate of incorporation valid in their country approved by the representative office of Turkiye in that country or a Turkish copy of the certificate of incorporation approved in a foreign language translated by translation offices. For the citizens of the Turkish Republic of Northern Cyprus, the presentation of the identity card will be sufficient. In addition, banks, brokerage institutions and depository organisations may collectively obtain tax identification numbers for their foreign customer who apply to them for transactions but are unable to submit a tax identification number. Pursuant to the Council of Ministers Decree No. 2006/10731, it is not necessary to obtain a new tax identification number for the limited taxpayer corporations that have submitted a resident certificate, and the existing numbers will be revised by coding in a way to indicate which country the corporation is a resident of. In order to benefit from the



provisions of double taxation avoidance agreements, the original residence certificate issued and signed by the competent authorities of the relevant country and its Turkish translation certified by a notary public or Turkish consulates in the relevant country must be submitted to the relevant tax office, through banks and brokerage institutions or directly. The certificate of residence for a calendar year is valid only until the fourth month of the following year and must be renewed annually by limited taxpayer real persons and every three years by limited taxpayer institutions. In the event that the residence certificate is not submitted before the withholding tax application, withholding tax shall be applied by applying the withholding rate valid on the date of payment in accordance with Turkish tax legislation without taking into account the provisions of the double taxation agreement. The Republic of Turkiye Ministry of Treasury and Finance may, when deemed necessary, request from the persons and corporations that will benefit from the provisions of double taxation avoidance agreements, the submission of relevant documents proving that they are the beneficial owner of the Turkish securities that they have traded or collected the return of, in accordance with the provisions of the applicable agreement. For those who do not submit these documents within the period to be determined by the Republic of Turiye Ministry of Treasury and Finance or who are determined not to be the real beneficial owner with these documents or in any other way, tax loss shall be deemed to have arisen for the taxes not accrued and collected on time. The double taxation avoidance agreements concluded by the Republic of Turkiye to date and the Turkish texts of the agreements are available on the website of the Revenue Administration www.gib.gov.tr.

32.2.2 Taxation of share purchase and sale income in general

In this section, general explanations regarding the situations other than Provisional Article 67 of the Income Tax Law are given.

32.2.2.1. Real Persons

32.2.2.1.1. Full Fledged Taxpayer Real Persons

Share trading income shall be subject to income tax pursuant to repeated Article 80 of the Income Tax Law; however, pursuant to the aforementioned article, 'share certificates acquired without consideration and the income derived from the disposal of share certificates belonging to fully taxpayer corporations and held for more than two years' shall not be subject to tax. Pursuant to the special provision in the provisional article 67 of the Income Tax Law, the income from the disposal of the shares belonging to full fledged taxpayer corporations, traded in Borsa Istanbul and held for more than one year shall not be subject to tax within the scope of repeated article 80 of the Income Tax Law. In the disposal of share certificates, as in the sale of public securities, in accordance with Repeated Article 81 of the Income Tax Law, the acquisition price can be taken into consideration by increasing the wholesale price increase rate determined by the State Institute of Statistics, excluding the month of disposal.

Pursuant to the duplicate Article 81 of the Income Tax Law, the acquisition price of goods and rights is determined by increasing the acquisition price by the rate of increase in the wholesale price index determined by the State Institute of Statistics, excluding the month in which the goods and rights are disposed of. In order for this indexation to be made, the rate of increase must be 10% or more.

Pursuant to Article 86/1 (c) of the Income Tax Law, if the withholding tax on securities capital income of full fledged taxpayer real persons exceeds the amount in the second income bracket of Article 103 of the Income Tax Law (this amount is TRY 150.000 for 2023), it must be declared.



32.2.2.1.2. Limited Taxpayer Real Persons

Pursuant to Article (86/2) of the Income Tax Law, if the entire taxable income of a limited taxpayer consists of wages, self-employment income, movable and immovable capital income and other income and profits taxed by withholding in Türkiye, no annual declaration is required. In accordance with Article (101/2) of the Income Tax Law, if limited taxpayer real persons have income that is not taxed by withholding tax, such income must be reported to the tax office of the place where the goods and rights are disposed of in Türkiye with a single declaration. However, the provisions of the double taxation avoidance agreement signed between Türkiye and the foreign country where the relevant person is a resident should also be taken into consideration.

