



Akıllı Tarımın Öncüsü



Activity Report of the Board of
Directors
For the Period 01.01.2022 – 30.06.2022

**(CONVENIENCE TRANSLATION OF INDEPENDENT
AUDITOR'S REVIEW REPORT ON THE INTERIM ACTIVITY
REPORT)**

**To the Board of Directors of
Hektaş Ticaret Türk Anonim Şirketi
Kocaeli**

Introduction

We have been charged with reviewing the consistency of condensed consolidated interim financial information provided in interim activity report of Hektaş Ticaret Türk Anonim Şirketi (the "Company") dated 30 June 2022 with the reviewed condensed consolidated interim financial statements. The Group Management is responsible from the aforementioned interim activity report. Our responsibility is to express a conclusion as to whether the financial information presented in the interim activity report is consistent with the reviewed condensed consolidated interim financial statements and explanatory notes over which auditor's review report is issued as of 5 August 2022.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Our review involves the examination as to whether financial information provided management's interim period report are consistent with the reviewed condensed consolidated interim financial statements and explanatory notes. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information provided in the interim activity report and reviewed condensed consolidated interim financial statements and explanatory notes, in all material respects, are not consistent.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Volkan Becerik
Partner

İstanbul, 5 August 2022

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

INDEX

A-

GENERAL INFORMATION

1. Period of the Report
2. Corporate Information
3. Legal Structure, Capital Distribution, Explanations on Voting Rights and Affiliates
4. Organizational Structure of the Company
5. Information about the Board of Directors, Committees and Senior Management
6. Changes Applied in the Senior Management within the Period
7. Transactions Conducted by the Board of Directors Members with the Company on their or Others' Behalf and their Activities within the Scope of the Competition Prohibition
8. Movements of the Personnel and Workers, Collective Bargaining Practices and Rights and Benefits Provided to the Employee
9. Corporate Governance Principles Compliance Report
10. Amendments to the Articles of Association

B-

**FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS
AND EXECUTIVE MANAGERS**

1. Total Amount of Financial Benefits such as Attendance Fees, Remuneration, Premium, Bonus and Dividends

C-

RESEARCH AND DEVELOPMENT STUDIES

D-

**ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS REGARDING
THE ACTIVITIES**

1. Investments Activities
2. Internal Control System and Internal Audit Activities
3. Explanations Regarding Private Auditing and Public Auditing
4. Legal Issues
5. General Assemblies
6. Donations Made and Social Responsibility Projects

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

E- FINANCIAL STATUS

1. Summary of Financial Statements
2. Key Operating Indicators and Financial Ratios
3. Financial Power
4. Progress of the Financing Resources and Policies Applied by the Enterprise within the Framework of this Progress
5. Dividend Distribution
6. Information about the Industry where the Enterprise is Active
7. Position of the Enterprise in the Industry
8. Development of the Enterprise
9. Products
10. Capacity Utilization Rates
11. Production (Quantity)
12. Developments in Sales
13. Sales (Quantity)
14. Incentives

F- RISKS AND EVALUATION OF THE BOARD OF DIRECTORS

1. Risk Management Policy
2. Early Detection of Risk Committee

G- OTHER ISSUES

1. Organizations Outside of the Headquarters
2. Information about Legislative Amendments that may Significantly Affect the Company's Activities
3. Information about the Conflicts of Interest Occurring between the Company and Institutions Providing Services to the Company in Matters such as Investment Advisory and Rating and the Measures Taken by the Company to Prevent such Conflicts
4. Information about the Employee's Social Rights, Professional Training and Activities of the Company which Yield Other Social and Environmental Implications
5. Information that must be Submitted to the Shareholders Regarding Related Party Transactions and their Balances
6. Information to Stakeholders

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

A- GENERAL INFORMATION**1. Period of the Report**

1/1/2022- 6/30/2022

2. Corporate Information

TRADE NAME	HEKTAŞ TİCARET TÜRK A.Ş.
INCORPORATION DATE	1956
FIELD OF ACTIVITY	Production, import and marketing of agricultural and veterinary medicines
HEADQUARTERS ADDRESS	Gebze Organize Sanayi Bölgesi Mahallesi 700. Sokak No:711/ 1 41480 Gebze/Kocaeli
WEB ADDRESS	www.hektas.com.tr
E-MAIL	info@hektas.com.tr
TELEPHONE	262 751 1412
FAX	262 751 3717
ADDRESSES OF PRODUCTION FACILITIES	
-HEKTAŞ/Gebze Plant Protection Production Facility	Gebze Organize Sanayi Bölgesi Mahallesi 700. Sokak No:711/ 1 41480 Gebze/Kocaeli
-HEKTAŞ/ Adana Organomineral Fertilizer Production Facility	Acidere OSB Mahallesi 5 Ocak Caddesi No:6 Sarıçam / Adana
-FERBİS / Niğde Plant Protection Production Facility	Organize Sanayi Bölgesi Mah. 2 B No'lu Yol Cad. 2 Bor / Niğde
-ARMA İLAÇ /Ankara Veterinary Medicines Production Facility	Malıköy Başkent O.S.B. Mahallesi, Atatürk Bulvarı, No: 69 P.K. 06909, Sincan/ANKARA
TAX OFFICE / NO	İlyasbey / 4610015898
TRADE REGISTRY DIRECTORATE / NO	Gebze Trade Registry Office / 6535-10921
MERSİS NO	461001589800013
PAID-IN CAPITAL	860.000.000 TL
AUTHORIZED CAPITAL CAP	3.000.000.000 TL
INDEPENDENT AUDITOR	DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

3. Legal Structure, Capital Distribution, Explanations on Voting Rights and Affiliates

Legal Structure

Shareholders	Share Amount (TL)	% Share
Turkish Armed Forces Pension Fund (OYAK)	505,843,051	58.82
Other	354,156,949	41.18
Grand Total	860,000,000	100

Capital Distribution

The Company adopts the authorized capital system under the provisions of the Capital Market Law. The authorized capital cap of the Company is TL 3.000.000.000 and is divided into 300.000.000.000 shares, each with a nominal value of 1 (one) Kurus. The authorized capital cap permission granted by the Capital Market Board is valid for the years 2022- 2026 (5 years).

The company's issued capital is in the amount of 860.000.000 (eight hundred sixty million) Turkish Liras which is wholly paid, comprised of 86.000.000.000 (eightysix billion) shares, each with a nominal value of 1 (one) Kurus.

The shares representing the capital are recognized in dematerialized form, within the framework of the principles on dematerialization. There are no capital market instruments issued by the Company within the period.

Owners of Founding Redemption Shares have 5% dividend rights arising from the company's articles of association.

There is no information about the Company's own shares acquired by the company

Explanations on Voting Rights

There no voting priveleges. Each share grants 1 voting right.

Affiliates

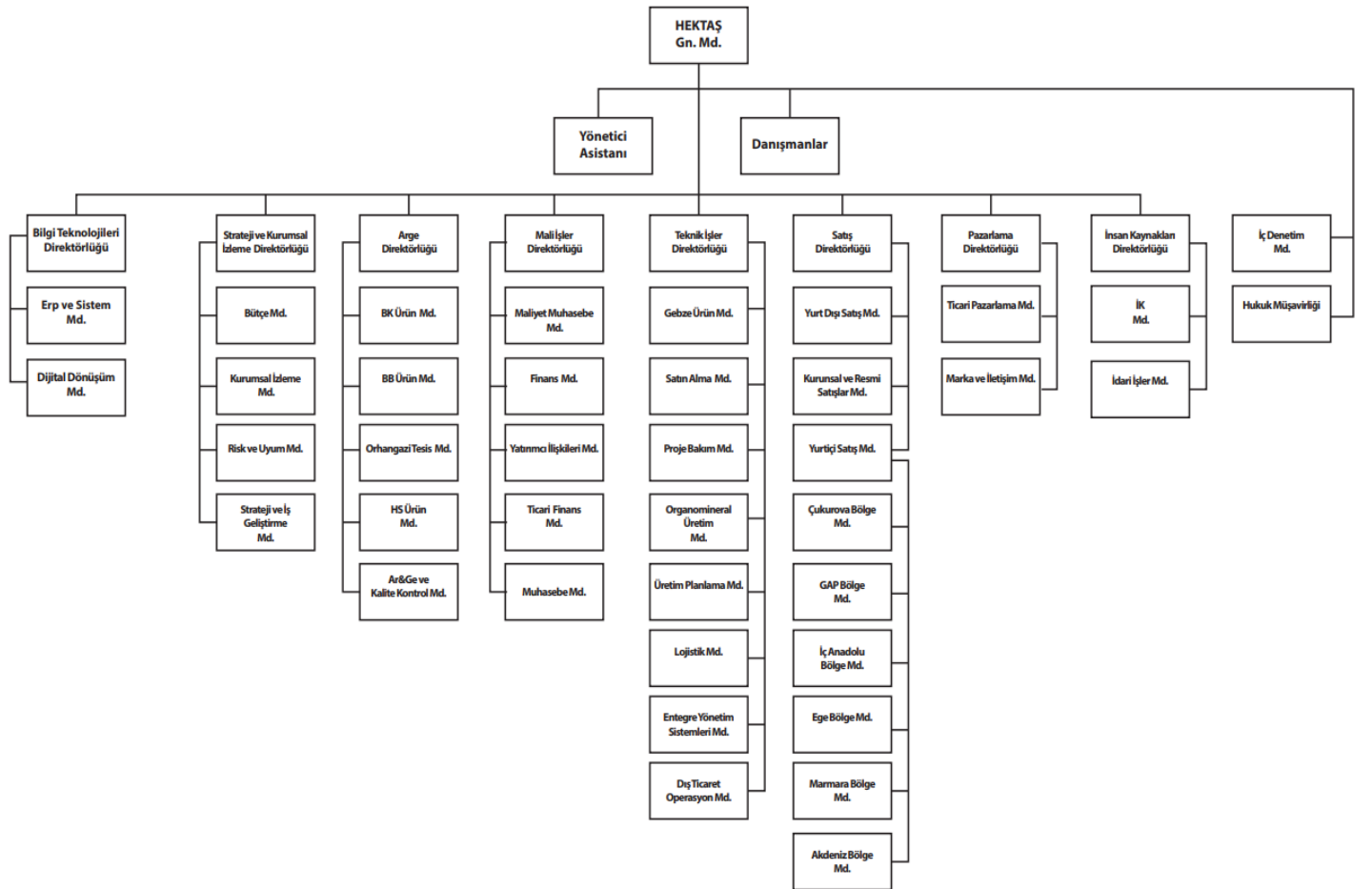
Title of the Company	Shareholding (%)
Takimsan Tarım Kimya Sanayi ve Ticaret A.Ş.	99.78
Çantaş Çankırı Tuz Ürünleri Üretim ve Dağıtım A.Ş.	0.37
Ferbis Tarım Ticaret ve Sanayi Anonim Şirketi	100.00
Areo Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi	100.00
Sunset Kimya Tarım Ürünleri Ve Aletleri İmalat Pazarlama Sanayi Ve Ticaret A.Ş.	100.00
Arma İlaç Sanayi ve Ticaret A.Ş.	100.00
Agriventis Technologies Pty.Ltd	51.00

Upon examining the financial statements of Çantaş, they have not been included within the scope of consolidation since they are immaterial compared to the financial statements of the Company in terms of amount and quality and activities of Çantaş are very limited. On the other hand, the financial statements of Ferbis Tarım Ticaret ve Sanayi A.Ş., Takimsan Tarım Kimya Sanayi ve Ticaret A.Ş., Areo Tohumculuk Arge Sanayi ve Dış Ticaret A.Ş., Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret A.Ş., Arma İlaç Sanayi ve Ticaret A.Ş. and Agriventis Technologies Pty.Ltd have been consolidated.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

4. Organizational Structure of the Company

HEKTAŞ's organizational chart is as follows as of 2022: There were not any changes in the company's organizational structure between 01.01.2022 – 30.06.2022.



