

**HEKTAŞ TİCARET TÜRK A.Ş.**

**ACTIVITY REPORT**



**DEEP-ROOTED PAST,  
STRONG FUTURE**



**Board of Directors Activity Report for  
the Period 01.01.2024 – 31.03.2024**

**II - INTERIM TERM ANNUAL REPORT OF THE BOARD OF DIRECTORS PREPARED  
ACCORDING TO THE COMMUNIQUE NUMBERED 14.1**

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### A- GENERAL INFORMATION

#### 1. Reporting Period

01.01.2024- 31.03.2024

#### 2. Corporate Information

TRADE NAME	HEKTAŞ TİCARET TÜRK ANONİM ŞİRKETİ
INCORPORATION DATE	1956
FIELD OF ACTIVITY	Production, import and marketing of agricultural and seed
HEADQUARTERS ADDRESS	Gebze Organize Sanayi Bölgesi 700. Sokak No:711 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 Facility	Gebze Organize Sanayi Bölgesi 700. Sokak No:711 41480 Gebze/Kocaeli
-HEKTAŞ/ Adana Organomineral Fertilizer Production Facility	Acıdere Osb Mahallesi Atatürk Blv. No: No:19 Sarıçam/ADANA
-FERBİS / Niğde Plant Protection Facility	Organize Sanayi Bölgesi Mah. 2 B No'lu Yol Cad. No.6 Bor / Niğde
-AREO / Seed Breeding and Production Facility	Pınarbaşı Mahallesi Dumlupınar Bulvarı No:812 Konyaaltı / Antalya
AGRİVENTİS	Level 36, Gateway, 1 Macquarie Place, Sydney NSW Australia 2000
ANKARA HIGH TECHNOLOGY CENTER	Alcı OSB Mah. 2024 Cad. No: 25 Sincan / Ankara
TAX OFFICE – TAX ID NO:	İlyasbey / 4610015898
TRADE REGISTRY DIRECTORATE / NO	Gebze Trade Registry Directorate / 6535-10921
MERSİS No.:	461001589800013
PAID-IN CAPITAL	TRY 2,530,000,000
AUTHORIZED CAPITAL CAP	TRY 8,500,000,000
INDEPENDENT AUDITOR	DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

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#### 3. Shareholding Structure, Capital Distribution, Voting Rights, and Subsidiaries

##### Shareholding Structure

Shareholders	Share Amount (TRY)	% Share
Turkish Armed Forces Pension Fund (OYAK) (*)	1,400,773,362.20	55.37
Other	1,129,226,637.80	44.63
<b>Grand Total (Paid-in Capital)</b>	<b>2,530,000,000.00</b>	<b>100.00</b>

##### Capital Distribution

The Company adopts the authorized capital system under the provisions of the Capital Market Law (CML). The authorized capital cap of the Company is TRY 8,500,000,000 and is divided into 850,000,000,000 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 2023- 2027 (5 years).

The company's issued capital is in the amount of 2,530,000,000 (two billion five hundred thirty million) Turkish Liras which is wholly paid, comprised of 253,000,000,000 (two hundred fifty-three billion) shares, each with a nominal value of 1 (one) Kurus.

Each share grants 1 voting right. Owners of Founding Redemption Shares have 5% dividend rights arising from the company's articles of association.

Shares representing the capital shall be monitored as dematerialized within the framework of dematerialization principles. There are no capital market instruments issued by the Company within the period.

##### Right to Vote

There is no voting privilege. Each share grants 1 voting right.