32.2.2.2. Corporations

32.2.2.2.1. Incomes from the disposal of shares registered in the assets of corporate income taxpayers

The purchase and sale incomes obtained within the enterprise depending on the commercial activity shall be declared and taxed as commercial income.

32.2.2.2.2. Full fledged taxpayer corporations

On the other hand, pursuant to Article 5/1-e of the CIT Law, 75% of the income arising from the sale of participation shares that have been included in the assets of corporations for at least two full years is exempt from corporate income tax. However, in order to benefit from this exemption, the sales income must be kept in a special fund account in the liabilities of the balance sheet until the end of the 5th year following the year of sale; the sales price must be collected until the end of the second calendar year following the year of sale; and the corporation making the sale and thus benefiting from the exemption must not be engaged in securities trading.

The purpose of this exemption is to enable more efficient use of the affiliated assets of the corporations in economic activities and to strengthen the financial structure of the corporations. In this context, one of the requirements is that the linked values do not transform into another linked value.

Taxes that are not accrued on time due to the exemption applied for the part of the exempted income that is transferred to another account in any way other than addition to capital within five years or withdrawn from the enterprise or transferred to the head office by limited taxpayer corporations are deemed to be forfeited. This provision shall also apply in case of liquidation of the enterprise (except for transfers and divisions made in accordance with the CIT Law) within the same period.

32.2.2.2.3. Limited Taxpayer Corporations

If the Limited Taxpayer corporation is in the status of a corporation that is engaged in the continuous trading of securities by opening a place of business in Türkiye or through a permanent representative, the trading income shall be subject to tax as commercial income and taxation shall be realized in the same way as in Full Fledged Taxpayer corporations. As stated above, it is not possible for those who are continuously engaged in securities trading to benefit from the 75% corporate income tax exemption.

Limited taxpayers who obtain securities trading income without establishing a place of business in Türkiye or through a permanent representative may also be subject to taxation in Türkiye. The provisions of the double taxation agreements signed by Türkiye are important for the taxation of foreign resident corporations. The provisions of these agreements shall be applied before Turkish tax laws.



32.2.2.3 Tax status of foreign fund earnings and the companies managing the portfolio of these funds

As of January 1, 2006, foreign funds similar to the funds subject to the regulation and supervision of the Board shall be considered as equity companies and become corporate income taxpayers. Article 5/A titled "Taxation of foreign fund income" was added to the CIT Law with Article 35 of Law No. 6322, to be effective as of June 15, 2012. This article regulates the tax status of foreign funds and Full Fledged Taxpayer portfolio management companies holding portfolio management authorization certificates that carry out the brokerage transactions of these funds.

Whether or not the foreign funds specified in Article 2/1 of the CIT Law are traded on an organized stock exchange through portfolio management companies, the following conditions shall apply; (i) all kinds of securities and capital market instruments; (ii) futures and options contracts; (iii) warrants; (iv) foreign currency; (v) commodity-based futures and options contracts; (vi) loans and similar financial assets; and (vii) commodity transactions made in precious metals exchanges, if the conditions listed in Article 5/A of the CIT Law are met, portfolio management companies shall not be considered as permanent representatives of these funds and their workplaces shall not be accepted as the workplace or business center of these funds.

Therefore, no declaration shall be submitted for the income obtained by foreign funds within this scope, and in case a declaration is submitted for other income, such income shall not be included in the declaration.

This practice has no effect on the tax deduction to be made on the Turkish source income of foreign funds.

The income derived from the shares or partnership interests of companies located in Turkiye, more than 5% of the asset size of which is composed of immovable properties, or futures and option contracts related to them, shall not be evaluated within the scope of this practice.

32.3. Taxation of profit shares and profit share advantages related to shares

With the amendment made to Articles 15/2 and 30/3 of the CIT Law and Article 94/6-b of the Income Tax Law by Law No. 4842 on the Amendment of Certain Laws, the withholding tax is deferred to the stage of profit distribution. In this context, pursuant to Article 94/6-b of the Income Tax Law and Articles 15/2 and 30/3 of the Corporate Tax Law, the following shall be applied by Full Fledged Taxpayer corporations; (i) Full Fledged Taxpayer real persons; (ii) who are not liable to income and corporate tax; (iii) those who are exempt from income and corporate income tax; (iv) Limited Taxpayer real persons; (v) Limited Taxpayer corporations (except for those who obtain profit share through a workplace or permanent representative in Turkiye); and (vi) as per the Presidential Decree No. 4936 dated 21.12.2021, profit shares distributed to limited taxpayers exempt from income and corporate tax shall be subject to a 10% withholding tax as of 22.12.2021 (this rate is applied at 0% for enterprise capital investment funds and partnerships). Profit shares distributed by Full Fledged Taxpayer corporations to (i) Full Fledged Taxpayer corporations and (ii) Limited Taxpayer corporations operating through a permanent establishment or permanent representative are not subject to withholding tax.