**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

5. Information about the Board of Directors, Committees and Senior Management

Board of Directors;

Current Board of Directors Members of our Company as of the Reporting Date:

Board of Directors	Position	Position Starting Date of the Representative	Duties Carried out by the Representative Outside of the Company
Omsan Lojistik A.Ş. (The person acting on behalf of the company: Musa Levent ORTAKÇIER)	Chairman of the Board of Directors	01.06.2021	Head of the Group Food, Agriculture and Livestock-OYAK,
Oytaş İç ve Dış Ticaret A.Ş. (The person acting on behalf of the company: Baran ÇELİK)	Vice Chairman of the Board of Directors	30.01.2019	Head of the Group Financial Affairs and Finance-OYAK
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (The person acting on behalf of the company: Aslıhan DÖĞER)	Board of Directors Member	30.01.2019	Head of the Group Strategy and Business Development-OYAK
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (The person acting on behalf of the company: Okan SİVRİ)	Board of Directors Member	24.06.2021	-
Oyak Pazarlama Hizmet ve Turizm A.Ş. (The person acting on behalf of the company: Arif ÇETİNKAYA)	Board of Directors Member	06.04.2022	-
Kâmil DERECE	Board of Directors Member (Independent)	28.03.2016	Counseling
Bülent Şamil YETİŞ	Board of Directors Member (Independent)	31.03.2020	Counseling
Kadri ÖZGÜNEŞ	Board of Directors Member (Independent)	06.04.2022	Faculty Member

* The legal person Board of Directors Members of the Company are elected for 3 years, while the Independent Board of Directors Members are elected for 1 year as per the Company's articles of association.

* During the Ordinary General Assembly Meeting held on 31.03.2020, the legal person Board of Directors Members were elected for 3 years, while the Independent Board Members were elected for 1 year during the Ordinary General Assembly Meeting held on 01.04.2022.

Changes Applied in the Board of Directors within the Period

The changes applied among the Board Members of our Company between 01.01.2022 – 30.06.2022 are as follows.

During our Company's Board of Directors Meeting dated 01 April 2022, Arif ÇETİNKAYA was appointed in place of (the natural person Remzi ER acting on behalf of), OYAK Pazarlama Hizmet ve Turizm Anonim Şirketi, Legal Person Board of Directors of our Company, as of 01 April 2022. The matter has been disclosed on KAP.

During the Ordinary General Assembly meeting of 2021 held on 01.04.2022, Mr. Kamil DERECE, Mr. Kadri ÖZGÜNEŞ and Mr. Bülent Şamil YETİŞ were elected as Independent Board of Directors members for 1 (one) year to hold office until the next ordinary general assembly meeting. The matter has been disclosed on KAP through general assembly disclosures.

Duties and Authorities of the Board of Directors

The Chairman and the Members of the Board of Directors have the duties and authorities specified in the article 14 and 15 of the Company's Articles of Association and the relevant articles of the Turkish Commercial Law.

The legal person board of directors member OMSAN Lojistik A.Ş. (Musa Levent ORTAKÇIER acting on their behalf) was elected as the Chairman of the Board of Directors and the legal person board of directors member OYTAŞ İç ve Dış

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Ticaret A.Ş. (Baran ÇELİK acting on their behalf) was elected as the Deputy Chairman of the Board of Directors for one year. The matter has been disclosed on KAP.

Board of Directors Committees and Committee Members

The Audit Committee, Early Detection of Risk Committee and Corporate Governance Committees were established in the Board of Directors.

The principles of work of the Audit Committee are determined under our Company's guidelines dated 24.07.2012 titled "Hektaş Ticaret T.A.Ş. Board of Directors Audit Committee"; the principles of work of the Early Detection of Risk Committee are determined under our Company's guidelines dated 24.07.2012 titled "Hektaş Ticaret T.A.Ş. Early Detection of Risk Committee"; and the principles of work of the Corporate Governance Committee are determined under our Company's guidelines dated 24.07.2012 titled "Hektaş Ticaret T.A.Ş. Corporate Governance Committee". These guidelines are available on the web site www.hektas.com.tr.

Committees:

Committee	Duty	Name Surname	Quality	Meeting Frequency
Audit Committee	Chairman	Kâmil DERECE	Independent Member	At least four times a year in quarterly periods
	Member	Kadri ÖZGÜNEŞ	Independent Member	
Corporate Governance Committee	Chairman	Bülent Şamil YETİŞ	Independent Member	At least four times a year in quarterly periods
	Member	Kâmil DERECE	Independent Member	
	Member	Tuba BEKTAŞ	Investor Relations Manager	
Early Detection of Risk Committee	Chairman	Kadri ÖZGÜNEŞ	Independent Member	At least six times a year in two-month periods
	Member	Bülent Şamil YETİŞ	Independent Member	

Executive Management;

Senior Management	Duty	Position Starting Date*	School of Education
Hakkı Zafer TERZİOĞLU	General Manager	01.06.2021	Ankara University – Faculty of Political Science
Uğur AKBAŞ	Financial Affairs Director	12.06.2020	Istanbul University Business Administration (Undergraduate) Istanbul University International Business (Master's)
Celal MADAZLI	Technical Director, Arma İlaç Sanayi ve Ticaret A.Ş. General Manager (by Proxy)	12.06.2020	Hacettepe University - Business Administration
Çiğdem KARAKUŞ	Human Resources Director	07.09.2021	Anadolu University – Business Administration (Undergraduate) Ufuk University – Business Management (Master's)
Murat Sonay AKARSU	Sales Director	07.09.2021	Trakya University Field Crops (Undergraduate) Trakya University Field Crops (Master's)
Hüseyin ÇİMEN	Strategy and Corporate Monitoring Director	07.09.2021	Dumlupınar University Business Administration (Undergraduate) Marmara University Accounting and Finance (Master's)
Selda KILIÇ	Marketing Director	07.09.2021	Anadolu University – Business Administration (Undergraduate)
Ünal UYSAL	Information Technologies Director	07.09.2021	Marmara University – Technical Education Faculty – Computer and Control Teaching (English) Anadolu University – Business Administration (Remote education)

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

** The dates of commencement of duty provided in the table have been arranged based on the last titles of the individuals and the individuals in question have previously taken on various positions in our Company.*

6. Changes Applied in the Senior Management within the Period

No changes were applied in the Senior Management within the period.

7. Transactions Conducted by the Board of Directors Members with the Company on their or Others' Behalf and their Activities within the Scope of the Competition Prohibition

During the Ordinary General Assembly meeting held on 01.04.2022 regarding the Company's activities pertaining to 2021, the Board of Directors Members were given the permission to conduct transactions within the scope of the relevant articles of TCL for 2022, as in the previous period.

No transactions within this scope were carried out in the first six months of 2022.

8. Movements of the Personnel and Workers, Collective Bargaining Practices and Rights and Benefits Provided to the Employee

As of 30.06.2022, the number of employees of our company is 778, 271 of them being blue-collar and 507 being white-collar.

The "Severance Pay" liability of our Company is made by the actuary and the provisions for severance pay set aside at the end of the period is TL 29.091.356.

The social rights of our personnel are paid regularly on monthly basis within the scope of the legal legislation. There is no Collective Bargaining Application in our Company.

9. Corporate Governance Principles Compliance Report

The "Corporate Governance Principles" published by the Capital Market Board were complied with and implemented in 2022 January - June period as well.

10. Amendments to the Articles of Association

The article 7 titled "Capital" of the Company's Articles of Association was changed within the period and the details of the change are as follows;

During our Company's Board of Directors meeting dated 15.04.2022; the sustainable growth rate achieved by our Company in recent years has significantly increased our sales revenue, operating profit and net profit, while further increasing our need for net operating capital.

It is aimed to continue this growth in 2022 as well and in order to meet our Company's need for operating capital, reduce its financing burden and implement investments which will maintain growth,

Our Company's paid-in capital in the amount of TL 860.000.000 shall be increased to TL 2.530.000.000 through an increase in the total amount of TL 1.670.000.000, TL 1.290.000.000 of which will be paid and TL 380.000.000 of which will be unpaid.

The General Directorate should be authorized for the commencement of the procedures to increase the authorized capital cap to TL 3.000.000.000 for this purpose.