##### Affiliates & Subsidiaries

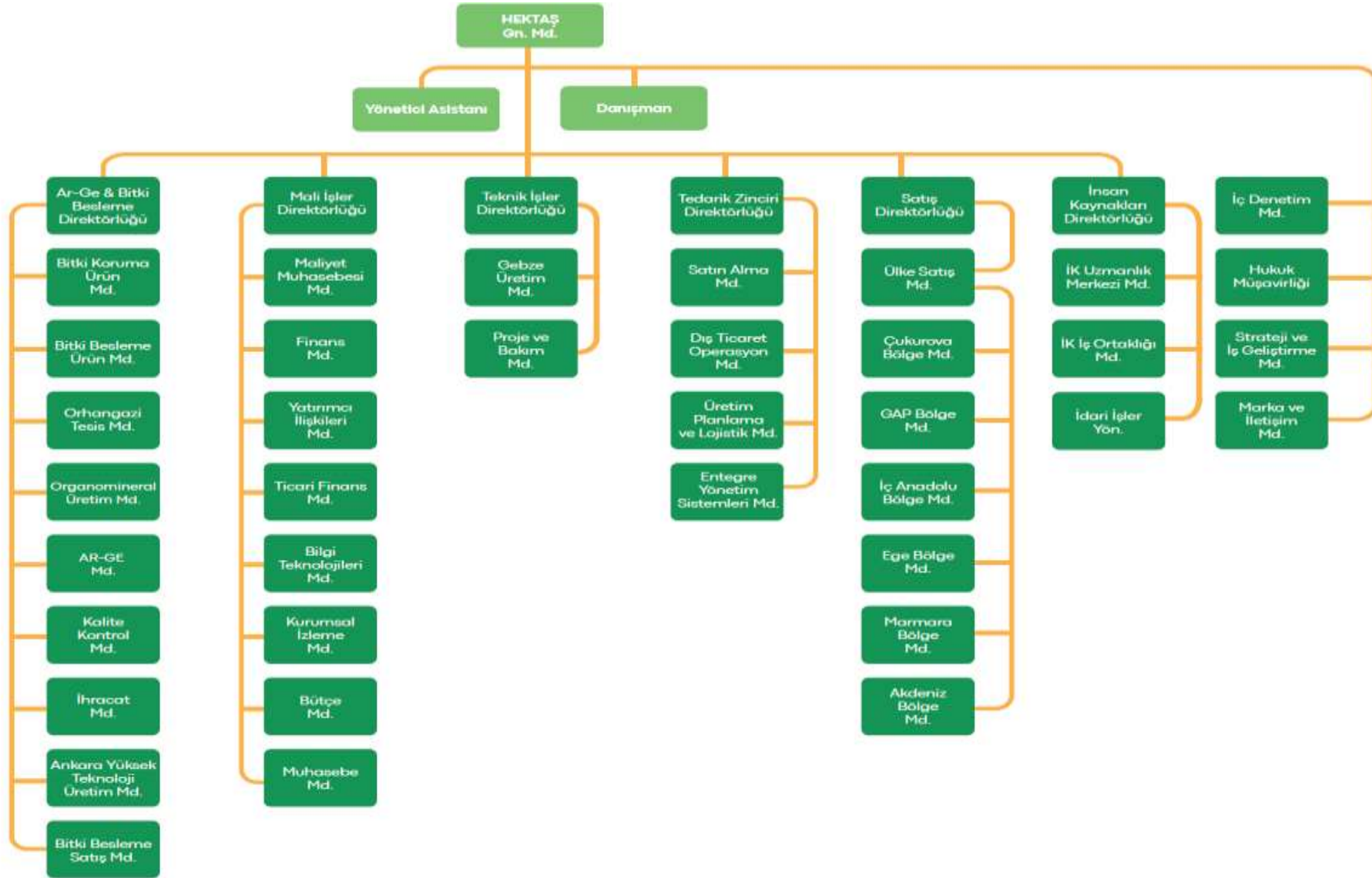
Company Trade Name	Share Ratio (%)
Ferbis Tarım Ticaret ve Sanayi Anonim Şirketi	100.00
Areo Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi	100.00
Sunset Kimya Tarım Ürünleri Ve Aletleri İmalat Pazarlana Sanayi Ve Ticaret Anonim Şirketi	100.00
Agriventis Technologies Pty.Ltd	51.00
Hektas Asia LLC	100.00
Takimsan Tarım Kimya Sanayi ve Ticaret Anonim Şirketi	99.78
Çantaş Çankırı Tuz Ürünleri Üretim ve Dağıtım Anonim Şirketi	0.37

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.

Other subsidiaries and affiliates within the group are consolidated in the financial statements.

#### 4. Organizational Structure of the Company

HEKTAŞ 2024 organizational chart is as follows: There was no change in the organizational structure of the company between 01.01.2024 and 31.03.2024.





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

### Board of Directors:

As of the reporting date, our Company's current Members of the Board of Directors are:

Board of Directors*	Title	First Election Date of Legal Entity Representatives and Independent Members to the Board of Directors	Duties Performed by the Representative Outside the Company
Omsan Lojistik A.Ş. (Acting on Behalf of: <b>EREN ZİYA DİK</b> )	Chairperson of the Board of Directors	21/07/2023	OYAK KİMYA AGRICULTURE SECTOR GROUP PRESIDENT
Oytaş İç ve Dış Ticaret A.Ş. (Acting on Behalf of: <b>CAN ÖRÜNG</b> )	Vice Chairperson of the Board of Directors	28/12/2023	OYAK HR. GROUP LEADER
Oyak Pazarlama Hizmet ve Turizm A.Ş. (Acting on Behalf of: <b>FERHAT BAĞLARLIOĞLU</b> )*	Member of the Board of Directors	08/05/2024	-
Oyak Denizcilik ve Liman İşletmeleri A.Ş. (Acting on Behalf of: <b>ŞANSEL YILMAZ</b> )	Member of the Board of Directors	01/06/2023	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş. (Acting on Behalf of: <b>GÖZDE ERKOÇ</b> )	Member of the Board of Directors	27/03/2024	OYAK GROUP HEAD OF LEGAL
<b>Bülent Şamil YETİŞ</b>	Member of the Board of Directors (Independent)	31/03/2020	Consultant
<b>Kadri ÖZGÜNEŞ</b>	Member of the Board of Directors (Independent)	06.04.2022	Lecturer
<b>Kurtuluş Bedri VAROĞLU</b>	Member of the Board of Directors (Independent)	03/04/2023	Lawyer

\* At the Ordinary General Assembly Meeting held on 30.03.2023, the legal entity Members of the Board of Directors were elected for 3 years, and the Independent Members of the Board of Directors were elected for 1 year at the Ordinary General Assembly Meeting held on 26.04.2024.

\* Based on the decision taken by the Board of Directors of our company at the Board of Directors meeting dated 08.05.2024, Mr. FERHAT BAĞLARLIOĞLU has been appointed as the real person representative acting on behalf of OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi, which is a Legal Entity Member of the Board of Directors in our Company, effective as of 08 May 2024.

### Changes Made in the Board of Directors During the Period

The changes made among the Members of the Board of Directors of our Company are given below.

At the Board of Directors meeting of our Company dated 27.03.2024, Gözde ERKOÇ was appointed instead of Sebahattin KARAKOÇ, a real person acting on behalf of Akdeniz Chemson Kimya Sanayi ve Ticaret Anonim Şirketi, who is a Legal Entity Member of the Board of Directors in our Company, and the statement on the subject was made on PDP.

Pursuant to the decision of the Board of Directors taken at the Board of Directors meeting of our Company dated 29.03.2024, İrem ATALAY has been appointed to replace Arif ÇETİNKAYA, a real person acting on behalf of OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi, who is a Legal Entity Member of the Board of Directors in our Company, effective as of April 1, 2024 and the statement on the subject was made on PDP.

Based on the decision taken by the Board of Directors of our company at the Board of Directors meeting dated 08.05.2024, Mr. FERHAT BAĞLARLIOĞLU has been appointed as the real person representative acting on behalf of OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi, which is a Legal Entity Member of the Board of Directors in our Company, effective as of 08 May 2024, and the statement on the subject was made on PDP.

### Duties and Powers of Members of the Board of Directors

The Chairperson and Members of the Board of Directors have the duties and powers specified in the relevant articles of the Turkish Commercial Code and Articles 14 and 15 of the Company's Articles of Association.

Legal entity Member of the Board of Directors of OMSAN Lojistik A.Ş (Eren Ziya DİK, real person acting on behalf of the company) was elected as the Chairman of the Board of Directors for a period of 1 year, Legal entity Board Member OYTAŞ İç ve Dış Ticaret A.Ş (Can ÖRÜNG, real person acting on behalf of the company) was elected as the Deputy Chairman of the Board of Directors for a period of 1 year. The statement on the subject was made on PDP after the General Assembly held on 26.04.2024.

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#### Board of Directors Committees and Committee Members

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

The working principles of the Audit Committee are determined by the directive titled "Hektaş Ticaret T.A.Ş Board of Directors Audit Committee" dated 24.07.2012; the working principles of the Early Detection of Risk Committee are determined by our Company's directive titled "Hektaş Ticaret T.A.Ş. Early Detection of Risk Committee" dated 24.07.2012 , the working principles of the Corporate Governance Committee are determined by the directive titled "Hektaş Ticaret T.A.Ş Corporate Governance Committee" dated 24.07.2012. These instructions are available on the website [www.hektas.com.tr](http://www.hektas.com.tr).