32.3.1. Real Persons

32.3.1.1. Full Fledged Taxpayer Real Persons

Pursuant to Article 22/2 added to the Income Tax Law with the Law No. 4842 on the Amendment of



Certain Laws, half of the profit shares written in subparagraphs (1), (2) and (3) of Article 75/2 of the Income Tax Law obtained from full fledged taxpayer corporations are exempt from income tax. As of 22.12.2021, corporations withhold income tax at the rate of 10% on all (100%) of the profit share distributed, including half (50%) of the profit share, which is exempt from income tax. If the profit share is declared in the annual tax return, the tax withholding is deducted from the income tax calculated in the annual tax return. Pursuant to Article (86/1-c) of the Income Tax Law, a declaration shall be required for profit shares obtained from full fledged taxpayer corporations, taxed by withholding tax and whose gross amount exceeds TRY 150.000 for 2023 income. From the income tax calculated over the declared amount, the entire 10% tax deduction (including the part subject to exemption) made during the distribution of the profit within the organization shall be deducted, and the remaining amount after deduction shall be rejected and refunded in accordance with the general provisions.

In addition, the capitalization of profit is not considered as profit distribution. Profit share advances are taxed in the same scope as profit shares.

32.3.1.2. Limited Taxpayer Real Persons

Pursuant to Article 94/6-b-ii of the Income Tax Law, profit shares distributed by full fledged taxpayer corporations to limited taxpayer real persons shall be subject to withholding tax at the rates determined by the Council of Ministers (as of 22.12.2021, this rate is 10%). Some double taxation agreements to which Turkiye is a party may provide for lower withholding rates. However, in order to benefit from the provisions of double taxation agreements, the original residence certificate issued and signed by the competent authorities of the relevant country and its Turkish translation certified by a notary public or Turkish consulates in the relevant country must be submitted to the relevant tax office, through banks and brokerage institutions or directly. The certificate of residence for a calendar year is valid only for that year until the fourth month of the following year and must be renewed annually by real persons who are limited taxpayers.

For real persons who are limited taxpayers, taxation of profit shares by withholding tax is the final taxation and it is not necessary to submit an income tax return for these incomes by limited taxpayers.

On the other hand, pursuant to paragraph 5 of Article 101 of the Income Tax Law, real persons with limited taxpayers are required to declare their income from movable capital not subject to withholding tax to the tax office in the place where it is obtained in Turkiye with a single declaration.



32.3.2. Corporations

32.3.2.1. Full Fledged Taxpayer Corporations

In the event that it is obtained within the commercial enterprise depending on the commercial activity, no withholding tax shall be applied and such income shall be declared as commercial income. 'Net corporation profit' within the scope of Article 6 of the CIT Law shall be determined according to the provisions of the Income Tax Law regulating commercial income. Corporate income tax is applied at the rate of 20% on the net corporation profit of the taxpayers in an accounting period. However, with the Law No. 7316 on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws, the corporate tax rate of 20% has been increased to 25% for the 2021 accounting period and 23% for the 2022 accounting period.

The corporate tax rate to be applied to the corporate income (except banks, financial leasing companies, factoring companies, financing companies, payment and electronic money corporations, authorized foreign exchange corporations, asset management companies, capital market corporations, insurance and reinsurance companies and pension companies) of corporations whose shares representing at least 20% of their capital are offered to the public to be traded for the first time in the Borsa Istanbul Equity Market shall be reduced by two (2) points for five accounting periods starting from the accounting period in which the shares are offered to the public for the first time. The Company itself shall benefit from this arrangement.