The amendment text of the Articles of Association has been approved by the Capital Market Board and the Ministry of Trade and this situation has been disclosed to the public with the KAP disclosure dated 28.4.2022. The Authorized Capital Cap was approved during the Extraordinary General Assembly held on 03.06.2022 and registered by the Gebze Trade Registry Office on 06/06/2022.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

The text of the amended article 7 titled "Capital" of HEKTAŞ TİCARET TÜRK A.Ş.'s articles of association is as follows:

HEKTAŞ TİCARET TÜRK ANONİM ŞİRKETİ ARTICLES OF ASSOCIATION AMENDMENT TEXT	
CURRENT VERSION	NEW VERSION
<p>CAPITAL</p> <p>ARTICLE 7</p> <p>The Company adopted the authorized capital system as per the provisions of the Capital Market Law (CML) and started to implement this system based on the permission dated 13.10.1988 no. 547 of the Capital Market Board.</p> <p>The authorized capital cap of the Company is TL 1.000.000.000 and is divided into 100.000.000.000 shares, each with a nominal value of 1 (one) Kurus The authorized capital cap permission granted by the Capital Market Board is valid for the years 2021-2025 (5 years). Even if the authorized capital cap which is permitted cannot be reached at the end of 2025, in order for the board of directors to take a capital increase decision after 2025, authorization must be obtained for a new period not exceeding 5 years from the general assembly, by obtaining permission from the Capital Market Board for the cap previously permitted or a new cap amount. If the aforementioned authorization cannot be obtained, capital increase cannot be applied with a board of directors decision.</p> <p>The company's issued capital is in the amount of 860.000.000 (eight hundred sixty million) Turkish Liras which is wholly paid, comprised of 86.000.000.000 (eighty six billion) shares, each with a nominal value of 1 (one) Kurus.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing registered shares or bearer's shares up to the authorized capital cap when deemed necessary, in accordance with the provisions of the Capital Market Law, between 2021 and 2025.</p> <p>The Board of Directors is authorized to issue shares exceeding the nominal value or restrict the shareholders' rights to acquire new shares, provided that the provisions of the Turkish Commercial Law and Capital Market Law are not violated.</p> <p>The authority to restrict new share acquisition cannot be exercised by creating inequality among shareholders.</p> <p>The shares representing the capital are recognized in</p>	<p>CAPITAL</p> <p>ARTICLE 7</p> <p>The Company adopted the authorized capital system as per the provisions of the Capital Market Law (CML) and started to implement this system based on the permission dated 13.10.1988 no. 547 of the Capital Market Board.</p> <p>The authorized capital cap of the Company is TL 3.000.000.000 and is divided into 300.000.000.000 shares, each with a nominal value of 1 (one) Kurus The authorized capital cap permission granted by the Capital Market Board is valid for the years 2022- 2026 (5 years). Even if the authorized capital cap which is permitted cannot be reached at the end of 2026, in order for the board of directors to take a capital increase decision after 2026, authorization must be obtained for a new period not exceeding 5 years from the general assembly, by obtaining permission from the Capital Market Board for the cap previously permitted or a new cap amount. If the aforementioned authorization cannot be obtained, capital increase cannot be applied with a board of directors decision.</p> <p>The company's issued capital is in the amount of 860.000.000 (eight hundred sixty million) Turkish Liras which is wholly paid, comprised of 86.000.000.000 (eighty six billion) shares, each with a nominal value of 1 (one) Kurus.</p> <p>The Board of Directors is authorized to increase the issued capital by issuing registered shares or bearer's shares up to the authorized capital cap when deemed necessary, in accordance with the provisions of the Capital Market Law, between 2022 and 2026.</p> <p>The Board of Directors is authorized to issue shares exceeding the nominal value or restrict the shareholders' rights to acquire new shares, provided that the provisions of the Turkish Commercial Law and Capital Market Law are not violated.</p> <p>The authority to restrict new share acquisition cannot be exercised by creating inequality among shareholders.</p> <p>The shares representing the capital are recognized in</p>

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

dematerialized form, within the framework of the principles on dematerialization. Each share grants 1 voting right.	dematerialized form, within the framework of the principles on dematerialization. Each share grants 1 voting right.
--	--

B- FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGERS

1. Total Amount of the Financial Benefits such as Attendance Fees, Remuneration, Premium, Bonus and Dividends Representatives

During the Company Ordinary General Assembly Meeting held on 01.04.2022, it was accepted to pay monthly net remuneration of TL 11.000 to the Independent Board of Directors members effective from 01.04.2022 until the next ordinary General Assembly date, and not to pay any remuneration to other Board of Directors Members. Personal accident insurance and life insurance are purchased for the Board of Directors Members, as in the previous period.

No payments in the nature of performance-based rewards have been made to the Members of the Board of Directors.

During the period, no amounts were lent to any board of directors members and executives; no loans were granted in the name of personal loan directly or through a third party or no guarantees such as surety in their favor were provided.

Salaries of the Company's senior executives are determined by the Company's Board of Directors. Performance-based additional payments are made to personnel not within scope, including the Company's senior executives.

C- RESEARCH AND DEVELOPMENT STUDIES

The R&D activities of Hektaş Ar-Ge are carried out at the R&D Center in Gebze OIZ, the Head Laboratory, the Agricultural Innovation Training and Experience Center located in Bursa Orhangazi, Areo Seed Technologies Center, which is a Private Sector Agricultural Research Institution located in Antalya Technotown, as well as field applications throughout the whole country. Within the scope of R&D efforts, product, system, software development and technological adaptation works are carried out in an integrated manner at the plant protection and plant nutrition and veterinary medicines production facilities established in different cities of the country.

Within the framework of its mission "Creating added value for our shareholders, the society and producers in order to provide the maximum benefit for the agriculture sector through a sustainable growth", Hektaş has generated input with increased value as a local producer in the fields of plant protection, plant nutrition, animal health, pet food, public health and seeds thanks to its R&D studies, and also set up and started to implement the process from seed to tables as a technologically tracable, safe system model.

All projects are developed in line with the objectives relating to conservation of agricultural biodiversity. Studies continue on value-added plant nutrition products that minimize the damage to the ecosystem, biological control agents, seeds with increased genetic diversity, and technological application methods that provide high benefits with less input.

Hektaş's field and R&D studies are carried out on location basis, on the established geographic information system. Business models which have been digitalizes worldwide with Industry 4.0 have been implemented simultaneously at Hektaş. A new perspective has been introduced to the sector with Artificial intelligence (AI), Internet of Things (IOT), Blockchain, Remote sensing and drone applications and Big data management sample applications. As the Pioneer of Smart Agriculture, Hektaş explains its trail blazing projects and what else can be done to all its stakeholders and followers in fairs and various events, acting as a guide and source of motivation to young people who will grow the sector.

Focusing on scientific studies, Hektaş places great value on cooperation with universities and research institutions, and accelerates the process leading to success with the support received from experts in the projects in order to transform knowledge into products and services in almost every field in which it is active.

There are ongoing efforts to give the formulations slow-release properties increasing the mineral uptake level of the plants, in order to ensure that Organomineral fertilizers, which are called new generation fertilizers, have added value and to differentiate them in Plant Nutrition products. Furthermore, the Plant Nutrition product portfolio is being expanded thanks to the studies on product development of Biostimulant and liquid foliar fertilizers and the identification of microbial fertilizers. In the "High Technology Center", which has been launched in the Sincan district of Ankara, studies and R&D activities will be carried out to produce organomineral liquid fertilizers with amino acid, bacteria, enzyme content, and composite liquid fertilizer.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Thanks to the dynamic structure that takes into account the needs of the society, licenses were obtained for 3 drugs (1 anti-bacterial hand liquid and 2 surface disinfectants) developed in the first stage as part of the the "New Public Health Drug Combinations and Formulations Development and Application Project", which was initiated in the R&D Center in 2020 against COVID-19 and other pandemics that may develop, and offered for sale in the same year.

The infrastructure of the Hektaş Traceable Safe Food Platform Project has been completed, a producer network has been created, and the final product has been delivered to consumers through the market chain. All technological achievements such as Artificial intelligence (AI), Internet of Things (IOT), Blockchain and Geographical Information System have been used in the project infrastructure. Vegetables, whose life is known from the seed, have been monitored with cameras and sensors; the inputs used and the pesticide analyzes have been recorded; the information collected with the blockchain has been sealed, and consumers have been allowed to access real information/visuals in seconds by scanning the qr codes on product packages with their mobile phones.

The HHU Sensitive Animal Husbandry Practices Project, which was initiated in order to increase the efficiency and quality of animal production in our country, is still in progress. This project is carried out in order to develop Real-Time Herd Management Systems and improve the existing ones, as well as digitizing processes such as feed control and tracking, monitoring of weather / climate conditions, step and location tracking, milk measurement and monitoring, with sensor and communication technologies.

In the field of animal health, the project "Developing live/inactivated vaccines against genotypes common in our country for Infectious Bronchitis (IB) disease in poultry" is being carried out. Poultry breeding in Turkey is quite advanced. Unfortunately, all of the poultry vaccines, which are mandatory items of chicken integrated facilities, are imported. With the outputs to be obtained at the end of this project, it is aimed to further reduce one of the important import items of Turkey and grow Hektaş Animal Health Product Portfolio.

In the field of seeds, improvement studies on vegetables and field crops continue successfully. The legal registration processes of domestic wheat varieties, whose breeding work was concluded in the R&D Center, were initiated in 2020. Significant progress has been made in the breeding of disease-resistant wheat with biotechnological methods in climate chambers, and field trials continue. Comprehensive and intensive studies are carried out on many half-way materials contributed to Hektaş Seed bank.

The contribution of the products brought into the business as R&D Center project outputs to the turnover, as well as the investment incentives we benefit from, make significant contributions to our R&D budget.

According to the "R&D 250" Research conducted by TurkishTime magazine every year, the company rose 23 steps and ranked 72nd in the list of the companies that carry out the most Research and Development activities in Turkey. In terms of the number of projects carried out, it ranks 26th in the mixed list that includes all sectors.

In the first 6 months of 2022:

The following have been achieved at the R&D Center

- 8 new R&D projects were started in 2022.
- A total of 24 R&D projects are carried out this year, with the addition of 8 new R&D projects.
- 2 of the 24 projects carried out has been completed.
- In a project carried out on seed breeding with biotechnological methods, studies were carried out regarding the Yellow Rust disease, which caused a worldwide epidemic in wheat and caused great economic losses. There is information in the literature that some wild wheat varieties that do not have commercial value do not suffer from the disease and that the reason is their resistant genes. Candidates selected to serve the farmers carrying out production activities in different regions of the country and the wheat containing the aforementioned gene were hybridized using "the methods in the classical breeding procedure" in the climate rooms of the R&D Center, the plants containing the gene in their structure were determined by molecular techniques and the studies continued with these plants. Whether the wheat seeds passed the gene on to next generations was monitored by repeated inbreeding. Project outputs relating to other stages of the breeding program such as field adaptations, quality/yield studies, clarification etc. were delivered to Areo breeding team.
- Expansion of the proprietary seed portfolio continues. 4 new Bread Wheat varieties bred in Hektaş R&D Center were registered with the names of Süngü, Gazi 38, Kahraman and Ulubaş and added to the national variety list, after the 14-chromosome Einkorn wheat named Atasiyez and Mergüze, whose production and sales rights were previously obtained. The standard registration process of durum wheat variety candidates whose breeding studies were completed continues in official institutions.
- In the field of plant protection, 19 new products in the categories of herbicide, insecticide, fungicide, fumigant and plant growth regulator, whose R&D studies were completed, were included in the portfolio and commercialized, and licenses were obtained for 3 new formulations.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

- Licenses have been obtained for 3 new products developed in the Animal Health business line.
- The DJI Agras T30 Agricultural Spraying drone has been added to the drone fleet.
- Operating on the basis of a multidisciplinary structure, the center creates fast and effective solutions with its competent research staff. Contributions to scientific studies and to the literature have been continued with congress participations and paper presentations.