#### Committees;

Committee	Title	Name and Surname	Quality	Meeting Frequency
Audit Committee	Chairman	Kurtuluş Bedri VAROĞLU	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	Kurtuluş Bedri VAROĞLU	Independent Member	
	Member	Tuba BEKTAŞ	Investor Relations Director	
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	

#### Senior Management;

Senior Management	Title	Starting Date*	Graduated From
Enis Emre TERZİ	General Manager	27.01.2024	Istanbul University Faculty of Economics and Administrative Sciences (Undergraduate)
Murat KILIÇ*	Finance Director	15.04.2024	Middle East Technical University Faculty of Economics and Administrative Sciences – Economics (Undergraduate)
Ayhan GÖKBAĞ	Technical Affairs Director	23.01.2024	Istanbul Technical University – Mechanical Engineering (Undergraduate) Boğaziçi University – Mechanical Engineering (Master)
Tendü ARSAN	Human Resources Directorate	26.10.2023	Marmara University – ÇEKO (Undergraduate and Graduate)
	Sales Director		
Mehmet DERİN	R&D and Plant Nutrition Director	17.11.2021	Çukurova University – Agricultural Engineering (Bachelor's Degree)
Emrah ÖZDEMİR	Supply Chain Manager	11.10.2023	Istanbul University – Chemical Engineering (Undergraduate) Gebze YU – Business Administration (Master's Degree)

\* The starting dates in the table are arranged based on the last titles of the people in question, and the relevant people have previously held various positions in our Company.

\* Based on the decision dated April 15, 2024 taken by our Board of Directors, it has been decided to appoint Mr. Murat KILIÇ to the vacant position of Finance Director.



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**6. Changes Made in the Top Management During the Period**

Changes made in the Senior Management during the period are as follows;

Based on the decision of our company's Board of Directors; it was resolved to discharge Celal MADAZLI, serving in the Technical Affairs Directorate team, as of 23/01/2024 and to appoint Ayhan GÖKBAĞ in his place to serve as of 23.01.2024.

Based on the decision of our company's Board of Directors on 26.01.2024; it was decided that Selami YILDIZ, who was serving as General Manager in our company, would resign as of 26.01.2024, and that Enis Emre TERZİ, who was serving as Finance Director in our company, would be appointed in his place, effective from 27.01.2024.

Based on the decision dated April 15, 2024 taken by our Board of Directors, it has been decided to appoint Mr. Murat KILIÇ to the vacant position of Finance Director.

**7. Transactions carried out by Members of the Board of Directors with the Company on behalf of themselves or others and their activities within the scope of the Prohibition of Competition**

At the Ordinary General Assembly Meeting held on April 26, 2024 regarding the Company's activities in 2024, Members of the Board of Directors were given permission to take action within the scope of the relevant articles of the Turkish Commercial Code (TCC) for 2023.

No transaction of this scope took place in the first three months of 2024.

**8. Personnel, Worker Movements, Collective Bargaining Practices, Rights and Benefits Provided to Personnel and Workers**

As of 31.03.2024, the number of employees of our company is 595 people, 206 of whom are blue-collar workers and 389 of whom are white-collar workers.

The calculation of our company's "severance pay" obligation is made by an actuary company, and the severance pay provision amount allocated at the end of the period is TRY72,011,057.

Employees are provided with their legal social rights monthly and regularly within the scope of the legislation. Our company does not have a Collective Bargaining Agreement.

**9. Corporate Governance Principles Compliance Report**

"Corporate Governance Principles" published by the Capital Markets Board were also complied with and implemented in the January - March 2024 period.

**10. Amendments to the Articles of Association**

No changes were made to the Company's Articles of Association during the period.

**B- FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES**

**1. Total Amount of Financial Benefits Provided, Such as Attendance Allowance, Remuneration, Premium, Bonus, Dividend**

At the Ordinary General Assembly Meeting held on April 26, 2024, it was agreed to pay a net monthly fee of TRY26,500 to the Independent Members of the Board of Directors, effective from 26.04.2024 until the next ordinary General Assembly date, and to pay no fee to the other Members of the Board of Directors. As in the previous period, personal accident and life insurance is provided to Members of the Board of Directors.

No payments were made to the Members of the Board of Directors in the form of performance-based rewards.

No loans were given to any Member of the Board of Directors or manager during the period, no loans were extended under the name of personal loans directly or through a third party, or guarantees such as suretyship were given in their favor.

The monthly salaries of the company's senior managers are determined by the Company's Board of Directors. Additional performance-based payments are made within the Company to out-of-scope personnel, including the Company's senior managers.

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**C- RESEARCH AND DEVELOPMENT STUDIES**

**During the first 3 months of 2024 in Gebze R&D Center:**

- 3 of the 37 projects transferred from the end of 2023 were completed within the first 3 months of 2024, and 15 new projects were started in this period.
- 2 bread wheat varieties improved within the Hektaş R&D Center have been registered.

