INTRODUCTION

The economic system based on traditional banking is changing. The era of Digitalism has now begun, and we are in the days when natural selection will take place between those who try to integrate it and those who resist it. We established a bank in Kosovo under the title of Spektral Investment Bank Sh.A., aiming to ensure the integration between the old system and the digital banking system, as well as the calibration between these systems.

The main goal of our bank is to create financing solutions with digital assets by converting financial instruments to digital banking.

Therefore, we are creating a platform and a cooperation module where we can present various and reliable assets and values such as mineral reserves to small and large investors in the digital world.

The other important field of activity of our bank is Crypto currencies. Crypto currencies are not just an investment instrument. It also plays a more important role in our daily activities. Crypto currencies offer numerous advantages when used as a payment transfer module. For this reason, our bank aims to take its place in the virtual currency world by converting some assets into crypto currency. Our main target is to offer real investment instruments to the public.

The share capital of our company of 800,000,000.00 Euros is based on in-kind-capital. Spektral Investment Bank Sh.A. is the sole shareholder of the companies whose names are mentioned below.

The companies in which Spectral Investment Bank Sh.A. is the sole shareholder, owns 422 Bioceutical & Pharmaceutical patents and 80 licenses in the mining field. The total market value of patents and metal licenses is approximately 1.350.000.000 Euros.

OUR COMPANIES

Mas İlaç Yatirim Anonim Şirketi

Registry Number: 167491-5 Istanbul In the light of more than 10 years of knowledge and experience; With a strong R & D structure and advanced technology- based production and to improve the quality of life of people around the world Mas İlaç was founded in 2018 in Turkey. Our company owns 422 Bioceutical & Pharmaceutical patents.

Our company, which has developed patents for many fields of medicine, has focused especially on products for the protection of viral infection, anti-obesity, oncology, diabetes and general health.

Our Company Mas İlaç aims to convert most of the patents into drugs. Medicines called Novir and Provir are some of the patents that have been converted into a drug license.

Mas İlaç also manage the intensive care unit of Çağıner Hospital operating in Istanbul / Kadıköy.

Etkafarma İlaç Sanayi Ticaret Anonim Şirketi

Registry Number: 4592 Bingöl

Etkafarma was founded in 2016. Our group took over Etkafarma in 2020 in order to convert pharmaceutical patents into drugs or to produce existing drug approvals in the form of drugs. The company aims to complete the drug production factory project within 1 year with a total investment of 83 million TL, which was started on an 8,500 square meter closed area on 14 acres of land.

After the project is completed, all drugs within the group companies will be produced by Etkafarma.

Uzman Koruma Ve Güvenlik Hizmetleri Limited Şirketi

Registry Number: 549072 İstanbul

The company, which started operations in 2005, has strengthened its position in the security branch by constantly improving with its work experience and the importance it attaches to education and technology.

Our group, which took over the company in 2020, aims not to be the biggest in the security sector, but aims to provide the best quality service. Our company performs security risk analysis of living and working areas and provides services for residences and businesses.

Anadolu Kalsit Madencilik Anonim Şirketi

Registry Number: 304887 Ankara

The company Anodolu Kalsit, which was founded in 2011, was taken over by our group in 2020. Our company Anodolu Kalsit owns 80 mines fields in various regions of Turkey, mainly calcite, basalt, Ignimbrite, Chromium, Copper and Coal.

Our Company Anadolu Calcite updates constantly its infrastructure with the aim of utilizing the natural resources of Turkey in the most accurate way. With its environmentally compatible mining concept, it extracts its reserves in accordance with the CRISCO standard and continues its mining activities in accordance with national legislation and IFC / World Bank standards.

Agman Enerji Ve Gübre Sistemleri Sanayi Ve Ticaret Anonim Şirketi

Registry Number: 107732-5 Istanbul

AGMAN was founded in 2013 to generate renewable energy by producing biogas from organic waste. With an installed capacity of 4.8 MW, our system was included in the support mechanism for renewable energies of the Republic of Turkey ("YEKDEM") in 2016. In addition to energy production, AGMAN aims to be a partner in the efforts made against the danger of loss of the quality of agricultural lands, which is a serious problem for our country, by producing organic fertilizers from the waste processed at the facility and makespreliminary preparations in this direction.

Rta Medikal İmalat İthalat İhracat Sanayi Ve Ticaret Limited Şirketi

Registry Number: 217760-5 Istanbul

The Company RTA specialized in the field of medical textile manufacturing of all kind, and with our R&A works, we have quickly distinguished ourselves from the others medical protective products manufacturer. Today RTA is one of the best Turkish factories which is known with excellent reputation, high quality, punctuality beside the large production capacity.

Especially, after the COVID 19 pandemic, it uses the latest technology in face mask production. RTA is keen about providing all the physical, ethical, and logistics facilities fort the success of any projects we get the privilegeof being part of.

Hospital

Registry Number: 21440-8 Istanbul

Our hospital with a capacity of 32 beds in Kadıköy offers services in the following areas

- Dermatology (to the skin)
- Internal Diseases (Internal Medicine)
- Child Health and Diseases
- Physical therapy and rehabilitation
- Cardiology
- General Surgery
- Eye diseases
- Urology
- Gynaecology and Obstetrics
- Orthopaedics and Traumatology
- Plastic Reconstructive and Aesthetic Surgery
- Neurosurgery (Brain and Nerve Surgery)
- Ear, Nose and Throat Diseases
- Radiology
- Microbiology
- Emergency New Born
- Intensive Care
- Cytogenetics
- Skin and Venereal Diseases

Our hospital is starting a study against viral cancers. Some well-known medical professionals are also participating in the study. The dietary supplements will play a supportive role in the treatment of viral cancers. Comparable to this study, our company plans to start studies with some of our patented biotic and pharmaceutical in our hospital. In this way, we aim to produce products for treatment and support by conducting R&D studies within our own structure, without being dependent on outside.

Our Patents And License Values

Values established by the Bakırköy commercial court

Patent No	Description	Case No	Decision No	Value
2013/05001	Depression Treatment	2015/46	2015/62	19.598.785 TL
2013/05730	Growth / Development / Dwarfism	2015/47	2015/63	9.872.462 TL
2013/05052	Maligna Tumor Treatment	2015/48	2015/64	23.171.078 TL
2013/04603	Inflammation and pain relief treatment	2015/49 JESTME	2015/65	15.473.684 TL
2013/04694	Hypothermic for Fever Reduction	2015/50	2015/66	6.147.371 TL
2013/05006	Parkinson's Disease	2015/51	2015/67	10.256.090 TL
\$ x			Total	84.519.470 TL

Praxity Report/Appraisement Value: Company Value on 31.08.2019 3.081.066.092

Download Link:

https://www.spektralholding.com/storage/ecatalogs/2020-09-10-5f5ab0a4cd09f.pdf

University of İstanbul Geological Report /Appraisement Value: 18.06.2020 292.000.000 €

Download Link:

https://www.spektralholding.com/storage/ecatalogs/2020-09-10-5f5aaf502d121.pdf

WHY INVEST IN TURKISH PHARMACEUTICAL INDUSTRY?

