

ŞOK MARKETLER TİCARET A.Ş.

AUDIT COMMITTEE REPORT ABOUT THE USE OF THE FUNDS OBTAINED FROM CAPITAL INCREASE THROUGH RIGHTS ISSUES

Report Date: 29/08/2018

Report Number: 2018/1

The local prospectus (izahname) related to the increase of capital from TL 360.000.000 to TL 578.500.000, within the Company's registered capital ceiling of TL 1.800.000.000, by issue and public offering, totaling 218.500.000 TL with nominal value of shares, was approved by the Capital Markets Board's ("CMB") decision dated 04.05.2018.

Prior to the public offering of our Company shares, the final price range for the public offering of our Company was determined at a price range of TL 10.00 to TL 10.50 on the date of 09.05.2018, within the scope of Article II-5.2 of the Communiqué on the Sale of Capital Markets Instruments of the Capital Markets Board.

By sticking to the share price of the public offering; within the scope of the commitment given in accordance with the provisions of the legislation, before the completion of the capital inflow of TL 2.6 billion with the public offering to the Company and before the shares of the Company were started to be traded in the Istanbul Stock Exchange, the dedicated capital increase through rights issues with the public offering price was made by Yıldız Holding A.Ş., which is the indirect shareholder of the Company, with the issue certificate which was approved by the Capital Markets Board with its decision dated 11.05.2018 and numbered 21/609;

The results of the public offering held on 8-11 May 2018 under the leadership of Garanti Securities were announced on the Public Disclosure Platform (KAP) on 14.05.2018 and our Company shares started to be traded in Yıldız Pazar beginning from 18th of May, 2018.

Our Company's Articles of Association regarding the increase of the issued capital of our company from TL 360,000,000 to TL 611,928,571 was registered by the Trade Chamber of Istanbul Chamber of Commerce as of 26.05.2018 and announced on 31.05.2018 at Turkish Trade Registry Gazette (TTSG).

Our Company received funds totaling **TL 2.645.249.99** through capital increase; TL 2.294.250.996 as a result of the public offering by capital increase through rights issues and TL 350.999.000 from dedicated capital increase.

In accordance with paragraph 1 of Article 33 of the CMB Shares Communiqué (VII.128.1), the report about the use of the funds determined at the Board of Directors meeting on 19 April 2018 and numbered 2018/20 was published on KAP, and on the investor relations website of our Company on 4 May 2018.

According to Article 33 of the same Communiqué, it is compulsory to prepare a report whether the funds obtained from the capital increase have been used according to the use of the funds report which was published previously to the public. This report must be prepared within ten business days following the announcement of the first two financial statements following the completion of capital increase and including outcome of the capital increase and must be published in KAP and at website of the Company.

The use of the funds obtained from capital increase, which is in accordance with the use of funds plan published on 04.05.2018, is provided in the following table as of 30.06.2018:

TABLE OF REPORT ABOUT THE USE OF THE FUNDS		
		TL
Public Offering Income		2.294.250.996
Dedicated Capital Increase		350.999.000
Total Funds Inflow	A	2.645.249.996
Payment of Bank Loans Principals		920.000.000
Payment of Bank Loans Interests		83.773.078
Payment of Financial Debt to Related Parties		531.627.719
Payment of Financial Debt to Non-Related Parties		34.751.131
Purchase of Shares with regard to Price Stability		199.789.445
Public Offering Expenses		62.974.357
Funds used in Operating Activities		530.720.056
Total Funds Outflow- as of 30.06.2018	B	2.363.635.786
Remaining Fund Income Amount	A-B	281.614.210
Remaining Bank Loans		256.054.210
Remaining Financial Debt to Related Parties *		25.560.000
Remaining Debt Amount		281.614.210

*Paid as of report date.

The majority of the funds obtained from the capital increase (**TL 2.645.249.996**), as seen in the table above, was used in the repayment of bank loans principals (TL 920.000.000) and bank loans interests (TL 83.773.078), financial debt to related parties (TL 531.627.719) and financial debt to non-related parties (TL 34.751.131) in accordance with the report about the use of the funds.

In addition, TL 199,789,445 of the funds was used for purchase of shares with regard to price stability and TL 62,974,357 for the payments made for the public offering expenses, and TL 530.720.056 for supplier payments within the framework of operating activities.

As of June 30, 2018, the Company has unused funds amounting to TL 281.614.210. As of the date of this report, all of the remaining financial debt to the related parties (TL 25.560.000) stated in the above table has been paid, and it is planned to use the remaining funds to close the remaining bank loans according to their payment terms.

Kindly submitted for public and investors' information.

29/08/2018

Regards,

AUDIT COMMITTEE

Ceyda AYDEDE

COMMITTEE MEMBER

Ahmet BAL

COMMITTEE

PRESIDENT