**During the first 3 months of 2023 in Areo R&D Center:**

**Developments Related to Biotechnology and Tissue Culture**

Areo Seed Technologies Center includes biotechnology, tissue culture laboratories, and a phytopathology test greenhouse. Molecular marker analyses (disease resistance tests) are efficiently conducted in vegetable and field products group, using the Real-Time PCR device, optimized with cost-effective, capacity-enhancing methods that are subject to patents. The biotechnology laboratory, testing genetic resistance to pathogens in breeding materials, operates at 100% capacity, making a significant contribution to breeding studies. The tissue culture laboratory successfully develops pure parental lines of hybrid varieties using "double haploid" methods. In addition to double haploid studies, micro-propagation activities on strawberries and vines are also carried out in the tissue culture laboratory. The propagation of "Ottoman Strawberry", which is a valuable material especially for our country, continues with this technique. These laboratories play a crucial role in plant breeding and genetic research.

Our laboratory, which plays a pioneering role in CRISPR-Cas9 technology, the most exciting and effective gene editing tool of today, continues its work to provide herbicide resistance to cotton plants. Additionally, our laboratories' extensive infrastructure and expert team provide an ideal environment to explore the potential of genetic editing in various plant species. By paving the way for genetic editing in field and vegetable crops, the projects undertaken by our laboratory hold the potential to create a more efficient, resilient, and environmentally sustainable agricultural model in the future.

*In the first quarter of 2024;*

In recent years, activities have begun to quickly produce varieties for the "tomato brown rugose" viral disease, which creates problems for many producers and poses a risk in production. In this context, activities to purify resistant resources with speed breeding methods have been started. Within the scope of the studies, it is aimed to develop candidate lines with the disease resistance in question.

Also in this context, the patent application numbered 2021/022138 and titled "Multiplex for the Identification of Tomato Spotted Wilt Virus (TSWV) Resistance Gene Tsw and Pepper Mild Mottle Virus (PMMoV) Resistance Gene L4 in Pepper (Capsicum annuum)", made within the framework of cooperation with Akdeniz University, was filed by the Turkish Patent and Trademark Office on 09.08.2023. accepted. The patent document was received from the Turkish Trademark and Patent Office in the first quarter of 2024.

**Developments Regarding the Vegetable Group**

Seeds were planted in the last quarter of 2023 for the prominent variety candidates in our vegetable product groups (Tomato, Pepper, Cucumber, Eggplant), for which micro trials were established in different locations of Türkiye (Konya, Antalya, Bursa, Mersin) in 2023. These seedlings, which were grown in our nursery within the Antalya-Technocity region, were planted in different locations in Türkiye for extensive trials.

In line with market expectations, new hybrid programs have been created by breeders for purified lines. Hybridization studies continue for hybrid programs created in a 27,000 m<sup>2</sup> greenhouse area within the Antalya-Teknokent R&D and trial facility. It is planned to conduct field studies on the new hybrids (variety candidates) to be produced in the last quarter of 2024 and the first quarter of 2025.

Our Pink Tomato variety, which received good results from demonstration studies in 2023, was registered under the name of "Şiir F1" in February 2024.

Seed production activities are continuing in our Antalya-Teknokent and Orhangazi facilities, according to the sales targets given in 2023 for 14 varieties registered in the Vegetable group, including the first quarter of 2024.

With the meetings held with our producers in different locations regarding our "Heybet F1" and "Çoban F1" cucumber varieties, which we registered in 2023, the features and advantageous aspects of our "Heybet F1" and "Çoban F1" cucumber varieties were conveyed to our producers.

**Developments Regarding the Field Products Group**

*Wheat*

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Drought-tolerant cultivars are being developed in the field of wheat breeding and international trials are carried out for resistance to diseases. Breeding activities continued with materials obtained from organizations such as CIMMYT, İCARDA and İWWiP and selected in the 2022-2023 season. In the first quarter of 2024, post-winter cold damage and plant development conditions were observed and recorded in the yield trial, pasta wheat yield trial, barley yield trial, and preliminary yield trial with these materials in Ankara/Haymana and Konya/Kulu locations. Irrigation, spraying, and fertilization operations have been carried out.

We have 7 varieties in the wheat product group as of the first quarter of 2024.

*Cotton*

R&D materials harvested in November 2023 continue to be ginned. The resulting fibers were sent for analysis for "Fiber Quality Analyzes". In line with the results, statistical analyzes were made and promising lines were selected and cotton seeds were reserved for planting.

The fuzzy seeds taken from the gin (Volkan: 199.360 Selçuk Bey: 121.390 kg) were sent to the delintation facility in Şanlıurfa, totaling 320.750 kg. After the fluff, foreign matter and empty seeds of the product resulting from delintation were separated, the remaining intact seeds (Volkan 115.850 kg-Selçuk Bey: 71.000 kg) were subjected to hot and cold germination tests and were sprayed with chemicals and coating material and placed in bags. (Seeds ready for sale were obtained for Volkan: 117,500 kg - Selçuk Bey: 71,050 kg.