The Turkish Government aims to make Turkey one of the world's top ten economies in health services by 2023 by increasing R&D expenditures to 3% of GDP and by increasing exports to USD 500 billion. Moreover, according to the Turkish Ministry of Science, Industry, and Technology (AIFD)'s Strategy Report, Turkey should become the Eurasian production base for medium- and high-level technology products. Taking into account Turkey's current macroeconomic conditions, political stability and increasing economic efficiency, AIFD considers these R&D targets to be realistic. Turkey's "Health Care Transformation Program" that was implemented in 2004 marked a major development in public access to health services and treatments. Physician consultation per capita increased five

times from 1.7% in 1994 to 7.7% in 2011. The average life span in Turkey also increased 24% in the last 30 years and has now reached 74 years. Innovative drugs play an important role in increasing in life expectancy. Based on a study of conducted by Professor Lichtenberg of Columbia University and the National Bureau of Economic Research, innovative drugs accounted for 75% of the increase in life expectancy in the 30 countries surveyed, including Turkey. Thus if the Turkish government can implement the necessary structural changes and effectively promote innovation in the health care system, the pharmaceutical industry can be the driving force in helping to achieve the Turkish Government's public health and economic targets. However in order to achieve sustainable progress in health services, Turkey must also focus on improving its competitive position. Currently, Turkey lags behind other emerging pharmaceutical companies, now referred to as "pharmerging" countries such as Brazil, Russia, India and China, in global pharmaceutical investment. According to the World Economic Forum's Global Competition Index (2011-2012), Turkey is ranked 59 out of 142 countries, and ranked 71 in the Innovation Capacity Index. In the Global Competition Index, Brazil is ranked 31, Russia 38, India 35 and China 47. While the Turkish pharmaceutical sector is ranked 16th in terms of market value, it is 36th in terms of the clinical research conducted and the volume of pharmaceutical exports

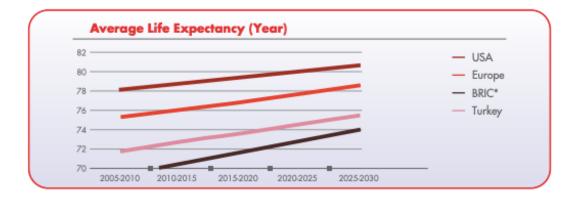
Countries that invest in R&D, develop technology, and effectively convert this technology into products become more competitive. Innovative drugs create added value in the pharmaceutical industry and are key to a country's economic advancement. While global investment in innovative drug R&D is USD 120 billion each year, Turkey's share is only USD 60 million, representing only a 0.039% of global R&D. Currently, drug production is Turkey is focused around low valueadded products, with high value-added products being imported. Moreover, R&D aimed at developing new molecules (core research) has never been done in Turkey. As production of innovative drugs increases, the added value of the drugs produced will also increase accordingly. Turkey's competitors in the health services sector made global pharmaceutical investment a priority in the 1990s and were able to became net pharmaceutical exporters through strategic governmental planning. Turkey, which now boasts the strongest and most dynamic economy in the region, can become a formidable player in the pharmaceutical sector. Turkey has the necessary knowledge base, infrastructure, and geostrategic location to attract global pharmaceutical R&D and could become a global player in the pharmaceutical industry. This report suggests an exportsfocused plan of action to develop Turkey's pharmaceutical industry into a global R&D and production center and regional shared service center location. The main targets of this plan are: Developing Basic and Clinical Research Competency and Services Exports: Improving Turkey's R&D competency and increasing national and foreign direct investment; thereby making Turkey's pharmaceutical sector a leader in R&D Developing Production Competency and Product Exports: Increasing the production capacity of specific high value-added product groups; thereby allowing Turkey to become a regional/global pharmaceutical powerhouse and net exporter Making Turkey a Regional Management and Service Center location for the pharmaceutical industry Prerequisites for this action plan are: The formulation and implementation of a long-term policy to support innovation in the field of health sciences that makes R&D and value- added drug production the highest priority. Additionally, the government will provide grants that support innovation and implement regulations that protect international property rights (IPR).

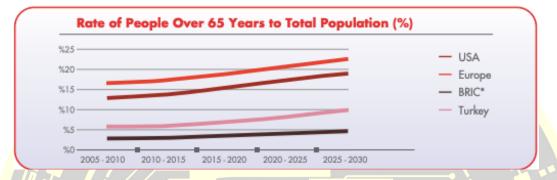
The implementation of a legal and administrative framework that counterbalances the concerns of public health and the pharmaceutical sector, which should entail:

A current and realistic budget that can sustain pharmaceutical sector growth. While patient access to health care and pharmaceutical drugs has increased significantly in Turkey, the percentage of Turkey's population with health insurance has also increased rapidly. However, the budget allocation for public pharmaceutical expenditures has decreased since 2009, and pharmaceutical expenditures as a percentage of GDP has dropped to 1.11%. This number is considerably below the OECD average of 1.50%. These factors should be considered when determining the pharmaceutical budget for 2013 and beyond, as budget expenditures should match the growing healthcare needs of the country. The recommendation is to increase pharmaceutical expenditures as a percentage of GDP to 1.35%. An improvement in patient access to pharmaceutical drugs to ensure that Turkish patients can immediately benefit from innovative drugs once on the market. It is imperative that the government streamline the processes and procedures for pharmaceutical drugs entering the marketplace (via good manufacturing practices (GMP), timely registration, effective pricing, and reimbursements) to ensure that pharmaceutical drugs become available to patients in a time-frame comparable to other developed countries. The increased speed to market will in turn, attract new investment in innovative R&D.

If the above is agreed upon with the cooperation and collaboration of all stakeholders, AIFD believes Turkey can achieve the following results by 2023: Achieve local pharmaceutical production of USD 23.3 billion through the production of innovative and technologically advanced products (as compared to local production of USD 5 billion in 2011) Achieve pharmaceutical exports worth USD 7.3 billion and clinical trial services exports worth USD 782 million - totaling USD 8.1 billion (as compared to total pharmaceutical product and service exports of USD 587 million in 2011) Become a net exporter of pharmaceutical drugs with an export surplus of more than USD 1 billion (as compared to a 2011 foreign trade deficit of USD 4.1 billion) Achieve total R&D investment of USD 1.7 billion (R&D investment was USD 60 million in 2010), with USD 1.1 billion of that investment derived from 3,600 clinical trials (as compared to 240 clinical trials amounting to USD 40 million in 2011) Become a regional Shared Service Center location for the pharmaceutical industry that exports management services The economic development plan outlined in the following "Turkey's Pharmaceutical Sector Vision 2023 Report", will enable sustainable expansion and improvement in Turkey's health care system while also achieving governmental targets.