The following have been achieved at Areo Seed Technologies Center;

- The Speed Breeding system was established.
- With the Real Time PCR device launched in Biotechnology and Plant Tissue Culture laboratories, molecular marker analyzes and cost-reducing and capacity-enhancing methods are rapidly optimized. Molecular marker analyses, where genetic resistance against pathogens in breeding materials is tested, continue with an almost 100% capacity.
- Preliminary studies have been started for the optimization of the double haploid method in some selected species.
- Pre-yield trials with a large number of plant seeds at various stages in the Vegetable Breeding program, large-scale farmer trials of cultivar candidates (second screen), large farmer demonstration trials before commercialization (registration), etc. have been set up and the efforts have been commenced according to the plan. Extensive farmer trials of pre-commercial hybrid cultivar candidates from the product groups studied in the vegetable breeding program continue. In addition, thousands of variety candidate seeds were obtained by using newly developed lines (Parents) whose genetic analyzes were completed in different vegetable groups.
- Production and sales rights of 2 cotton varieties obtained from the project carried out jointly with Nazilli Cotton Research Institute have been received. Commercial seed production of 2 cotton varieties registered as R&D project output is carried out in 250 decares in 2 different regions.
- Elite seed production of two einkorn varieties (Atasiyez and Mergüze), whose sales rights belong to Hektaş, has been carried out by the General Directorate of Agricultural Research and the production has been completed.

The following have been achieved at Hektaş Agricultural Innovation Training and Experience Center;

- The works carried out within the framework of Hektaş's vision and mission have been presented with practical examples to the stakeholders hosted at the facility, and mutual information was exchanged. Manufacturer expectations and feedback are taken into account as a source for R&D studies. 1,233 producers/stakeholders operating on a total of 599,040 decares of agricultural land have been hosted. In this respect,

D- ACTIVITIES OF THE COMPANY AND SIGNIFICANT DEVELOPMENTS REGARDING THE ACTIVITIES

1. Investments Activities

Investments amounting to TL 340.537.995 were made in our Company in the first six months of 2022.

2. Internal Control System and Internal Audit Activities

Within the scope of the Corporate Governance Principles published by CMB, the Audit Committee was established and its working directive were created as of June 2012. Pursuant to our Company's board of directors decision dated 24.07.2012, the Early Detection of Risk Committee was established to ensure compliance with the article 378 of the Turkish Commercial Law no. 6102 which became effective on 1 July 2012 and was declared with a special situation statement dated 24.07.2012 on KAP. The directives pertaining to these committees are available on the web site of our Company.

There is Internal Audit Department staff in our company and a manager and an internal audit specialist are in charge of the department.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

3. Explanations Regarding Private Auditing and Public Auditing

The activities of the Company are regularly and periodically audited by the Independent External Auditor and Auditors designed by the General Assembly. For 2022, the independent audit activities are carried out by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A Member Firm of Deloitte Touche Tohmatsu Limited).

4. Legal Issues**a) Lawsuits**

There are no ongoing material lawsuits filed against our Company.

b) Administrative-Judicial Sanctions

There are no material administrative sanctions or penalties imposed on our Company and the our Board of Directors Members due to practices against legislative provisions.

5. General Assemblies**Ordinary Assembly Meeting for the Year 2021**

The Company's Ordinary General Assembly Meeting for 2021 was held on 01 April 2022, at 10:30, at the Company's head office located at the address Gebze Organize Sanayi Bölgesi Mah. 700. Sokak No:711/1 P.K. 41400 Gebze/Kocaeli.

As a result of the review of the list of individuals who attended the meeting physically and electronically, it was concluded that; 353.779.162,05 shares representing the capital amount of TL 3.537.791,6205 were represented in person, while 2.296.125.100 shares representing the capital amount of TL 22.961.251 were represented by the representatives who deposited them, 50.584.305.096,50 shares representing the capital amount of TL 505.843.050,965 were represented by other representatives; thus 53.234.209.358,55 shares representing the capital amount of TL 532.342.093,5855 in total were present in the meeting and therefore the minimum meeting quorum was established.

There were no objections against the general assembly meeting held and the decisions taken and the decisions taken were accepted unanimously or by the majority of votes.

Agenda Items:

- 1- Opening, establishment of the meeting chairmanship and a moment of silence,
- 2- Authorizing the meeting chairman to sign the minutes and other documents of the general assembly meeting,
- 3- Reading and discussing the "*Board of Directors Activity Report*" for the fiscal year 2021 and submitting it for approval,
- 4- Reading the "*Independent Audit Report*" for the fiscal year 2021,
- 5- Reading, discussing and submitting for approval the 2021 Financial Position Statement, Profit Loss accounts for the fiscal year 2021,
- 6- Discussing and deciding on the release of the members of the Board of Directors for the fiscal year 2021,
- 7- Discussing and deciding on the proposal of the Board of Directors regarding the profit distribution for the fiscal year 2021 and the profit distribution date,
- 8- Election of *Independent Members of the Board of Directors* and determination of their terms of office in accordance with the provisions of the relevant legislation
- 9- Determining the remuneration of the members of the Board of Directors,
- 10- Permitting the members of the Board of Directors to carry out the works specified in Articles 395 and 396 of the Turkish Commercial Code,
- 11- Discussing and deciding on the proposal of the Board of Directors regarding the selection of an independent external audit firm for the audit of the accounts and transactions for the year 2022 in accordance with the Turkish Commercial Law and the Capital Markets Law,
- 12- Providing information on the income or benefits obtained through guarantees, pledges, mortgages and sureties given in favor of third parties,
- 13- Submitting the grants and donations made in 2021 for information and deciding on the donation limit for the fiscal period 01.01.2022- 31.12.2022,
- 14- Wishes and intentions,
- 15- Closure

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Extraordinary General Assembly Meeting for 2022

The Company's Extraordinary General Assembly Meeting for 2022 was held on 03 June 2022, at 10:30, at the Company's head office located at the address Gebze Organize Sanayi Bölgesi Mah. 700. Sokak.

As a result of the review of the list of individuals who attended the meeting physically and electronically, it was concluded that, of the paid-in capital of our company amounting to TL 860.000.000, 22.640.640,1 shares representing the capital amount of TL 226.406,401 were represented in person, while 2,374,745,899.4 shares representing the capital amount of TL 23.747.458.994 were represented by the representatives who deposited them, 50.584.305.096,50 shares representing the capital amount of TL 505.843.050,965 were represented by other representatives; thus 52.981.691.636,00 shares representing the capital amount of TL 529.816.916,36 in total were present in the meeting and therefore the minimum meeting quorum was established.

There were no objections against the general assembly meeting held and the decisions taken, and the decisions taken were accepted unanimously or by the majority of votes.

Agenda Items:

- 1- Opening, establishment of the meeting chairmanship and a moment of silence,
- 2- Authorizing the meeting chairman to sign the minutes and other documents of the general assembly meeting,
- 3- Discussing, submitting for approval and agreeing on the amendment of the article 7 titled "Capital" of the Company's Articles of Association in order to increase the Authorized Capital Cap from TL 1.000.000.000 to TL 3.000.000.000 and to authorize the Board of Directors to perform Capital Increase from 2022 to 2026 (5 years),
- 4- Closure

6. Donations Made and Social Responsibility Projects

There are no donations made by our Company in the first half of the year.

E- FINANCIAL STATUS

1. Summary of Financial Statements

The financial statements were drawn up as per the CMB Communiqué no. (II-14.1) on the Principles on Financial Reporting; the financial statements (consolidated) of 30.06.2022 have been audited on a limited basis, while the financial statements (consolidated) of 31.12.2020 have been independently audited.

Summarized Balance Sheet (TL)

(TL)	30.06.2022	31.12.2021
Current Assets	6.351.740.944	3.282.552.383
Non-Current Assets	1.877.509.616	1.448.249.128
Total Assets	8.229.250.560	4.730.801.511
Short-term Liabilities	6.204.279.769	3.112.947.762
Long-term Liabilities	190.753.113	171.279.534
Equity	1.834.217.678	1.446.574.215
Total Liabilities	8.229.250.560	4.730.801.511

Summarized Income Statement (TL)

(TL)	30.06.2022	30.06.2021
Revenue	2.530.419.764	897.721.406
Profit (Loss) From Operating Activities	708.851.757	157.954.686
Gross Profit (Loss)	1.038.642.515	278.778.372
Profit (Loss)	419.427.076	98.462.168

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Our Company prepares its budget within the framework of its strategic targets every year and the prepared budget is approved by the Board of Directors.

The current situation of the Company is reviewed during the Board of Directors meetings that are held regularly and the Company's activities are compared with the previous period and the budget targets.

2. Key Operating Indicators and Financial Ratios

Financial Indicators	30.06.2022	30.06.2021
Gross Profit Margin	%41,05	%31,05
Operating Profit Margin	%28,01	%17,60
Net Profit Margin	%16,58	%10,97
EBITDA Margin	%29,51	%20,16

(*) EBITDA Margin: Calculated with the formula (Operating Profit + Depreciation)/Net Sales

3. Financial Power

Within the framework of the calculation made based on the rates specified in the wording of the article 376 of the TCL, it has been observed that the Company's capital is not uncovered.

4. Progress of the Financing Resources and Policies Applied by the Enterprise within the Framework of this Progress

The Company is exposed to market risk (exchange rate risk and price risk), credit risk and liquidity risk due to its activities. While managing its liquidity and credit risks, the Company regularly reviews its relations with financial institutions that are financially strong and have low fundings costs in the market. The company's risk management program is generally focused on minimizing the potential negative impacts of the uncertainty in the financial markets on the company's financial performance. The Company uses derivative products as protection against financial risks. Products offered by banks regarding cash management solutions are used for the purpose of regulating cash flow and reducing collection risk.