In order to market the seeds, farmer and dealer meetings were held in the Aegean and GAP regions where cotton is planted and the features of our varieties were explained.

The promotion and production activities of our Halay and Yakut cotton varieties, which were registered in December 2023, continue.

The sales of the 2 registered varieties in the field group (Cotton) continue according to the sales targets given in 2023.

AreoTohumculuk continues its breeding studies for high quality vegetables and field crops by using the latest technologies with its motto "Domestic R&D, Domestic Seed". As of the first quarter of 2024, 1 more project (projects carried out in tomato product groups) has been completed and 1 more new project (Development of Hybrid Pepper Varieties and/or Cultivars Suitable for Fresh Consumption Using Multi-Disease Resistant Pure Lines Obtained by the Double Haploid (DH) Method) has been implemented.

**During the first 3 months of 2024 in Hektas Orhangazi R&D Center:**

- Hektaş Orhangazi Branch became the R&D Center with the approval decision taken by the Ministry at the commission meeting dated 09.02.2024 regarding our application to the Ministry of Industry and Technology of the Republic of Türkiye.
- 10 new projects were launched at the R&D center in the first 3 months of 2024.

**At Ankara High Technology Center:**

Microbiology and Genetics

*Ongoing studies;*

- Obtaining, purifying and activity measurement of microbiologically based enzymes for use in industrial areas;
- Optimization studies in obtaining and purifying secondary metabolites (antibiotics, insecticides, growth hormones) to be obtained from microbial species;
- Isolating and purifying bacteria from different sample sources,
- Genetic characterization studies of isolated bacteria; and
- Isolation and purification of toxic proteins with microbiology-based insecticide properties were carried out.
- New pesticide studies,

*Completed studies;*

- Renewal and control of stocks of existing bacterial species in stock;
- Obtaining herbal amino acids;
- Selection, development and optimization studies of necessary microorganisms for starter cultures commonly used in food technology;

*Cancelled studies;*

- Isolation and testing of microorganisms to be used to obtain microbial protective agents for use in products produced in industrial areas such as food and agriculture;

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#### Fermentation

##### *Ongoing studies;*

- Improving the fermentation conditions of Bacillus megaterium, Bacillus pumilis bacteria,
- Obtaining biomass in an industrial scale fermenter;
- Offering multiple strains for industrial use;
- Development of the downstream process of industrially produced bacteria; and
- Final formulation and development of metabolites were carried out.

##### *Completed studies;*

- Improvement of the fermentation conditions of the Bacillus amyloliquefaciens, Bacillus subtilis, Bacillus thuringiensis bacteria;

#### Chemistry

##### *Ongoing studies;*

- Conducting studies on biostimulant formula development and recycling of waste generated during its production;
- Conducting laboratory studies to produce nanosize plant micronutrients; and

##### *Completed studies;*

- Design of necessary equipment for industrial production planning of formula development of Agrifor, Tradite, and Natsu Series;
- Accordingly, the development of 6 different liquid fertilizer formulations (Nitrogen-containing, Zinc-Phosphorus-containing, Potassium-containing, Zinc-Boron containing, Calcium-Boron-Nitrogen-containing, Rooting Agent) and their trials for industrial production;
- Conducting trials for the industrial production of Natsu Ca with existing Ca (NO<sub>3</sub>)<sub>2</sub>.4H<sub>2</sub>O;
- Studying the formulations required for Fe-EDDHA synthesis and initiating pilot trials;
- Developing and operating analytical, spectrometric, chromatographic, gravimetric, and volumetric analysis methods for all studies carried out in the laboratory were carried out.

## D- ACTIVITIES OF THE COMPANY AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES

### 1. Investment Activities

Within the first three months of 2024, our company realized an investment of TRY **216,895,075**.

### 2. Internal Control System and Internal Audit Activities

Within the scope of the Corporate Governance Principles published by the CMB, the Audit Committee was established in June 2012 and its working instructions were created. By the decision of our Company's Board of Directors dated 24.07.2012, the Early Detection of Risk Committee was established in order to comply with Article 378 of the Turkish Commercial Code No. 6102, which came into force on 1 July 2012, and it was announced on PDP with a material disclosure dated 24.07.2012. Guidelines regarding these committees are available on our Company's website.

### 3. Explanations Regarding Private Audit and Public Audit

Company Activities are regularly and periodically audited by Independent External Auditors and Auditors appointed by the General Assembly. Independent audit activities for 2024 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 is no significant ongoing lawsuit filed against the company.