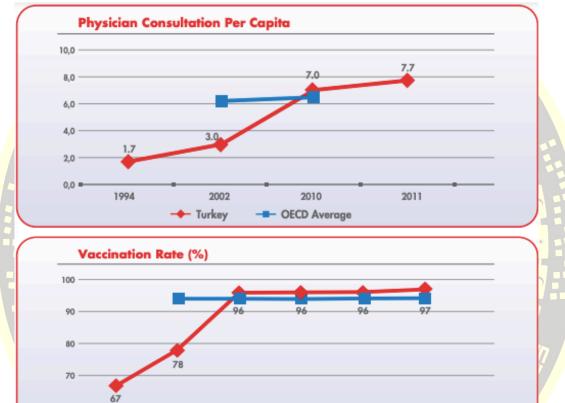
While the world population in 2005 was 6.5 billion, it will reach 7.6 billion in 2020, and the share of people aged 65 years and above in the total population will reach 9.4% with an increase of 242 million. 80% of people over 75 years of age use at least 1 prescription drug, while 36% of those receive at least 4 prescription drugs. Exposure time of people to chronic diseases will increase with effects of changing nutritional habits, more inactive lifestyle, and extended human life expectancy. A 17% increase is expected in deaths caused by chronic diseases in the next 10 years. While hypertension is noted in 639 million people in developing countries as of 2004, this number is anticipated to reach 1 billion in 2025. Similarly, the number of patients with diabetes, 366 million people as of 2011, is expected to reach 552 million in 2030. As in the SARS and bird flu cases, diseases that can be treated are expected to evolve and spread more rapidly due to the increase in urbanization and mobility.

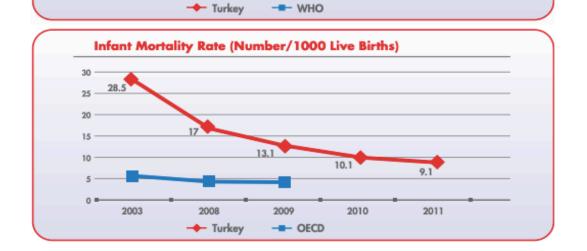




Contribution of new treatment methods and innovative drugs to public health will increase. The awareness of patients about the contribution of innovative drugs to public health is increasing, which increases the demand for new treatment methods. Effects of many chronic diseases have been brought under control by new drugs and treatment methods developed so far: From 1960 to the present, deaths due to heart attacks have decreased by 50% in developed countries. From 1980 to today, life expectancy of cancer patients in USA has extended by 83%, or approximately 3 years, with the effect of new drugs and treatments. From 1995 until today, as the result of retroviral treatment, death rates due to HIV/AIDS have decreased by more than 75% in the USA. The average life expectancy in the USA between 1900-2000 increased 66% and reached 78 (The contribution of innovative drugs to the improvement in life expectancy was observed to be by 40%). Between 1982-2005, the frequency of disabilities arising from chronic diseases in the USA decreased more than 25%. Studies for developing new drugs and treatment methods will continue in parallel with changing and increasing health demands: Pharmaceutical companies will specialize in sophisticated fields such as biotechnology, oncology, etc. As biotechnology develops, customized drug treatments will increase (Biotechnologybased innovative treatments cured 350 million patients so far). The importance of preventive and protective treatment will increase. According to studies by the World Health Organization, 80% of diabetes and heart diseases are preventable.







60 =

Among OECD countries, Turkey shows the most rapid increases with regard to average life expectancy statistics (according to OECD; 1960: 48.3; 2010: 74.3). Thanks to the health transformation program, access to many treatment services and drugs in Turkey has been led to a physician consultation per capita increasing 5 times, to 7.7 in 2011 from 1.7 in 1994. All kinds of services can be freely offered nationwide through the family health practice and other primary health institutions without requesting any social security certificates. A vaccination rate greater than 95%, which is the average rate in high-income countries, was attained. There was a significant decrease in mortality rates of mothers and children.

JUESTME:

"Turkish Pharmaceutical Industry Vision" will provide economic and social benefits for our country and increase competitiveness.

It will ensure DEVELOPMENT

Becoming a global supplier of products by meeting a great portion of the requirements of the Local Market through local production, and by producing specific products in Turkey Decreasing the current account deficit by increasing pharmaceutical exports, and becoming a global supplier for important products Improving pharmaceutical R&D and production competencies, to enable new local molecule invention and long-term interest by international pharmaceutical companies Becoming a regional management center in the pharmaceutical sector, and developing other industries that are associated with pharmaceutical production Supporting small and medium-sized enterprises and integrating them into the pharmaceutical supply chain through clustering Expanding Turkey's financial sector by introducing new venture capital into Turkey

It will provide SOCIAL benefits

Ensure the most effective treatment of diseases with the introduction of more innovative drugs to the market Discover new molecules and increase domestic patents with the development of R&D Increase the number of researchers working in life sciences Gain scientific knowledge and experience participating in global R&D networks Increase employment in the pharmaceutical industry (currently 25,000) Increase indirect employment in the pharmaceutical sector's supply chain

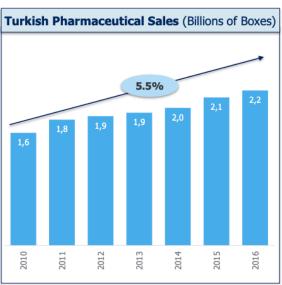
It will increase COMPETITIVENESS

Increase the global competitiveness of Turkey by developing and producing advanced technology products through the discovery of new molecules and an increase in number of patents Shift the competitiveness of Turkey from cost advantage to innovation competency by merging the knowledge of academia with industry Increase investment by making Turkey a regional management center and creating an investment environment suitable for production and R&D Ensure that domestic pharmaceutical companies gain the regional and global prominence in R&D and production competency Increase the global competitiveness of universities with effective industrial collaboration and greater funding

Top 20 Pharmaceutical Markets (Index: US Market=100, based on constant US\$)