Quality and Amount of the Issued Capital Market Instruments

The application regarding the certificate of issuance pertaining to the debt instruments to be issued to designated and/or qualified investors without being offered to the public domestically up to a nominal amount of TL 1.000.000.000, which was made by our Company to the Capital Market Board, was approved by the Capital Market Board on 03.02.2022. In this respect, the debt instruments issued by our Company within this framework are listed below respectively;

*The payment for the financing bill with the nominal value of TL 100.000.000, maturity of 91 days and ISIN Code TRFHEKT52219, which was issued to qualified investors by our Company on 16/02/2022, was made by our company on 18/05/2022.

*The financing bill with the nominal value of TL 165.000.000, maturity of 96 days and ISIN Code TRFHEKT82216, which was issued to qualified investors by our Company, was issued on 12/05/2022.

*The financing bill with the nominal value of TL 100.000.000, maturity of 95 days and ISIN Code TRFHEKT92215, which was issued to qualified investors by our Company, was issued on 30/05/2022.

*The financing bill with the nominal value of TL 307.000.000, maturity of 91 days and ISIN Code TRFHEKTE2213, which was issued to qualified investors by our Company, was issued on 25/07/2022.

5. Dividend Distribution

Our Profit Distribution Policy Set in the Ordinary General Assembly Meeting held on 27.03.2015 is explained below.

The Company has principally adopted the policy of distributing the entire distributable profit of the period in cash to the extent permitted by the prospective free cash generation expectation, including investment / financing needs and market projections, and financial leverage ratios, within the framework of the applicable legislation and the provisions of the Company's Articles of Association. The profit distribution policy is reviewed annually by the Board of Directors, in the light of the national and global economic circumstances, the projects on the company's agenda and the status of its funds.

INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS PREPARED AS PER THE COMMUNIQUE NO. II - 14.1

Dividends are paid by December 15 of the related calendar year in instalments with equal or different amounts within the framework of the legislative provisions, by authorizing the Board of Directors in the general assembly meeting where the distribution is decided.

Within the framework of the provisions of the relevant legislation, the General Assembly is authorized to distribute Advance Dividends.

Profit Distribution is realized within statutory time frames.”

In line with the decision taken by our Company's Board of Directors, it has been unanimously decided by the meeting attendants during the Ordinary General Assembly Meeting of 2021 which was held on 01 April 2022 that, in order to support our growing balance sheet in FY 2021 as well and in the light of the conditions required in the Company's profit distribution policy, the distributable profit of the period pertaining to FY 2021 should not be distributed and the amount remaining after setting aside primary reserves should be booked under extraordinary reserves; therefore, profit distribution for 2021 should not be made.

6. Information about the Industry where the Enterprise is Active

Agricultural Production Data:

In June 2022, Agriculture – PPI (2015=100) declined by 0.66% compared to the previous month, while increasing by 98.84% compared to December in the previous year, by 148.90% compared to the same month in the previous year and by 67.98% compared to 12-month averages.

In terms of sectors, there was a decline of 0.91% in agricultural and hunting products and relevant services, a decline of 3.32% in forestry products and relevant services and an increase of 15.48% in fish and other fishery products compared to the previous month. Compared to the previous month, there was a 1.39% decrease in one-year plant products, a 12.23% decrease in perennial plant products, and a 10.69% increase in live animals and animal products in the main groups.

The subgroups with low annual increase were other farm animals and animal products with 64.63%, sheep and goats and their unprocessed milk and fleece with 70%, respectively. On the other hand, the subgroups with high annual increase were fiber plants with 277.14% and cereals (excluding rice), legumes and oil seeds with 184.99%, respectively.

The subgroups where a higher decrease compared to the previous month were observed were vegetables and melon-watermelon with 23.82%, roots and tubers with 21.74%, and pome fruits and stone fruits with 21.74%, respectively. On the other hand, the subgroup with the highest monthly increase was oil fruits with 29.01% and cereals (excluding rice), legumes and oilseeds with 23.11%.

Growth in agriculture:

The Turkish economy grew by 7.3% on an annual basis in the first quarter of 2022. In terms of activities that constitute the GDP, it is observed that agriculture increased by 0.9% compared to the same period of the previous year in the first quarter of 2022.

With respect to other activities that constitute the GDP; it is observed that, as a chained volume index compared to the previous year; finance and insurance activities increased by 24.2%, information and communication activities increased by 16.8%, services increased by 14.9%, professional, administrative and support service activities increased by 8.9%, industry increased by 7.4%, other service activities increased by 6.8%, real estate activities increased by 5.4%, while public administration, education, human health and social service activities increased by 5.2% in the first quarter of 2022. The construction sector, on the other hand, decreased by 7.2%.

Exports of Agricultural Products:

According to the TGDF Digital Data Panel prepared by Agrimetre, based on the Foreign Trade Data announced by the Turkish Statistical Institute 10.1 billion USD exports and 8.6 billion USD imports were realized in the first 5 months of 2022, in the agriculture, food and beverage sector. According to the calculations including the products selected from all GTUP items between the chapters 01 and 23 and the chapters 29 and 35, the foreign trade surplus of the sector declined by 7.8% compared to the same period of the previous year.

The prominent products in exportation in the first 5 months of 2022 are; flour (0,54 billion USD), hazelnut kernels (0,41 billion USD) and pasta (0,37 billion USD) respectively, constituting approximately 13.1% of the total exportation.

The most imported products in the first 5 months of 2022 are wheat (1.4 billion USD), Soybean (0.9 billion USD) and Crude Sunflower Oil (0.7 billion USD) respectively. These 3 products constituted approximately 34.8% of the total importation. It is noteworthy that the first two countries to import most of the wheat, which ranks first in imports, are Russia (1.06 billion dollars) and Ukraine (0.23 billion dollars), which are at war. These two countries accounted for more than 92% of wheat imports in the first 5 months of the year.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

In May 2022, the prominent products in exports were wheat flour (103 million USD), refined sunflower oil (97.7 million USD) and frozen chicken meat (76.5 million USD).

According to the foreign trade data of the first 5 months of 2022, sugar and sugary products (974 million USD), Vegetable Oil (831 million USD), nuts (815 million USD), fresh fruit (721 million USD) and fisheries-water products (576 million USD) were listed as the sectors with the highest exportation. These five sectors performed 39% of the total exports.

Supports:

According to the statement made by the Ministry of Agriculture and Forestry, as of 15 April 2022, approximately 3 billion 582 million TL of support will start to be transferred to the accounts of producers within the scope of agricultural support payments.

It was stated that a total of 1 billion 602 million TL support was provided to breeders within the scope of raw milk, calf, buffalo, buffalo calf and milk analysis support by the Ministry of Agriculture and Forestry as of 22 April. It was announced that a total of 156 million 585 thousand TL support was paid to the breeders by the Ministry in 7 different fields, mainly bee hive support, pine honey compensation support, and breeder queen bee support.

The Ministry also announced that as of 27 May, support payments amounting to 1 billion 44 million 493 thousand 492 TL have been made to breeders in 7 items, primarily for Small Cattle Breeding for Improvement, Stocker Male Cattle and Herd Manager Supports.

Climate and its Impacts:

Average temperatures in the spring of 2022 were above seasonal normals in Ceylanpınar, Kale/Demre, below seasonal normals in Balıkesir, İpsala, Çeşme, Emirdağ, Beyşehir, Antakya, Tefenni, Korkuteli, Erdemli, Yozgat, Nevşehir, Aksaray, Kayseri, Niğde, Konya, Zara, Ordu, Rize, Hopa, Artvin, Bolu, Kastamonu, Karabük, Merzifon, Osmaniye, Nallıhan, Zile, Şebinkarahisar, Bitlis, Tortum, Baskil, and around seasonal normals in other parts of our country.

In Turkey, the precipitation in June was above the normal and last year's precipitation. The normal precipitation in June for the 1991-2020 period is 33.6 mm, the precipitation in June 2022 is 53.7 mm, and the precipitation in June 2021 is 37.1 mm. The precipitation increased by 60% compared to the normal precipitation and by 45% compared to the precipitation in June last year. Overall, precipitation increased in all our regions except the Southeast Anatolia Region, while the Black Sea Region received the highest June precipitation in the last 90 years. Precipitation increased by more than 100% in the Western Black Sea, northern Central Anatolia, Central Mediterranean, Southern and Central Aegean, and Kayseri, Malatya, Tunceli regions, while it decreased by more than 80% in Mardin, Batman and Şırnak regions.

In terms of provinces, the highest precipitation was recorded in Bartın with 232.8 mm and the lowest precipitation was recorded in Mardin with 0.5 mm. The highest June precipitation in the last 90 years occurred in Zonguldak, Karabük, Bartın, Kastamonu and Düzce. The average number of rainy days in June throughout Turkey was 10.6. (The normal number of days between 1991-2020 is 6,5). There was less than 5 days of precipitation in the Coastal Aegean, Coastal Mediterranean and Southeastern Anatolia Regions, while more than 20 days of precipitation was observed in the inner parts of the Western Black Sea Region and around Giresun, Ordu, Trabzon, Rize. The number of precipitation days fell down to 1 day in the regions of Mardin, Şanlıurfa, Şırnak and Batman.

Marmara Region

While the average temperatures were below the seasonal normals in the Balıkesir and İpsala regions, they were around the seasonal normals in other parts of the region. The lowest temperature of the region was -8.3 °C in Bilecik and the highest temperature was 37.4 °C in Balıkesir. The precipitation received by the region in June has been 49.0 mm; the normal precipitation is 41.5 mm and the precipitation in June 2021 was 65.0 mm. There was a 18% increase in precipitation compared to the normal, and a 25% decrease compared to the precipitation in June 2021.

Aegean Region:

While the average temperatures were below the seasonal normals in Çeşme and Emirdağ regions, they were around the seasonal normals in other parts of the region. The lowest temperature of the Aegean Region was -12.6 °C in Tavşanlı and the highest temperature was 38.5 °C in Milas. The precipitation received by the region in June has been 56.6 mm; the normal precipitation is 26.1 mm and the precipitation in June 2021 was 46.1 mm. There was an increase of more than 100% in precipitation compared to the normal, and 23% increase compared to the precipitation in June 2021.