However, pursuant to Article 5/1-a of the CIT Law, profit shares derived from participation in another full taxpayer corporation, profit shares derived from participation in venture capital investment funds subject to full taxpayer status and shares of venture capital investment trusts are exempt from corporate income tax. Profit shares derived from participation shares and shares of other funds and investment trusts cannot benefit from this exemption.

32.3.2.2. Limited Taxpayer Corporations

Pursuant to Article 30/3 of the CIT Laws, profit shares distributed by full fledged taxpayer corporations to limited taxpayer corporations shall be subject to withholding tax at the rates determined by the Council of Ministers (15%). Some double taxation agreements to which Türkiye is a party may provide for lower withholding rates. However, in order to benefit from the provisions of double taxation agreements, the original residence certificate issued and signed by the competent authorities of the relevant country and its Turkish translation certified by a notary public or Turkish consulates in the relevant country must be submitted to the relevant tax office, through banks and brokerage institutions or directly. The certificate of residence for a calendar year is valid only for that year until the fourth month of the following year and must be renewed every three years by limited taxpayer corporations.

Taxation by withholding tax is the final taxation for profit shares obtained by limited taxpayer corporations without having a place of business or permanent representative in Türkiye, and limited taxpayers are not required to file a declaration in Türkiye for these incomes.



33. INFORMATION ON THE AUTHORIZATION GRANTED BY THE ISSUER OR PUBLIC OFFERER

33.1. The permission granted by the issuer or the public offerer for the use of the prospectus and the declaration that the relevant persons agree to be responsible for the content of the prospectus used by any authorized institution for the subsequent resale of the shares:

None.

33.2. Information on the period for which the use of the prospectus is permitted:

None.

33.3. Information on the period during which the shares may be offered for resale by the authorized institutions:

None.

33.4. Information on the countries where the prospectus can be used for the subsequent resale of shares by authorized institutions:

None.

33.5. Information on other clear and objective conditions that are a condition for the issuance of the prospectus use authorization:

None.

33.6. In the event of a subsequent resale of shares by authorized institutions, a warning note written in bold letters stating that information regarding the conditions of the sale shall be provided to investors by the authorized institution during the sale:

None.

33A ADDITIONAL INFORMATION TO BE PROVIDED IN CASE THE PROSPECTUS USE AUTHORIZATION IS GRANTED TO ONE OR MORE SPECIFIED AUTHORIZED BODIES

33A.1 List and identification information (trade titles and addresses) of authorized institutions granted permission to use the prospectus:

None.

33A.2 Explanation on how to disclose to the public any new information on authorized institutions that is not known as of the approval date of the prospectus, offering program prospectus or offering program circular and where the relevant information can be accessed:

None.

33B ADDITIONAL INFORMATION TO BE PROVIDED IF THE PROSPECTUS USE AUTHORIZATION IS GRANTED TO ALL AUTHORIZED INSTITUTIONS

A warning in bold letters that each authorized institution that will use the prospectus should include a statement on their website that they are using the prospectus within the permissions and conditions given:

None.



34. DOCUMENTS OPEN FOR REVIEW

The following documents are available at Florya Cad. Florya Plaza No:88 Kat:2 Bakırköy/İstanbul, the Issuer's headquarters and application locations, as well as the Issuer's website www.hat-san.com.tr and the Public Disclosure Platform (KAP) for account owners reviewing:

- 1) All kinds of reports or documents, appraisal and opinions (appraisal, expert, activity and independent audit reports and reports prepared by authorized institutions, articles of association, etc.) forming the basis of the information contained in the prospectus.
- 2) Financial statements of the issuer required to be included in the prospectus

35. ANNEXES

Annex 1: Articles of Association of the Company

Annex 2: Company General Assembly Internal Directive

ANNEX 3: Financial Statements and Special Independent Audit Reports for the Years Ended 31.12.2020, 31.12.2021 and 31.12.2022

ANNEX 4: Statement of Responsibility of the Independent Audit Firm

ANNEX 5: Price Determination Report

ANNEX 6: Legal Expert Report and Declaration Prepared by Özmen Yalçın Attorney Partnership

ANNEX 7: Decision and Report of the Board of Directors on the Uses of the Fund

ANNEX 8: Real Estate Appraisal Reports

ANNEX 9: Statement of Responsibility of Real Estate Appraisal Institution

ANNEX 10:

Commitment given by the Company not to make capital increase through rights issue for a period of 1 year