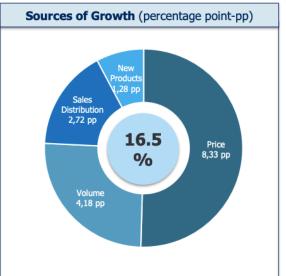
Rank	2011	Index		Rank	2016	Index		Rank	2021	Index
1	USA	100		1	USA	100		1	USA	100
2 🔼	Japan	24		2 🛕	China	26		2	Japan	25
3	China	20		3 1	Japan	19		3	China	14
4	Germany	11		4	Germany	10		4	Germany	8
5 2	France	10		5	France	7		5 🛕	Brazil	6
6	Italy	7		6	Italy	6		6 🛕	UK	6
7	UK	6		7	UK	6		7 1	Italy	5
8	Spain	6		8 🛕	Brazil	6		8	France	5
9	Canada	5		9 1	Spain	5		9 🛕	India	5
10 🛕	Brazil	5		10 1	Canada	4		10	Spain	4
11 1	South Korea	3		11 🛕	India	4		11	Canada	4
12	Australia	3		12	Australia	3		12 🧘	South Korea	2
13 🛕	India	3		13 2	South Korea	3		13 🛕	Russia	2
14	Mexico	2		14 🛕	Russia	3	۲	14 🙋	Turkey	2
15 🗥	Russia	2		15	Mexico	2		15	Australia	2
16 🔼	Poland	2	4	16 🔼	Turkey	2	╛	16	Mexico	2
17 🤦	Agentina	2	П	17 1	Poland	1		17 🛕	Saudi Arabia	1
18 3	Netherlands	2		18 💰	Saudi Arabia	1		18	Poland	1
19 3	Belgium	2		19 🛕	Argentina	1		19	Argentina	1
20 3	Switzerland	2		20	Switzerland	1		20 🧷	Egypt	1
Source: Market Prognosis, Oct 2016, Rankings based on Constant US\$. Index reflects comparison to the U.S. of spending in Constant US\$.										

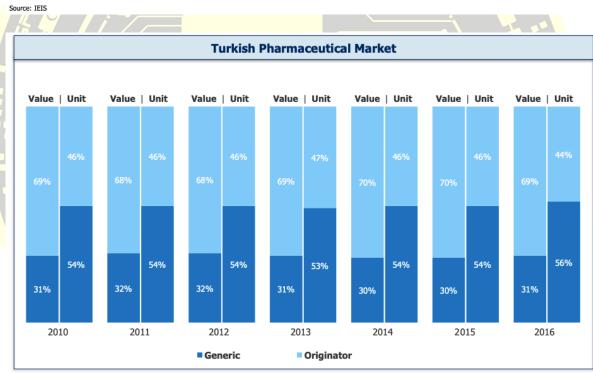




Source: Pharmaceutical Manufacturers Association of Turkey (IEIS) *ex-factory prices

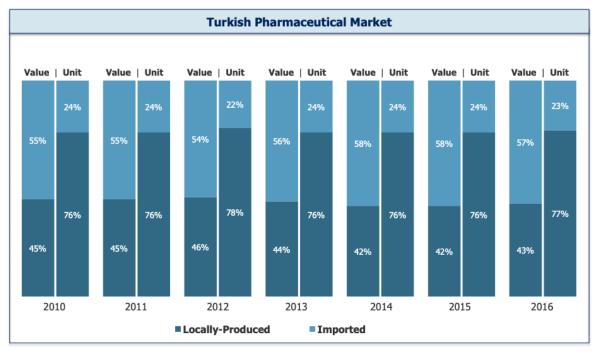






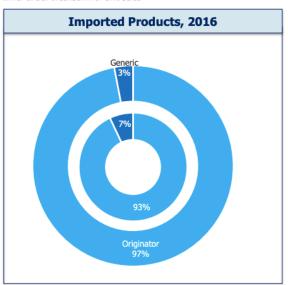
Source: IMS, IEIS

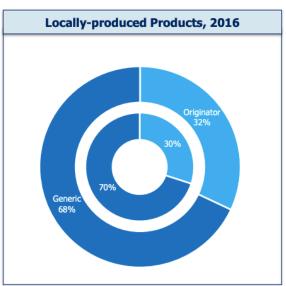




Source: IMS, IEIS

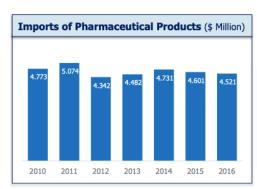
Outer circle: Breakdown of Sales Value Inner circle: Breakdown of Unit Sales

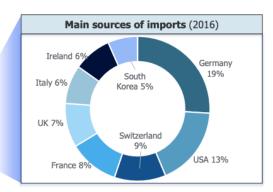


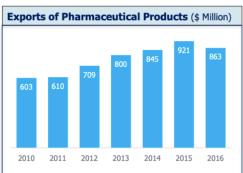


Source: IMS, IEIS









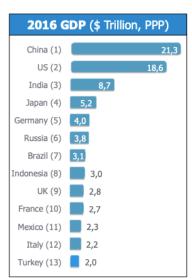


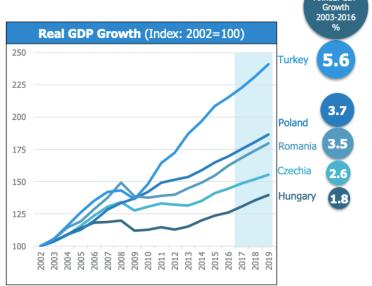
GROWTH DRIVERS IN TURKEY

G

Source: Turkstat

13th largest economy in the world





Source: TurkStat, OECD, World Bank, IMF, PPP: Purchasing Power Parity

The government introduced the Health Transformation Program in 2003 to provide universal healthcare services.



Universal Coverage

In 2006 Universal Health Insurance introduced to cover all citiziens



Improving Infrastructure

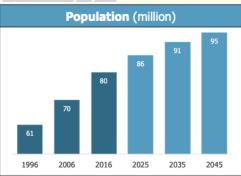
Number of Hospital increased from **1156** in 2002 to **1546** in 2016 (bed capacity 165K to 220K)



Increasing Healthcare Professionals

Number of Doctors increased from **92K** in 2002 to **145K** in 2016 (from 1.4 to 1.8 per 1000)

Source: TurkStat, Ministry of Health

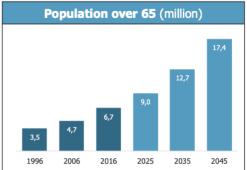


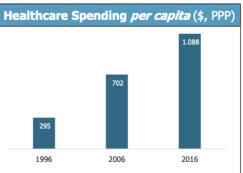
Life Expectancy at Birth (years)

2006

1996

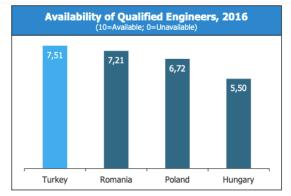


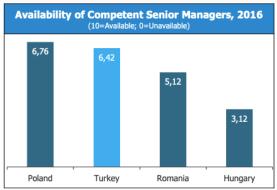


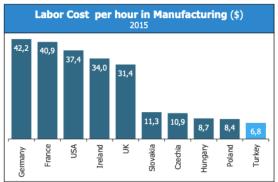


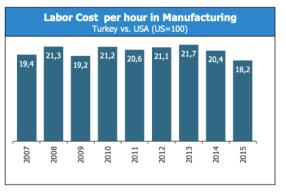
Source: Turkstat, UN, World Bank, OECD, Ministry of Health, ISPAT, Healthcare spending is total, including public and private. PPP: Purchasing Power Parity