Mediterranean Region:

Average temperatures were above seasonal normals in Kale/Demre, below seasonal normals in Beyşehir, Antakya, Tefenni, Korkuteli and Erdemli regions and around seasonal normals in other parts of the region. The lowest temperature in the Mediterranean Region was recorded as -15.0 °C in Göksün, while the highest temperature was recorded as 39.2 °C in İslahiye. The precipitation received by the region in June has been 40.9 mm; the normal precipitation is 21.2 mm and the precipitation in June 2021 was 33.1 mm. There was a 92% increase in precipitation compared to the normal, and a 24% increase compared to the precipitation in June 2021.

Central Anatolia Region:

INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS PREPARED AS PER THE COMMUNIQUE NO. II - 14.1

While the average temperatures were below the seasonal normals in Yozgat, Nevşehir, Aksaray, Kayseri, Niğde, Konya and Zara regions, they were around the seasonal normals in other parts of the region. The lowest temperature of the Central Anatolia region was -18.1 °C in Kangal and the highest temperature was 35.5 °C in Çankırı. The precipitation received by the region in June has been 60.8 mm; the normal precipitation is 36.6 mm and the precipitation in June 2021 was 48.9 mm. There was a 66% increase in precipitation compared to the normal, and 24% increase compared to the precipitation in June 2021.

Southeast Anatolia Region:

While the average temperatures were above the seasonal normals around Ceylanpınar, they were around the seasonal normals in other parts of the region. The lowest temperature in the Southeast Anatolia region was -6.7 °C in Batman and the highest temperature was 41.7 °C in Ceylanpınar. The precipitation received by the region in June has been 3.7 mm; the normal precipitation is 8.7 mm and the precipitation in June 2021 was 0.9 mm. There was a 58% decrease in precipitation compared to the normal, and a more than 100% increase compared to the precipitation in June 2021.

The month of April was dry, and cotton was planted 3-4 times in places, with the irregular rains towards the end of the month. The precipitations was observed partially in the province of Mardin. The region received precipitation until May 10-15, due to which cotton plants were re-planted. Wheat yields were good in rainy areas.

Developments in Agriculture:

The IPARD III Program to be implemented between 2021 and 2027 was accepted pursuant to the decision taken by the European Commission. The IPARD III Program, prepared by the Ministry of Agriculture and Forestry General Directorate of Agricultural Reform as the Managing Authority, will remain in effect for the next 7 (+3) years. In the IPARD III Program, for which a fund of 430 million Euros has been allocated by the European Commission, the amount of grant to be distributed to the beneficiaries in return for the project will be approximately 555 million Euros, with the addition of the national contribution. It is expected that the total amount of investment to be brought to the economy will exceed 1 billion Euros. The program will be implemented in 42 provinces in our country.

The program will start to be implemented in the last quarter of 2022 with the signing of the Framework Agreement, the Sectoral Agreement and the Financial Agreement.

Within the scope of the IPARD III Program, support will be provided to:

- M1- Investments in Physical Assets of Agricultural Enterprises: Dairy, red meat, poultry meat farming and egg poultry farming.
- M3- Investments in the Processing and Marketing of Agricultural and Fishery Products: Sub-sectors such as milk processing, whey, milk collection centers, liquid eggs, meat processing, slaughterhouses, combines, fruit-vegetable storage, aquaculture processing and storage.
- M4- Agriculture-Environment-Climate and Organic Agriculture: Beneficiaries who apply on a voluntary basis in the pilot regions in the areas of combating erosion, biodiversity and organic agriculture will be supported through compensation payments.
- M5- Development of Local Development Strategies – LEADER Approach: Projects for the development of rural areas will be supported with Local Action Groups established in rural areas.
- M6- Public Infrastructure Investments in Rural Areas: Local governments will be supported in the fields of road, bridge, waste management, water management, information and communication technologies, renewable energy investments.
- M7- Diversification of Farm Activities and Business Development: Crop production, beekeeping, value-added products, handicrafts, rural tourism, machinery parks and renewable energy facilities will be supported on the condition that they are in rural areas.
- M10- Consultancy Services: These services will be used to design and finance consultancy services for agricultural enterprises and farmers operating in rural areas.

Regional Developments In Terms of Crops

Mediterranean Region

Tomatoes have been priced up to 8-10 TL/KG in the domestic market, and export tomatoes of good quality have been priced up to 15 TL/KG. Depending on their variety, pepper prices ranged between 13 - 30 TL, while eggplants were priced at 7.5 - 10 TL. Cucumber prices declined from 6-7 TL to 3-5 TL towards the end of April. The banana harvest was 90-95%. In the Yayla region, the output price of apples in the warehouse was valued at 5-6 TL.

Considering market conditions, it is observed that prices range between 2-4 TL for tomatoes and 2-4 TL for pepper groups depending on variety. Upon the appearance of fruit in apple trees in Isparta region, purchase contracts for exportation of unpicked red apples started. Unpicked red apples with a caliber above 65 mm were priced at 5-6 TL in June.

As the season ended in Antalya region, unplanning processes were observed to start in greenhouse cultivation. Apart from early fall tomato cultivation, it was a productive season as there were generally high turnovers in the regions. It has been observed that vegetable prices were lower than announced, due to frequent harvesting of crops due to increased temperatures and end of the season. It was observed that tomato prices decreased from 8 TL to 2 TL, pepper prices decreased from 17 TL to 4 TL depending on the variety, and eggplant prices decreased from 15 TL to 3 TL.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

It was stated that in regions such as Antalya - Aksu / Alaylı - Demre - Kınık, where single planting cultivation is carried out, turnover between 120.000 – 170.000 TL on average was generated per decare in Tomato product patterns, reaching the highest figures of all times. It could be said that, crops do not fall below certain figures due to the activity of the export market, resulting in a high regional market.

Lemon prices are known to reach 7-8 TL on the Dalaman - Ortaca Line. It was noted that the prices, which were higher in the last season compared to these periods, received positive reactions throughout the region.

Seasonal tomato and cucumber harvesting has started in the eastern region of Antalya. Harvesting at the rate of 90-95% was achieved in banana production.

Southeast Anatolia Region

Prices of corn, cotton, wheat, lentil, barley, apricot (dried), apricot (yellow) were 10,3 TL per kg, 22,33 TL per kg, 10,33 TL per kg, 14,73 TL per kg, 5,16 TL per kg, 149,66 TL per kg, and 134 TL per kg, respectively.

Marmara Region

Hazelnut prices ranged between 32-35 TL, while quince prices ranged between 3,5-4,5 TL.

7. Position of the Enterprise in the Industry

Hektaş maintains its position among the leading companies in the pesticides sector with its superior performance in the first 6 months of 2022. Furthermore, the company preserves its top position in organomineral fertilizers category in the plant nutrition sector and is among the top three companies in the market in the smart (special) fertilizers group.

8. Development of the Enterprise

Within the scope of the modernization, automation and robotic system project initiated at the Company's Plant Protection Products production facility in Gebze district of Kocaeli province, the installation of the filling lines and robotic system of the Powder Form Production Facility continues and will be completed in September 2022. The renovation and repair works commenced in July in line with the project in the "Herbicide Form Production Facility" building, which constitutes the last part of the modernization, automation and robotic system project, will be completed in December 2022. With the action for expanding current warehouse areas within the scope of the modernization, automation and robotic system project, the raw material storage inventory capacity, which currently has an area with 2,500 palletes of capacity, will reach 4,850 palletes with a 94% increase. The studies are planned to be completed in November 2022.

Vegetable production in greenhouses and field crops production in the open field are carried out as part of the Traceable Safe Food Platform project at the Orhangazi Agricultural Innovation Training and Experience Center located in the district of Orhangazi in the province of Bursa on an area of 607 decares.

The studies carried out under the 'Agricultural Innovation Training and Experience Center' project continue in accordance with the project schedule. The IOT building located on plot 80/107 has been completed, and the guesthouse, congress center, levels and offices, material warehouse and biological control organism project building are expected to be completed in December 2022.

At the Agricultural Innovation Training and Experience Center, producers have started to be hosted based on crops and regions, and as of June 30, the number of producers visiting the plant has reached 2166.

The total indoor area of the 'Pet Food Production Facility' established in the Manyas District of Balıkesir will be 10,375 m2. Within the scope of the project, construction works, auxiliary facilities, landscaping and infrastructure works are ongoing. Capacity in multi-product production will be 2,400 tons/month and 28,800 tons/year. The project is planned to be completed in December 2022 in accordance with its schedule.

In the "High Technology Center", which has been launched in the Sincan district of Ankara, studies and R&D activities will be carried out to produce organomineral liquid fertilizers with amino acid, bacteria, enzyme content, and composite liquid fertilizer.

As of the second quarter of 2022, 2 of the 24 projects on Plant Protection, IOT, Artificial Intelligence, Safe Food, Seed, Plant Nutrition, Animal Health and Environmental Health were successfully completed at the R&D Center, and studies within the scope of other projects are ongoing.

9. Products

The product portfolio of Hektaş contains more than 400 plant protection and plant nutrition products as well as animal health, seeds, pet food and care products, in line with our country's ecological structure and product variety.

Large farmer trials continue for pre-commercialization hybrid cultivar candidates from the product groups studied in the vegetable crops breeding group in the seed business. These consist of 26 tomato and 30 pepper hybrid cultivar candidates.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

In addition, by using newly developed lines all of whose genetic analyses have been completed, seeds of 2600 Tomato, 3200 Pepper, 120 Eggplant and 100 Cucumber cultivar candidates were obtained. All of them will be put into trial under greenhouse conditions in fall 2022.

In the seeds business line, 4 varieties of wheat were registered in the field breeding group. The breeding material of these varieties was propagated by seeds. In the 2022-2023 production year, seeds will be produced from elite lines in 3 regions.

Elite seed reproduction of 2 registered varieties in einkorn wheat has been completed.

The activities for commercial seed production of 2 varieties registered in cotton continue in Adana and Aydın sites on a total area of 250 decares. Breeding studies and farmer trials continue for Corn and Sunflower.

10. Capacity Utilization Rates

The capacity usage rates of the Company pertaining to the first six months of 2022 compared with the same periods of the last two years are shown below.

Production Facility	Capacity Usage Rate (01 January -30 June)		
	2020	2021	2022
Gebze (Plant Protection)	66%	137%	179 %
Niğde (Plant Protection)	100%	112%	115 %
Adana (OMG)**	63%	93%	52 %
Ankara (Vet.med. pr.)	-	-	25 %

* CUR: Capacity Utilization Rate (calculated over 8 hours/day and 255 days/year)

** Adana OMG's Production Capacity increased by 15.000 tons annually and reached 99.000 tons in 2021

11. Production (Quantity)

The production quantities of our Company pertaining to the first six months of 2022 compared with the same periods of the last two years are shown below.

