



KİMTEKS POLİÜRETAN SANAYİ VE TİCARET A.Ş.

**“AUDIT COMMITTEE REPORT ON ASSUMPTIONS
BASED ON DETERMINATION OF IPO PRICE”**

5/23/2022

1. Purpose of the Report

This report, which includes evaluations on whether the assumptions used in determining the public offering price in the initial public offering of company shares of Kimteks Poliüretan Sanayi ve Ticaret A.Ş. (“Company” or “Kimpur”) have been realized or not, has been prepared by the Audit Committee of the Company in accordance with Article 29/5 of the Communiqué on Shares No. VII-128.1 of the Capital Markets Board.

Company shares to be traded on Borsa Istanbul Yıldız Market on April 28, 2022 with the code of KMPUR. The Pricing Report prepared by Türkiye Sınai Kalkınma Bankası A.Ş. was published on the Public Disclosure Platform (“KAP”) on 16.04.2022, and the entire report is available on the website (<https://www.kap.org.tr/tr/Bildirim/1021373>).

2. Comments:

Pursuant to Article 29, Paragraph 5 of the Communiqué on Shares No. VII/128.1 of the Capital Markets Board, "the corporation, the shares of which are offered to public initially, is required to prepare a report stating whether the assumptions used in determination of public offering price have been realized or not, and if not, the causes thereof, within ten business days following the date of offering of its financial statements to public throughout two years following the starting date of trading of its shares in the exchange. This report is required to be published in the corporation’s website and in PDP. This obligation is performed by the audit committee of the corporation. As for the corporations who are not liable to appoint an audit committee, this obligation is performed by the board of directors.

3. Methods Used in Price Determination Report

In the price determination report published on the Public Disclosure Platform on 16.04.2022 by Türkiye Sınai Kalkınma Bankası A.S., which mediated the public offering of the shares, the company value and the public offering price have been determined as follows. Since almost all of the raw material purchases are made in foreign currency and 50% of the main income sources are in foreign currency, the valuation process was performed using the Euro currency.

In the determination of the value per share of the company to be offered to the public, the Market Value and Fair Value are defined below in accordance with Articles 30.1 and 50.1 under IVS 104 Bases of Value, respectively.

1. Market Value for Market Approach

2. Fair Value for Income Approach

Market Value for Market Approach

Market Value is the estimated amount required to be used to exchange an asset or liability as of the valuation date, as a result of appropriate marketing, in an arm's length transaction between a willing seller and a willing buyer, in which the parties have acted with knowledge, prudence and without coercion.

Fair Value for Income Approach

Fair Value is the estimated price that reflects the interests of each of the parties involved for transferring an asset or liability between knowledgeable and willing parties. In addition, it is used in the Income Approach in line with the expression "Determining a reasonable price for ownership in a business where shares are not traded on the stock exchange" in accordance with the article 50.4.

Assumptions and Evaluations on DCF Analysis:

Equity value has been obtained by weighting the equity value from Discounted Cash Flows analysis by 50% and weighting the equity value from the Market Multiples Analysis obtained from similar publicly traded companies by 50%.

Valuation Summary (Thousand Euros)	Equity Value*	Weight	Weighted Equity Value
Discounted Cash Flows	247,638	50%	123,819
Market Multiples Analysis	253,783	50%	126,891
Weighted Equity Value			250,710

- The average of the values resulted from FD/EBITDA 2021 and FD/EBITDA 2022 Estimated multipliers.

Valuation Result	
Weighted Equity Value (Thousand Euros)	250,710
Euro/TL* (06.04.2022)	16.05
Weighted Equity Value (Thousand TL)	4,024,978
Paid-in Capital (TL)	110,000,000
Unit Share Value (TL)	36.59
Public Offering Discount (TL)	20,8%
Discounted Unit Share Value (TL)	29.00

*The Euro/TL exchange rate of CBRT in the relevant date has been used.

In the valuation of the company, DCF and Multiplier Analysis were weighted equally, and the equity value of 250,710 thousand Euros was obtained. The paid-in capital before the public offering was 110.000.000 TL and the value per share of the Company in the public offering was calculated as 36.59 TL. Following the public offering discount of approximately 20.8%, the value per share was calculated as 29.00 TL.

4. Pre-IPO Forecast and Actual Data

Forecasts and actual data for 2022 in the price determination report have been shared in Turkish Lira. The calculations based on the DCF method in the price determination report have been prepared in Euro. This assumption report has been prepared in Turkish Lira in accordance with CMB standards. For comparativeness with the financial results of the first three months, the estimates in Euros in the price determination report have been converted into Turkish Lira using the Euro/TL rate (16.05) adopted on the relevant date in the price determination report.

TL	1st Quarter 2021	1st Quarter 2022	Change in Last 12 Months (%)	Price Determination Report 2022 Year-End Estimated
Net Sales	434,502,732	981,064,641	125,79%	4,042,401,150
EBITDA	68,012,694	181,606,143	167,02%	622,242,450

*The Euro/TL rate of the Central Bank was taken into account as 16.05 TL, used in the Price Determination Report.

The estimates for 2022 in the calculations based on the DCF method in the price determination report and the results of our company in the first quarter of 2022 are summarized in the table above. The projection/estimation data used in the DCF method in the price determination report have been prepared only as annual totals (not quarterly). Therefore, the estimation data above consists of the estimates for the 12-month period of 2022 included in the calculations based on DCF method in the price determination report , but the actual amounts reflect the results for the first quarter of 2022.

5. Conclusion

In the examination carried out under the obligation to prepare a report stating whether the assumptions used in determination of public offering price have been realized or not, within ten business days following the date of offering of its financial statements to public throughout two years following the starting date of trading of its shares in the exchange, pursuant to Article 29, Paragraph 5 of the Communiqué on Shares No. VII/128.1 of the Capital Markets Board:

1) It is expected that the projections made regarding the year-end realizations of 2022 in the price determination report, prepared by Türkiye Sınai Kalkınma Bankası A.S. during the public offering of Kimpur shares, will yield a higher result than the estimates in the price determination report DCF method for the year 2022 in total.

2) In the 1st quarter of 2022, our company's net sales increased by 125.79% compared to the same period of the previous year and reached 981,064,641 TL. EBITDA increased by 167.02% compared to the same period of the previous year and reached 181,606,143 TL.

Respectfully Submitted.

Best Regards,

Audit Committee