2016









Source: IMD World Competitiveness Yearbook Executive Opinion Survey based on an index from 0 to 10; Eurostat, OECD, BLS, Turkstat

	Incentive Schemes						
Main Incentive Tools	General Incentives	Regional Incentives	Icentives for Priority Investments	Incentives for Large Scale Investments	Incentives for Strategic Investments	Project-Based Incentives	R&D Incentives
Corporate Tax Reduction		✓	✓	✓	✓	✓	✓
VAT/Custom Duty Exemption	✓	✓	4	✓	✓	✓	✓
Social Security Premium Support		✓	1	✓	✓	✓	✓
Income Tax Withholding Support*	✓	✓	1	✓	✓	✓	✓
Interest Support**		1	✓		✓	✓	
Land Allocation		1	✓	1	✓	✓	
Partnership (Equity Investment by Govt.)						1	
Guarantee of Purchase by Govt.						✓	
Energy Cost Support						1	

Main Incentive Tools

Tax Deduction: Reduced tax rates for investor's income (50-90 %) until the total deduction reaches a certain percentage of capex. (15-65 % of capex; in the case of project based incentives up to 200% of capex). For R&D investments, all R&D expenditures are deducted from tax base.

VAT Exemption: Investment machinery and equipment imported and/or locally provided within the scope of the incentive certificate will be VAT exempt.

Customs Duty Exemption: Investment machinery and equipment imported within the scope of the incentive certificate will be customs duty exempt.

Interest Rate Support: For investment loans, a certain portion of the interest share will be covered by government. (3-7 % points for TL-denominated, 1-2% points for forex-denominated loans) (500K-900K TL).

Land Allocation: Government land will be allocated for the investments, if no land is available in Organized Industrial Zones (OIZs).

Income Tax Withholding exemption will provide exemption from income tax withholding. (only for Region

Source: Ministry of Economy, MSIT

^{*}Provided that investments, except R&D, are made in Region 6,

**Provided that investment, except R&D, are made in Regions 3, 4, 5 or 6 within the frame of the Regional Incentive Scheme

MACROECONOMIC OUTLOOK

Outlook from the World: While the world economy left behind the first quarter of 2019, the geopolitical developments and risks in the global economy remain important and the concerns created by the trade wars, the main agenda item of the world economy, have alleviated slightly due to the positive steps taken by the parties. The World Trade Organization (WTO) stated that global trade contracted by 0.3% in the last quarter of 2018 and grew by 3% throughout the year. The WTO downgraded its forecast of global trade volume growth to 2.6% in 2019, which was previously announced as 3.7%, and reduced the global economic growth, increasing volatility in financial markets, as well as retaliation in the trade war with new customs duties. the tightening in monetary policies of developed countries. In China, which has entered into a serious trade war with the US, economic activity has lost momentum and fixed capital investments have weakened recently. It is noted that the uncertainty caused by trade wars played a major role in this development. According to current forecasts, the Chinese economy is forecast to close 2018 with 6.6% growth, while growth forecasts for 2019 were reduced to 6.2%.

In July, industrial production declined contrary to expectations, while manufacturing industry PMI indicated that manufacturing industry reached the threshold of contraction with 50.3 in August. The decline in the PMI index was driven by the decline in export orders to the lowest level in the last 10 years as well as the deterioration in expectations for the coming period. On the demand side, retail sales, which recorded the fastest increase in the last four months in July, supported the forecast that the contribution of consumption expenditures to growth will continue in the third quarter. The Michigan consumer confidence index, which declined rapidly in August due to increasing recession concerns and concerns that trade wars will deepen, points out that consumer demand may display a fragile outlook in the coming period. The decline in long-term bond yields continued in August, with the expectation that the loss of momentum in the US economy would affect the Fed's monetary policy in an expanding direction.

The

return of 2-year bonds. In addition, the yield of the US 30-year bond fell to historic low at 1.9050% on 28 August.

It is observed that the weakness in the economic activity in the Euro Zone continues. Industrial production in the region decreased by 1.6% on a monthly basis in June, while the decrease in capital goods production was realized as 4% in the same period, indicating that the weakness in production will continue in the following period. Data released for the third quarter also support this assessment. Consumer confidence in the region remained weak, while the decline in the manufacturing PMI index, which was valued at 47, moved to its 7th month in August. These developments suggest that the ECB will take a step towards supporting the economy at its September meeting. The German economy contracted by 0.1% in the second quarter compared to the previous quarter, with annual growth rate of 0.4%, the lowest level since 2013. Germany, which is Europe's largest and the world's fourth largest economy, shrank in the second quarter due to the problems in the automotive industry, trade wars and uncertainties about Brexit. In this period, net exports added 0.5 percentage points down to growth, which was the deciding factor. Data released in the country for the third quarter indicate that economic activity may continue. The country's manufacturing PMI data showed that the negative outlook in the manufacturing industry continued with 43.5 in August. According to the data released by Ifo, the business confidence index, which is considered as an indicator of the course of investments, fell to the lowest level since November 2012 with 94.3 in August. Another downturn came to the expectation regarding the following 6-month importance to the lowest level since the global crisis.

In Turkey's view: Reduce by 1.5% yoy in the second quarter of the year, according to Turkey's economy chained volume index. Market expectation was that the contraction in the economy would be 2%. According to seasonally and calendar adjusted figures, the economy expanded by 1.2% in the second quarter, following a 1.6% growth in the first quarter. The decline in private consumption expenditures in the second quarter of 2019 negatively affected the annual growth by 0.6 points compared to the previous two quarters. Public consumption expenditures continued to support growth. Thus, total consumption expenditures pulled down growth by 0.2 percentage points in this period. Net exports, which have strongly supported growth since the second quarter of 2018, contributed 5.7 percentage points to annual GDP growth in the second quarter of the year. In the second quarter of 2019, investment expenditures pulled down the growth strongly by 7.1 points

Domestic unemployment rate increased by 3.1 points to 12.8% compared to the same period. The adjusted unemployment rate was also 14%. In the last year, employment decreased by 538 thousand in construction sector, 307 thousand in agriculture and 123 thousand people in industry due to the slowdown in economic activity. The employment growth in the services sector was at a very weak level with 99 thousand people. Calendar adjusted industrial production contracted by 3.9% yoy in June. Thus, the annual contraction of 4.7% in the first quarter of the year fell to 3% in the second quarter. According to seasonally and calendar adjusted figures, the industrial production index contracted by 3.7% MoM in June, showing its worst performance since July 2016, when the coup attempt was experienced. Thus, seasons and calendar adjusted industrial production increased by 0.5% in the second quarter compared to the previous quarter.