Gebze Production Facility	Realized Production (kg/lt) (01 January-30 June)		
	2020	2021	2022
Technical Substance	1.568.704	2.106.092	3.061.050
Liquid Form	3.165.197	3.827.370	3.773.453
Herbicide Liquid Form	838.137	1.518.488	1.660.355
Solid Form	2.034.434	3.059.264	3.798.233
Grand Total	7.606.472	10.511.214	12.293.091

Niğde Production Facility	Realized Production (kg/lt) (01 January-30 June)		
	2020	2021	2022
Technical Substance	681.025	1.145.060	1.335.166
Liquid Form	673.018	1.305.476	1.249.644
Herbicide Liquid Form	1.167.652	1.905.603	1.890.101

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Solid Form	112.779	13.800	204.488
Grand Total	2.634.474	4.369.939	4.679.399

Adana Production Facility	Realized Production (kg/lt) (01 January-30 June)		
Nature of Production	2020	2021	2022
Organomineral Fertilizer	32.941.600	46.170.518	40.645.925

Ankara Production Facility	Realized Production (Number) (01 January-30 June)		
Nature of Production	2020	2021	2022
Betalactam Vial	-	-	267.231
Betalactam Powder	-	-	14.940
Sterile Vial	-	-	598.001
Tablet	-	-	413.682
Grand Total	-	-	1.293.854

12. Developments in Sales

Examination of the Company's revenue of the first 6 months indicates an increase in sales revenue at around 182% compared to 2021.

It is observed that particularly the Tradite Organomineral Fertilizer and Yara Premium Fertilizer Groups, which are served in the Plant Nutrition business, have had positive effects on the increase in revenue.

Again, the impact of global developments continue on the Plant Nutrition business line. The Russia-Ukraine war has played a decisive role in the current supply-demand imbalance. In the light of these developments, fertilizer prices have continued to increase all over the world and in Turkey, just as in the first quarter of the year. Increases in the natural gas prices in the global market have maximized particularly the production costs in Europe.

In our country, the months of January and February were stagnant particularly due to the producers who planted fields without using base fertilizer and the expectation of a decrease in prices. Regardless of these negative developments, HEKTAŞ continued to grow in the Plant Nutrition business line based on TL and Profitability, thanks to its strategic and foresighted efforts, just as in the last year. In addition, Hektaş has once again demonstrated that it is the dominating player in the Organomineral Fertilizer and Premium Fertilizer markets.

In line with the widespread channel management strategy carried out in the Animal Health business line, the positive effects on the field as a result of both the new regional positioning in the sales team and the expansion of the field structures of the channel operation team continue in the second quarter as well. Thanks to Arma İlaç, the increase in the number of product types compared to previous periods positively supports the turnover growth. Achievement of targets at the retail level can be tracked, campaign performances can be measured and reporting is supported through data analyses, thanks to the effective use of the Field automation software, which started to be used as of 2022. Marketing activities are continued in order to ensure that our brand power as Hektaş is effective in the field of animal health as well.

Again in order to increase the recognition of Hektaş in the field of Animal Health, career days held by student societies at Ankara University Faculty of Veterinary Medicine and Mehmet Akif Ersoy University Faculty of Veterinary Medicine were attended and branding studies for recognition among students were started for the first time, in the second quarter.

Investments and innovations that will shape the pet food industry are followed closely by participating in Interzoo, the world's largest international pet industry trade fair, which is held every 2 years in Nuremberg, Germany and attended by thousands of exhibitors and visitors from many countries of the world.

In the Plant Protection business line, sales were performed without being affected by the exchange rate fluctuations in the second quarter of 2022, and these sales exceeded the desired profitability rates thanks to the right strategies applied in the highly volatile market environment. The Marketing and Sales strategies implemented particularly for product groups with major shares in the total revenue ensured significant increase in the profitability rates in relevant product groups.

Despite the global recession concerns and exchange rate movements, Hektaş achieved significant sales and profitability figures for Plant Protection products through successful strategies. Thanks to the Efficiency in Agriculture Movement, which

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

was implemented at the end of the first quarter, our field visits continue intensively, and producer visits have accelerated. Thus, our brand power is reinforced and we maintain our remarkable and leading position in the sector.

13. Sales (Quantity)

As a result of the comparison of the sale quantities of our Company pertaining to the first six months of 2022 compared with the same periods of the last two years, it has been observed that;

- In the first six months of 2022, 75,581,433 kg of sales were realized, while this figure was 83,023,536 kg in the same period of 2021. Particularly in the first quarter of 2022, products with higher added value were sold primarily.
- In the same period of 2020, 42,536,775 kg of sales were realized.

14. Incentives

Our company has benefited from the Investment Incentive Certificates that it obtained in the related period.

F- RISKS AND EVALUATION OF THE BOARD OF DIRECTORS**1. Risk Management Policy**

Within the scope of the Corporate Governance Principles published by CMB, the Audit Committee was established and its working directive were created as of June 2012. Pursuant to our Company's board of directors decision dated 24.07.2012 the Early Detection of Risk Committee was established to ensure compliance with the article 378 of the Turkish Commercial Law no. 6102 which became effective on 1 July 2012 and was declared with a special situation statement dated 24.07.2012 on KAP. The directives pertaining to these committees are available on the web site of our Company.

2. Early Detection of Risk Committee

Pursuant to our Company's Board of Directors decision dated 24.07.2012 the Early Detection of Risk Committee was established to ensure compliance with the article 378 of the Turkish Commercial Law no. 6102 which became effective on 1 July 2012 and was declared with a special situation statement dated 24.07.2012 on KAP. These guidelines are available on the web site www.hektas.com.tr.

3. Prospective Risks

The Early Detection of Risk Committee of the Board of Directors regularly analyzes the risks to be encountered in the future by the company. In the evaluations made as of the reporting period, no risks that could affect the company's future activities could be detected.

G- OTHER ISSUES**1. Organizations Outside of the Headquarters****a. Our Production Facilities**

- *Hektaş OMG Production Facility (ADANA)*
- *Hektaş General Directorate and PPP Production Facility (GEBZE)*
- *Ferbis PPP Production Facility (NİĞDE)*
- *ARMA Pharmaceutical Production Facility (ANKARA)*

b. Our Regional Directorates and Our Other Centers

We have 6 Regional Directorates in Çukurova, Central Anatolia, Marmara, Aegean and Gap regions and an "Agricultural Innovation, Training and Experience Center" in the Orhangazi district of the province of Bursa with an "Ankara High Technology Center" in the Sincan district of the province of Ankara.

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

c. Our R&D Centers

- *Hektaş General Directorate and PPP Production Facility (GEBZE)*

2. Information about Legislative Amendments that may Significantly Affect the Company's Activities

There are no legislative changes such as incentives, taxes, etc. which may significantly affect the financial statements of our Company.

3. Information about the Conflicts of Interest Occurring between the Company and Institutions Providing Services to the Company in Matters such as Investment Advisory and Rating and the Measures Taken by the Company to Prevent such Conflicts

None

4. Information about the Employee's Social Rights, Professional Training and Activities of the Company which Yield Other Social and Environmental Implications

Health insurance, private pension with company contribution, education allowance, death benefit, marriage support and maternity aid are provided as social rights to the employees of our Company. In addition, training programs are implemented to increase their professional development within the framework of the training programs prepared on an annual basis. Priority is also given to the development of environmentally friendly technologies in order to minimize the negative effects on the environment and society by closely following the latest developments regarding human health, environmental protection and operational safety.

5. Information that must be Submitted to the Shareholders Regarding Related Party Transactions and their Balances

Information about the transactions conducted by our Company with related parties is provided in the footnote no. 21 of our financial statements of 30.06.2022.

6. Information to Stakeholders

Information about our Company's Investor Relations Department is provided below.

NAME SURNAME	DUTY	LICENSE	E-MAIL	TELEPHONE
Tuba BEKTAŞ	Investor Relations Department Manager	CMB Level 3 License, Corporate Governance Rating License, Derivative Instruments License, Credit Rating License	tuba.bektas@hektas.com.tr	+90 262 751 14 12
Uğur AKBAS	Investor Relations Department Officer		ugur.akbas@hektas.com.tr	+90 262 751 14 12
Investor Relations E-mail Address			investorrelations@hektas.com.tr	

Events Occurring within the Period:Acquisition of Financial Fixed Assets

The transaction of taking over 51% of "Agriventis Technologies Pty.Ltd" from Oyak Sermaye Yatırımları A.Ş. For a price of TL 28.000.000, which was brought to the attention of our stakeholders via the Public Disclosure Platform (KAP), was started in December 2020 and the acquisition of financial fixed asset was disclosed to the public with the KAP disclosure dated 12.01.2022.

Report on the Use of the Fund to be Obtained - Obtained from the Capital Increase

The report regarding the completion of the use of the whole fund obtained as a result of the increase of the issued capital carried out by our Company in 2021, which was prepared by the Audit Committee under the article 33 of the

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Communiqué no. VII-128.1 of the Capital Market Board, was disclosed to the public with the KAP disclosure dated 19.01.2022.

Issuance Certificate

The issuance certificate and application form pertaining to the debt instrument to be issued for designated and/or qualified investors without being publicly offered in the country up to the nominal value of TL 1.000.000.000, which were approved by the Capital Market Board on 03.02.2022 have been disclosed to the public with the KAP disclosure dated 04.02.2022.

Common and Continuous Transactions

Since the common and continues commercial activities covering the sales of raw materials, packages and products between our Company and FERBİS Tarım Ticaret ve Sanayi Anonim Şirketi constitute a share exceeding 10% within total sales, the "Report on Common and Continuous Transactions" has been prepared for the transactions between our Company and our subsidiary FERBİS Tarım Ticaret ve Sanayi Anonim Şirketi, and the report has been declared to the public and brought to the attention of our stakeholders with the KAP disclosure dated 11.02.2022.

Issuance of Financing Bill

- The financing bill with the nominal value of TL 165.000.000, maturity of 96 days and ISIN Code TRFHEKT82216, which was issued to qualified investors by our Company, was issued on 12/05/2022.

*The payment for the financing bill with the nominal value of TL 100.000.000, maturity of 91 days and ISIN Code TRFHEKT52219, which was issued to qualified investors by our Company on 16.02.2022, was made by our company on 18/05/2022 and the bill has been redeemed.

- The financing bill with the nominal value of TL 100.000.000, maturity of 95 days and ISIN Code TRFHEKT92215, which was issued to qualified investors by our Company, was issued on 30/05/2022.