#### b) Administrative-Judicial Sanctions

There are no significant administrative sanctions or penalties imposed on the Company or the Members of the Board of Directors due to practices contrary to the provisions of the legislation.

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**5. General Assembly**

**2023 Ordinary General Assembly Meeting**

The Ordinary General Assembly Meeting of Hektaş Ticaret Türk Anonim Şirketi for 2023 was held at 11:00 on April 26, 2024 at the company headquarters at Gebze Organize Sanayi Bölgesi Mah. 700. Sokak No: 711/1 P.K. 41400 Gebze/Kocaeli under the supervision of Veysi UZUNKAYA, the Ministry Representative who was appointed by the letter of Kocaeli Provincial Directorate of Trade dated 26.04.2024 and numbered E-80122446-431.03-00095967976.

In accordance with the relevant laws and the provisions of the articles of association, the call for the meeting, including the meeting day, time, place, agenda, and a copy of the power of attorney, was published in the Turkish Trade Registry Gazette dated 01.04.2024 and numbered 11055, on the Public Disclosure Platform (PDP) on 29 March 2024, in the Central Registry Agency e-General Assembly (E-GKS) system on 29.03.2024, in the 02.04.2024 edition of the local newspaper titled "Gazete Gebze" where the Company's headquarters is located, and in the Company's website www.hektas.com.tr.

As a result of examining the physical and electronic list of attendants, it was observed that 68,597,906.20 shares representing the capital of TRY 685,979.062 were represented in person, that 12,608,685,600 shares representing the capital of TRY 126,086,856 were represented by proxy, that 140,077,336,219.90 shares representing the capital of TRY 1,400,773,362.19 were represented by the other representatives, and that 152,754,619,726.1 shares representing a total capital of TRY 1,527,546,197.261 were present at the meeting; thus, upon understanding that the minimum meeting quorum was present in line with both the relevant laws and the provisions in the company's articles of association, the meeting was opened by Enis Emre TERZİ and the agenda was discussed.

There were no objections to the ordinary general assembly meeting and the decisions taken, and the decisions taken were accepted by majority vote.

***Agenda Items:***

- 1-Opening, establishment of the presiding committee, and moment of silence;
- 2-Authorizing the Presiding Committee to sign the general assembly meeting minutes and other documents;
- 3-Reading, discussing and submitting for approval the "Board of Directors Annual Report" for the 2023 accounting period;
- 4-Reading the summary of the 2023 accounting period "Independent Audit Report";
- 5- Reading, discussing and submitting for approval the 2023 Financial Position Statement and Profit and Loss accounts for the 2023 accounting period;
- 6-Discussing and deciding on the discharge of the members of the Board of Directors for the 2023 accounting period;
- 7-Discussing and submitting for approval the Board of Directors' proposal regarding the profit distribution of the 2023 accounting period and the profit distribution date;
- 8- Election of independent members of the Board of Directors and determination of their term of office in accordance with the provisions of the relevant legislation;
- 9-Determination of remuneration of Members of the Board of Directors;
- 10-Authorizing the Members of the Board of Directors to perform the duties specified in Articles 395 and 396 of the Turkish Commercial Code;
- 11-Discussing and deciding on the Board of Directors' proposal regarding the selection of an independent external audit firm for the audit of 2024 accounts and transactions in accordance with the Turkish Commercial Code and the Capital Markets Law;
- 12-Providing information regarding the income or benefits obtained from guarantees, pledges, mortgages, and collaterals given in favor of third parties;
- 13- Presenting information about the donations and aid made in 2023 and deciding on the donation limit for the 01.01.2024-31.12.2024 accounting period;
- 14-Closing.

**6. Donations and Social Responsibility Projects**

There was no donation has been made to any institution or organization in the first three months of period of 2024 by the company

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**E- FINANCIAL POSITION**

**1. Summary of Financial Statements**

The financial statements are prepared in accordance with the CMB's Communiqué on Principles of Financial Reporting No. (II-14.1). The financial statements dated 31.03.2024 and 31.03.2023 (consolidated) have not been audited and the financial statements dated 31.12.2023 (consolidated) have been independently audited.