Manufacturing PMI dropped to 46.7 in July and rose to 48 in August. New in this period the loss of momentum in orders at the most moderate level in the last 17 months supported the optimistic expectations for the coming period, while the increase in input costs and final product prices lost momentum due to the fall in inflation. Along with the weak outlook in economic activity, the foreign trade deficit began in the second half of the year with a year-on-year decline. Foreign trade deficit contracted by 46.9% in July compared to the same month of the previous year. In this period, the export volume expanded by 7.9% to USD 15.2 billion, while the import volume decreased by 8.5% to USD 18.4 billion. The ratio of exports to imports rose by 12.6 points to 82.6% compared to the previous year. According to the 12-month cumulative figures, the export volume was 170.6 billion USD as of the end of July, while the import volume decreased to 196.9 billion USD. Thus, the ratio of exports to imports rose to 86.6%, the new historic high. According to the provisional data released by the Ministry of Trade, exports increased by 1.5% yoy in August, while imports rose by 1.1% yoy. Thus, foreign trade deficit narrowed to 0.9%. in August, the monthly increase in CPI was realized as 0.86%, lower than the market expectation of 1.3%. Domestic PPI decreased by 0.59% in this period. Annual CPI inflation declined to 15.01% in August, supported by the base effect. The annual increase in D-PPI decreased to 13.45%, the lowest level of the last 1.5 years. Looking at the annual changes; The annual increase in D-PPI, which has declined since May, maintained this trend in August. Thus, the gap between D-PPI and CPI, which reached up to 21.63 points in the last one-year period, was closed. annual CPI

increase, annual D-PPI increase is seen to rise above. This indicates that the cost pressure on the CPI has been eased.

PHARMACEUTICAL SECTOR

View from the world: According to data from the Employers' Association of the Pharmaceutical Industry (IEIS), expenditures for the pharmaceutical industry worldwide in 2018 amounted to \$ 1 trillion 200 billion. This figure is expected to increase by 5 percent to \$ 1.3 trillion in 2019 and to \$ 1.5 trillion in the next 5 years. North America has the largest share in the sales of newly produced drugs with 64.1 percent. This is followed by the European Union (18.1 percent) and Japan (7.1 percent). In terms of spending by country, the US stands out first, followed by China and Japan. The top five countries account for two thirds of the world pharmaceutical market, which reached \$ 1.2 trillion in 2018. The US accounts for almost half of the world's pharmaceutical market.

In 2018, a total of 307 new products entered the market, all of which were prescription. Oncology drugs were the treatment group with the highest market share in terms of number of drugs, followed by antibiotics. When the world prescription drug sales and categories are analyzed, it is estimated that it will reach a total level of 1 trillion dollars in 2022 with an average growth rate of 5.6 per year. Based on the figures of 2017, by 2022, the total sales of prescription drugs are expected to increase by 33 percent, and the sales of orphan drugs are expected to double. To date, this category, which has no priority because of its narrow patient population and which takes its name from this category, is now on the agenda of pharmaceutical companies as a market with a high added value and a faster way forward.

Prescription drug sales worldwide are projected to grow by 6.4 percent on average everyear over the next 5 years. While the fastest increase is expected to be in the 'orphan drug' category, the increase in generic (equivalent) drug sales is expected to be relatively limited. It is estimated that orphan drugs, which have a share of 16.6 percent in 2018, will reach a share of 21.8 percent in 2024. The share of equivalent drugs is expected to decline from 10.1 percent to 9.5 percent.

When we examine drug sales according to the main treatment areas, we see that the highest share is oncological diseases as of 2017. The share of this group is expected to increase in the coming years. Sales of oncology drugs, which increase every year, is expected to reach 17.5 percent of the world market share by 2022.

The view from Turkey: The world's 10 largest pharmaceutical companies are operating in Turkey, including manufacturing. World many in Turkey, where it operates domestic and foreign companies in the pharmaceutical sector as well as in the giant, thanks to the production structure has the advanced technology to produce high added value emerges as an industry trying to compete worldwide. In this respect, while it is thought that it has a strategic importance by policy makers in recent years, it is considered critical in terms of economy, foreign trade and budget deficit. Due to the production level, employment and foreign trade volume reaching a certain potential, the sector finds a significant place in the incentive packages announced in recent years. According to the data not yet formalized by IEIS; If Turkey's pharmaceutical market value in 2018 reached 30.9 billion TL 2.3 billion in box volume scale. While the reference drug market completed 2018 at a value of TL 21.02 billion, the box sales reached 0.93 billion boxes. In 2018, the equivalent drug market reached 9.92 billion TL in value and 1.37 billion in box size.

Domestic drugs reached TL 14.91 billion and sales of 1.92 billion boxes in 2018. The sector, which closed the year-end of 2018 at approximately the above mentioned size, continued in detail in the framework of the regular quarterly data flow of IEIS; Turkey's pharmaceutical sector in 2017 increased by 20.2 percent in value, we see that it has reached a size of \$ 24.5 million. Pharmacy sales increased by 20.4 percent in 2017, while the hospitals had increased by 19.0 percent. Meanwhile, box-based sales in the same period increased by 3.3 percent to 2.2 billion boxes in the same period. In the January - September period of 2018 (IEIS has not yet announced the last 12 months of 2018), total sales in the hospital and pharmacy channels increased by 26.5 percent compared to the same period of 2017. On the box scale, in the first nine months of 2018 a 5.4 percent increase occurred in annual terms. Average prices increased by 20 percent during this period.

Demand for existing products, price increases and the growing trend in highpriced products are cited as sources of growth in the sector in 2018. A total of 307 new products were introduced throughout the year, all of which were prescription. Oncology drugs followed by antibiotics followed the treatment group which had the highest share in terms of menstruation. The new drugs entering the market was 269 units. While 5 of these drugs are biosimilar, only 13 of 269 equivalent drugs are in the imported product class.

Despite the rising production costs, especially the increase in exchange rates, the price increases in the sales consumer price index (CPI) sub-group remained limited. He annual inflation in drug prices in CPI remained at 15.9 percent in 2018 on average, close to the average in 2017. However, the annual average increase in drug prices within the producer price index (PPI) rose from 7 percent to 13.5 percent. In the second half of 2018 and at the beginning of 2019, increases in both the costs and consumer prices gained momentum in the pharmaceutical sector. The annual inflation in pharmaceutical prices in PPI, which was 14.2 percent at the end of 2018, rose to 17.5 percent as of February 2019. In the same period, consumer drug prices increased from 17.5 percent to 19.1 percent. Although public interventions on prices have limited the price increases in Turkey, as in the rest of the world, the price increases that have become evident in recent years have continued in the recent period.

As of September 2018, 42 percent of sales in the first nine months of the sector consisted of reference drugs, while the value increased by 26.5 percent year-on-year and reached TL 15.5 billion. In 2018, however, the market share of equivalent drugs on a box basis continued to increase. Equivalent drug sales increased 6.8 percent in the first nine months and exceeded the billion boxes. Market size increased by 26.4 percent to TL 7.2 billion. When the average prices are examined, reference drugs increased by 22.2 percent on an annual basis, while the price increase in equivalent drugs was limited to 18.4 percent.