Notification on General Assembly Transactions***Ordinary General Assembly***

- The invitation text and agenda of the Ordinary General Assembly meeting of 2021 which was held on 01.04.2022, the notification on dividend distribution transactions, the notification on the selection of the Independent Audit Firm for 2022 and the notifications on Independent Board Member Candidates to be nominated at the General Assembly were declared to the public with the KAP disclosures dated 09.03.2022, 18.03.2022, 28.03.2022 respectively.

- The Ordinary General Assembly meeting for 2021 was held on 01.04.2022. At the end of the General Assembly Meeting, the notification on dividend distribution transactions and the notifications on the selection of the Independent Audit Firm for 2022 were declared to the public with KAP disclosures on the same day. The registration procedures regarding the General Assembly meeting and selection of the Independent Audit company and Independent Board Members were brought to the attention of our stakeholders and declared to the public with the KAP disclosure dated 06.04.2022.

Extraordinary General Assembly Meeting

- The invitation text pertaining to the Extraordinary General Assembly Meeting of 2022 held on 03.06.2022 and the agenda were disclosed to the public with the KAP disclosure dated 10.05.2022.

- The Extraordinary General Assembly meeting for 2022 was held on 03.06.2022. The conclusion of the General Assembly meeting and the new Authorized Capital cap were disclosed to the public with KAP disclosures on the same date. The registration processes regarding the Authorized Capital Cap and the General Assembly meeting were brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 06.06.2022.

Distribution of Duties of the Board of Directors

It has been decided that, the legal person board of directors member OMSAN Lojistik A.Ş. (Musa Levent ORTAKÇIER acting on their behalf) shall be elected as the Chairman of the Board of Directors for 1 year and the legal person board of directors member OYTAŞ İç ve Dış Ticaret A.Ş. (Baran ÇELİK acting on their behalf) shall be elected as the Deputy Chairman of the Board of Directors for 1 year and the decision was brought to the attention of our stakeholders and declared to the public with the KAP disclosure dated 01.04.2022.

Board of Directors Committees

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

Under the Corporate Governance Communiqué no. II-17-1 of the Capital Market Board, it has been decided to:

-Appoint the Independent Board of Directors Member Kamil DERECE as Chairman and the Independent Board of Directors Member Kadri ÖZGÜNEŞ as member of the Company's Board of Directors Audit Committee;

-Elect the Independent Board of Directors Member Bülent Şamil YETİŞ as Chairman and the Independent Board of Directors Member Kamil DERECE and Investor Relations Department Manager Tuba BEKTAŞ as committee members of the corporate Governance Committee.

-Elect the Independent Board of Directors Member Kadri ÖZGÜNEŞ as chairman and the Independent Board of Directors Member as committee member of the Early Detection of Risk Committee and the decision was brought to the attention of our stakeholders and declared to the public with the KAP disclosure dated 01.04.2022

Change of the Legal Person Board of Directors Member Representative

Arif ÇETİNKAYA was appointed in place of (the natural person Remzi ER acting on behalf of), OYAK Pazarlama Hizmet ve Turizm Anonim Şirketi, Legal Person Board of Directors of our as of 01.04.2022 and the appointment was brought to the attention of our stakeholders and declared to the public with the KAP disclosure dated 01.04.2022

Notification on Authorized Capital Cap Transactions

The procedures for the extension of the validity of our Company's Authorized Capital Cap to the years 2022-2026 and increasing the authorized capital cap from 1.000.000.000 (one billion) TL to 3.000.000.000 (three billion) TL have been stated with the decision taken by the Board of Directors on 15.04.2022 and the processes have been brought to the attention of our stakeholders and declared to the public with the KAP disclosures dated 15.04.2022, 21.04.2022 and 28.04.2022 respectively.

A final decision has been taken in the Extraordinary General Assembly Meeting of 2022, which was held on 03.06.2022 with respect to the extension of the validity of our Company's Authorized Capital Cap to the years 2022-2026 and increase of the authorized capital cap from 1.000.000.000 (one billion) TL to 3.000.000.000 (three billion). The decision was registered by Gebze Trade Registry Office on 06.06.2022 and has been brought to the attention of our stakeholders and disclosed to the public.

Notification on Capital Increase Transactions

The decision taken by the Board of Directors to increase our Company's paid in capital of TL 860.000.000 to TL 2.530.000.000 by a total amount of 1.670.000.000, TL 1.290.000.000 of which will be paid, and TL 380.000.000 of which will be unpaid, has been brought to the attention of our stakeholders and declared to the public with the KAP disclosure dated 15.04.2022.

Articles of Association

The wording of the article 7 titled "Capital" of HEKTAŞ TİCARET TÜRK A.Ş.'s articles of association, which was amended in order to increase the authorized capital cap to TL 3.000.000.000, was approved by the Capital Market Board and the Ministry of Trade and this situation was disclosed to the public with the KAP disclosure dated 28.4.2022. The Authorized Capital Cap was approved during the Extraordinary General Assembly held on 03.06.2022 and registered by the Gebze Trade Registry Office on 06/06/2022. The final version of our Company's Articles of Association was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 06.06.2022.

Events Occurring Outside of the Period:

Disclosure on Capital Increase

Decision on the Capital Increase

- 1) It has been unanimously decided by the participants of the meeting that: Based on the authority in the article 7 of the Company's Articles of Association, the issued capital of TL 860.000.000 within the authorized capital cap of TL 3.000.000.000 will be increased to TL 2.530.000.000 with an increase of TL 1.670.000.000, TL 1.290.000.000 (150%) of which will be supplied in cash (paid), and TL 380.000.000 (44,18604%) of which will be supplied from internal resources,
- 2) The capital increase of TL 1.290.000.000 which is made on paid basis will be made with payment, over the nominal value (1 TL) of 1 lot (100) share certificates, without restricting the current shareholders' rights to acquire new shares (preemptive rights),
- 3) The period of exercising the rights to acquire new shares (preemptive rights) should be designated as 15 days and share certificates will be granted over their nominal value; if the last day of this period is a public holiday, the period allowed for exercising the right to acquire new shares should end on the evening of the following business day,

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

- 4) The shares remaining after exercising the rights to acquire new shares (preemptive rights) will be sold on the Stock Exchange at the price to be established on Borsa İstanbul A.Ş., which will not be lower than the nominal value, for 2 (two) business days,
- 5) Within the scope of this decision, the intermediary institution to work with in the process of selling the part remaining after the exercise of the rights to purchase new shares on the stock exchange and throughout the period of exercising the rights to acquire new shares will be determined and the necessary applications to the Capital Market Board, Borsa İstanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş. and İstanbul Takas ve Saklama Bankası A.Ş. (Takasbank) as well as all other public and private institutions and organizations will be made,
- 6) Our Board of Directors decided to authorize the Headquarters for the conduct of all kinds of transactions with respect to the capital increase. The decision has been brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 04.07.2022 on the same date.

Application to the CMB with the Prospectus Regarding the Increase Decision

An application has been made to the Capital Market Board on 04.07.2022 for the approval of the prospectus prepared regarding the issue and public offering of shares with nominal value of TL 1.670.000.000 which will result from the increase of our Company's issued capital of TL 860.000.000 within its registered capital cap of TL 3.000.000.000, from TL 860.000.000 to TL 2.530.000.000, TL 1.290.000.000 of which will be made in cash and TL 380.000.000 of which will be made from internal resources. The application was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 04.07.2022 on the same date.

Report on the Use of the Fund to be Obtained from the Capital Increase

Pursuant to the 1st paragraph of the article 33 of the Share Communiqué no. VII-128.1 of the Capital Market Board, a report was prepared with respect to the purposes for which the fund to be generated from the capital increase will be used, and the report was submitted to the Capital Market Board. The fund report has been brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 04.07.2022 on the same date together with its attachments.

Tangible Fixed Asset Purchase

- The decision taken by our Board of Directors regarding the assignment of a CMB licensed appraiser company to perform appraisal with respect to our Company's acquisition of the immovable property at the address, which is rent for the production of organomineral fertilizers and where we currently continue fertilizer production, was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 04.07.2022.

- The value appraised at the end of the real estate revaluation performed for the purchase of the immovable property in question is USD 2.627.847,00 and the decision taken by our Board of Directors for the acquisition of the real estate for a price of USD 2.590.000,00 at the end of the meetings held was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 25.07.2022.

- Purchasing of the Organomineral Production Facility which is located in Sarıçam İlçesi, Acidere OSB Mahallesi, Adana Hacı Sabancı OSB, Atatürk Bulvarı, No. 19 ADANA address which was decided to be purchased for USD 2.590.000.00, has been finalized, was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 04.08.2022.

New Business Relationship

A Memorandum of Understanding has been signed on 5 July 2022 between our company, Hektaş Ticaret Türk Anonim Şirketi, and Boustead Holdings Berhad, which is based in Malaysia, for cooperation in the field of commodity trade, especially food safety. The Memorandum was brought to the attention of our stakeholders and disclosed to the public with the KAP disclosure dated 05.07.2022 on the same date.

Issuance of Financing Bill

- The financing bill with the nominal value of TL 307.000.000, maturity of 91 days and ISIN Code TRFHEKTE2213, which was issued to qualified investors by our Company, was issued on 25/07/2022.

Notification Regarding Issue Limit

During our Company's Board of Directors meeting dated 29.07.2022, it has been unanimously decided by the attendants that: Our Company issues debt instruments up to 5,000,000,000 TL (Five Billion Turkish Lira), for once or at multiple times, without public offering in the country, on a private basis and/or by selling to qualified investors or using a combination of sales methods in order to meet its borrowing needs; that the maturity of the debt instruments is determined for maximum 48 months; that the debt instruments are issued with discount or coupon payments depending on market conditions; that the interest rates of the debt instruments are determined as variable or fixed interest rates;

**INTERIM ACTIVITY REPORT OF THE BOARD OF DIRECTORS
PREPARED AS PER THE COMMUNIQUE NO. II - 14.1**

that all conditions and provisions regarding the debt instruments to be issued are determined; The necessary applications and other transactions before the Capital Markets Board, Borsa İstanbul A.Ş., Central Securities Depository, Takasbank and other relevant authorities are conducted and completed within the framework of the principles determined above and agreements and all kinds of other documents to be drawn up are issued in the name of the Company, and that our Company's Head Office is authorized to carry out all the necessary works and procedures in these matters. Based on the regarding decision of the Board of Directors; It has been applied by our Head Office to the Capital Markets Board at 29.07.2022