Imported and manufactured drugs

In the first nine months of 2018, the sales volume of imported drugs exceeded 27 percent year-on-year, while only 2.2 percent volume increase was recorded. On the other hand, sales volume of domestic drugs increased by 6.1 percent in January-September period compared to the same period of the previous year, while market size increased by 25.9 percent and reached TL 8 billion. In addition to the rapid increase in the prices of imported products, the motivation for domestic

manufactured products is effective in this division. Average prices of imported drugs increased by 24.3 percent year-on-year as of September 2018. The price increase in domestic drugs was 18.7 percent.

Export

The foreign trade volume of Turkey's pharmaceutical sector is growing constantly in recent years. Pharmaceutical exports continued to increase following the temporary decline in 2016, and reached \$ 1.2 billion in 2018, an increase of 30.7 percent compared to the previous year. Pharmaceutical imports, on the other hand, increased by only 0.6 percent to \$ 5 billion.

Thus, the foreign trade volume of the sector was 6.2 billion dollars, while the foreign trade balance gave a deficit of 3.8 billion dollars. January 2019 data indicate that both exports and imports displayed a weak performance in the sector. In January 2019, pharmaceutical exports contracted by 13.9 percent year-on-year, while imports contracted by 12.2 percent. Thus, the sector's foreign trade deficit contracted by 72.5 percent year-on-year in January, reaching \$ 2.5 billion. Total foreign trade volume decreased by 12.5 percent to 491.7 million dollars.

BLOCKCHAIN AND SECURITY TOKEN (STO)

Since the advent of Bitcoin in 2009, the profile of blockchain – a combination of distributed ledger technology (DLT) with a variety of block-based encryption technologies – has soared. While there has been a great deal of volatility and speculation in certain virtual assets and other blockchain-related financing, including a high profile peak in 2018, there is now wide consensus regarding the value of blockchain and other forms of DLT in finance. While Facebook's announcement of Libra was probably the highest profile example, the most important examples going forward are likely to come as blockchain plays an increasing role in financial infrastructure such as securities settlement, in monetary and payments systems through central bank digital currencies, and in the context of liquidity and access to financing through tokenization, in particular security token offerings. Going forward, the real value of the underlying technologies of Bitcoin and cryptocurrencies comes in the form of its role in security, in transparency, in permanence, each of which is essential to financial

markets efficiency, trust and confidence, as well as safety and soundness. Security Token Offerings (STOs) combine the technology of blockchain with the requirements of regulated securities markets to support liquidity of assets and wider availability of finance. STOs are typically the issuance of digital tokens in a blockchain environment in the form of regulated securities. The blockchain environment enhances securities regulatory objectives of disclosure, fairness and market integrity and supports innovation and efficiency through automation and "smart contracts". In terms of the token aspect, an STO is essentially the digital representations of ownership of assets (e.g. gold, real estate) or economic rights (e.g. a share of profits or revenue). The goal of this publication is to serve as a guide to promoting deeper discussion and fostering the active participation of all stakeholders in the future evolution of the industry.

A STO is essentially a regulated offering of securities using blockchain technology. It thus involves the creation of digital blockchain tokens. These digital blockchain tokens can be created ("coined"), transferred, bought, sold and destroyed ("burned") based on the computer code rules of their blockchain. The blockchain could be specially created for the transaction or it could use an existing system, such as Ethereum or Hyperledger. It may also include transfer and other controls to enable regulatory compliance. In order to be sold as securities to investors, the tokens must meet the requirements under applicable securities laws such as the Securities and Futures Ordinance (Cap. 571) (SFO) in Hong Kong or the Securities Act of 1933 in the United States. Issuers of tokens must factor in relevant legal and regulatory requirements, as do brokers and exchanges. Besides securities laws, issues such as transferability, electronic transactions obligations, custody regulation, insurance and stamp duty can also arise. STOs may be listed on an exchange and may be restricted only to professional or accredited investors. The key difference with other forms of securities lie in the technology underlying the structure, namely blockchain. STOs are often digital representations of other assets or instruments such as stocks, bonds, real estate, intellectual property, etc. Similar to the concept of an Initial Public Offering (IPO), a company can raise funds by creating and issuing a new coin to investors. This idea was initially expressed in the context of ICOs or "initial coin offerings". An ICO often involves issuing a virtual asset that can be used on a platform or within an ecosystem that is yet to be built - in that respect, it can assist in raising funds for the creation of a blockchain or funding a blockchainrelated venture, whether business or otherwise.

Navigating securities laws has been critical, particularly for genuine "utility" virtual assets that are not intended to operate as investments, but more akin to a pre-paid digital coupon. However, certain assets were intended not to fall under securities regulation (or they simply failed to comply), despite the fact that many were in fact investment products. Initial Exchange Offerings (IEOs) are essentially ICOs that list directly on a virtual asset exchange, in some cases being a regulated sponsor-based platform. ICOs emerged after the successful global issuance of Ethereum in 2014. With the application of cryptocurrency's DLT under Blockchain, numerous ICOs were launched successfully within a short period of time and it became even more popular during 2016.

Are Security Tokens securities?

One of the vital features of Security Tokens is that they normally fall under the remit of current securities regulatory frameworks in most countries. Although the definition of securities varies from jurisdiction to jurisdiction, the wellknown U.S. Howey Test provides a foundation for general understanding. Building on a case in 1946 between the Securities and Exchange Commission (SEC) in the USA, and Howey, two Florida-based corporations, the Howey test is a functional test as to whether an investment is in fact a security and thus subject to the U.S. securities laws. The four elements include: 1. It is an investment of money or other forms of assets 2. There is an expectation of profit from the investment 3. The investment of money is in a common enterprise, meaning that investors pool their assets together to invest in a project 4. The profit comes from the effort of a promoter or third party, which is entirely out of the investors' control. Security Tokens - as investment products – are generally assumed to meet these: a Security Token representing a share of an issuer's profit or cash flow or their assets are very likely, in substance, regardless of the contractual form, to fall under the definition of securities.

Issuers (e.g. asset owners and entrepreneurs)

For asset owners, STOs open the opportunity to trade their assets online, to use the benefits of blockchain / DLT to generate funds and liquidity. STOs offer an

opportunity for assets owners to make their illiquid tangible and intangible assets tradable, increasing liquidity. Traditionally, paintings, antiques and real estate are illiquid and they are often traded through auction or agent. Without digitalization, it is difficult to fractionalize ownership among different investors and the buy and sale transaction (e.g. exit price, timing of sale) would not be complete until consensus is obtained among all owners at the same time. Also, the specifications of each of the assets might not be standardized and presented in the same format, , which may negatively impact valuations and investor interest. Lastly, certain illiquid assets may be very valuable, limiting potential investors to a small pool. Many investors may not have the ability to invest such a high amount of money and may not want to focus on one particular asset even they expect the return can be attractive. STOs allow the flexibility on spitting the illiquid asset into smaller tradable fractions in the form of tokens, not dissimilar to asset-backed securities or allowing the creation of investment pools, akin to an investment fund. With STOs, the issuers might be able to raise liquidity without selling the entire asset. Given the characteristic of security tokens, theoretically, an infinite amount of tokens can be issued and the assets can now be owned by potentially large numbers of investors. Asset owners can utilize this divisibility of STOs to raise funds from various parties but keeping the majority ownership of the asset. Also, smart contracts - essentially automated instructions for actions embedded in the blockchain system and/or the digital asset themselves - can also be used to store the specification, such as valuation reports or authentication proofs, and are available to all of the investors. Given the information is stored via DLT, in properly designed systems, risks of fraud should be reduced through the central design features of permanence, transparency and security. This is also applicable to real estate which the owner might sell a portion of its rental income by Security Token without going through complex listing such as a Real Estate Investment Trust (REIT). And for entrepreneurs, especially start-up companies, STOs provide an opportunity to raise funds, other than from traditional fund raising channels, such as share issuance and bonds. This can be particularly important for small or newly established ventures, where investors increasingly prefer the potentially higher liquidity of exchange-traded STOs. In addition, STOs are often issued at a lower cost, making it a more widely viable financing technique for smaller and new companies. Another advantage of Security Tokens is that all of the ownership records are recorded. In an appropriately designed system, all previous owner information and transaction records can be stored the distributed ledger in a

permanent, secure and transparent manner, providing issuers with full records of their assets owners and enhanced efficiency for any regulatory needs.

Investors

Currently, investors are mostly limited to investing in a company through acquiring its shares or bonds. STOs potentially allow a much greater variety of assets for investors, particularly accredited professional investors. As mentioned above, assets such as collectable, real estate and intellectual property are now being able to be tokenized into fractional investments. Investors can limit their investment risk by purchasing tokens which represent a small portion of the painting or antique. In other words, STOs allow an alternative opportunity for portfolio diversification, investment, trading and even hedging. Also, investors can benefit from a more transparent disclosure of the status, the specification and valuation report for the underlying assets of the investment, given all the information would be embedded to the smart contract and there would be impractical to change the particulars on the distributed ledger.

Investor protection

Importantly, however, STOs are not without risk, as with any investment product or structure. For example, while risk of fraud is reduced, it nonetheless remains, albeit with greater regulatory protection and remedies. Hype cycles certainly continue. As such, it is important that the usual investor protection standards that apply to traditional securities also extend to security token issuance and secondary market trading.

LEGAL DISCLOSURES

This Whitepaper provides information in connection to an opportunity for the acquisition of a security token that will grant purchasers economic exposure (Target Assets) by means of periodic profit distributions. The Tokens will not (i) provide legal ownership over the Issuer's shares or the Target Assets; (ii) represent debt owed by the issuer to the Tokenholders; nor (iii) provide voting/governance/typical shareholding rights related to the Issuer. This Whitepaper does not constitute a prospectus, an offering memorandum and/or other offering document relating to the Issuer and has not been reviewed or approved by any financial regulator or securities commission in any jurisdiction. Investing in Tokens involves several risks. Prior to investing in Tokens, prospective purchasers should carefully consider the section "Risk Factors" of this Whitepaper. Prospective purchasers should consider carefully whether a purchase of Tokens is suitable for them considering the information herein and their personal legal and financial circumstances. Unless otherwise indicated or the context otherwise requires, all references in this Whitepaper to "Issuer", "we", "our", "ours", "us" or similar terms refer to the Issuer

Anti-Money-Laundering and CounterFinancing of Terrorism and Know-Your-Client From the regulators' perspective, one of the main concerns of cryptocurrency in general is that initial purchasers and subsequent traders may not have undergone an anti-moneylaundering and Know-your-client process and transactions may not be subject to ongoing AML/CTF monitoring. As a result, regulators are increasingly establishing licensing regimes for cryptocurrency operators and requiring them to establish AML/CFT and KYC relevant policy similar to current requirements on traditional financial firms. Practically however, the speedy and around-the- clock nature of these transactions have increased the difficulty for the operators to perform complete KYC or AML/CFT tracking without undermining the efficiency of transactions. The growing sophistication of chain analytics and other solutions is likely to make this less problematic over time, and provide stronger insight into its potential risks than traditional cash.

INVESTMENT RISKS

General Risk Factors; The Bank provides not only any guarantees with respect to value growth but also on world exchanges. The Bank does not guarantee that the use of SIB tokens will meet the requirements of the user, which will be continuous, accessible at any time, safe and error-free. Any links to third-party sites cannot be approved by the Bank for any products, services or information presented on them. The Bank does not guarantee the accuracy of the information provided on such sites. In addition, the Bank should not control user agreements and privacy policies of third-party sites.

Risk Factors Relating to Legal and Regulatory Framework; The risk of the Customer incurring financial losses due to the entry into force of new or changes to existing regulations. Legal risk also includes the possibility of the Investor incurring financial losses due to the absence or ambiguity of regulatory acts directly or indirectly regulating activities in the securities market. Investments in crowdinvesting projects are associated with a high level of risk, this Notice describes the most common types of risk, their list, however, is not exhaustive.

Economical Risks; The Bank is not liable for losses incurred by the Client as a result of economic risks: 1.1. Price risk - the risk of the Investor incurring financial losses due to adverse changes in the prices of financial instruments and investment items; 1.2. The instability of financial markets - a decrease in the liquidity of financial instruments, items and objects of investments and the impossibility of their implementation.

Legal Risks; The risk of the Customer incurring financial losses due to the entry into force of new or changes to existing regulations. Legal risk also includes the possibility of the Investor incurring financial losses due to the absence or ambiguity of regulatory acts directly or indirectly regulating activities in the securities market.

Technical Risks; 1. The client assumes the risks associated with malfunctions of software, telecommunication equipment and other technical problems; 2. The client is obliged to store passwords and be sure that third parties will not get access to the Personal Account; 3. Any user should take care of the safe storage of

their private keys from cryptowallets, since there is a risk of theft of account data and the transfer of tokens without permission. 4. The client is aware that the information transmitted in unencrypted form (via email, instant messaging service) is not protected from unauthorized access.

Risk of False; When buying tokens, it is possible that a third party can impersonate a token issuer and provide a fake cryptocurrency address to steal cryptocurrency or fiat funds from the buyer. The user must request the latest information about the services from the developer of this blockchain.

Force majeure circumstances; The Bank is not liable for losses incurred by the Client as a result of force majeure circumstances: military operations, terrorist acts, natural disasters, foreign exchange interventions, decisions of authorities and management and other circumstances related to force majeure.