**SUMMARIZED BALANCE SHEET (TRY)**

<b>(TRY)</b>	<b>31.03.2024</b>	<b>31.12.2023</b>
Current Assets	12,977,115,539	17,408,787,530
Non-Current Assets	10,842,615,106	11,881,045,000
<b>Total Assets</b>	<b>23,819,730,645</b>	<b>29,289,832,530</b>
Short-Term Liabilities	14,366,715,806	18,178,057,078
Long-Term Liabilities	1,330,746,935	2,436,236,406
Equities	8,122,267,904	8,675,539,046
<b>Total Liabilities and Equity</b>	<b>23,819,730,645</b>	<b>29,289,832,530</b>

**Summary Income Statement (TRY)**

<b>(TRY)</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Revenue	1,291,496,428	2,469,196,070
Gross Profit/Loss	103,776,754	902,049,476
Profit (Loss) From Operating Activities	-381,185,656	546,785,946
<b>Profit / Loss for the Period</b>	<b>-274,003,098</b>	<b>143,220,933</b>

Our company prepares its budget every year within the framework of its strategic goals, and the prepared company budget is approved by the Board of Directors.

At regular Board of Directors meetings, the current situation of the Company is reviewed and company activities are compared with the previous period and budget targets.

**2. Key Activity Indicators and Financial Ratios**

<b>Financial Indicators</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
Gross Profit Margin	8.04%	36.53%
Net Profit Margin	-21.22%	5.80%
EBITDA Margin	-14.10%	26.85%

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

**3. Financial Power**

It has been observed that the company's capital has not remained unrequited within the framework of the calculation made by taking into account the rates specified in Article 376 of the Turkish Commercial Code.

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**4. Development of Financing Sources and Policies Implemented by the Company Within the Framework of This Development**

The Company is exposed to market risk (exchange rate risk and price risk), credit risk, and liquidity risk due to its activities. While managing liquidity and credit risks, the company regularly reviews its relationships with financially strong financial institutions in the market with low funding costs. The Company's risk management program generally focuses on minimizing the potential negative effects of uncertainty in financial markets on the company's financial performance. The company uses derivative products in order to protect itself from these financial risks. Products for cash management solutions provided by banks are used to regulate cash flow and reduce collection risk.

**Nature and Amount of Capital Market Instruments Issued**

Our issuance ceiling limit application for debt instruments to be issued by private placement and/or to qualified investors without public offering up to a nominal amount of TRY5,000,000,000 was approved by the CMB on 09.01.2024.

The company redeemed **TRY1,850,000,000** of debt instruments in the first three months.

ISIN CODE	NOMINAL VALUE	MATURITY	ISSUANCE DATE	REDEMPTION DATE
TRFHEKT12411	TRY 850,000,000.00	182	07.07.2023	05.01.2024
TRFHEKT22410	TRY 1,000,000,000.00	177	09.08.2023	02.02.2024

**TRY 1,850,000,000.00**

**5. Dividend Distribution**

Our Dividend Distribution Policy determined at the 2014 Ordinary General Assembly Meeting held on 27.03.2015 is listed below.

"In principle, the Company has adopted the policy of distributing the entire distributable period profit in cash, within the framework of the applicable legislation and the provisions of the Company's Articles of Association, to the extent permitted by the financial leverage ratios and investment/financing needs and future free cash generation expectations, including market forecasts. The profit distribution policy is reviewed annually by the Board of Directors according to national and global economic conditions, the company's current projects and the status of its funds.

Dividend distribution is authorized by the Board of Directors at the general assembly meeting where it is decided to distribute, and it is paid in installments of equal or different amounts within the framework of the legislation provisions, until December 15 of the relevant calendar year.

The General Assembly is authorized to distribute Dividend Advances within the framework of the relevant legislation.

Dividend Distribution takes place within legal periods."

In line with the decision taken by our Company's Board of Directors, as a result of separate calculations made from the activities of the 2023 accounting period in accordance with the provisions of the Tax Procedure Law, Corporate and Income Tax Laws, and also in accordance with the provisions of the Capital Markets Board's communiqué numbered II-14.1, a period loss has occurred in our legal records as of 31.12.2023. Therefore, there is no distributable profit. It was decided by the majority of votes of those who attended the meeting at the 2023 Ordinary General Assembly meeting held on 26 April 2024, not to distribute dividends due to the lack of a distributable profit base in the legal records as of 31.12.2023.

**6. About the Sector in Which the Company Operates**

**Agricultural Production Data:**

The annual increase in the Producer Price Index for agricultural products (Agricultural PPI) was 61.87%, and the monthly increase was 5.57%.

According to TURKSTAT data, Agriculture – PPI (2020=100) increased by 5.57% in March 2024 compared to the previous month, while increasing by 17.51% compared to December in the previous year, by 61.87% compared to the same month in the previous year, and by 59.98% compared to 12-month averages.

Compared to the previous month, there was a 5.84% increase in agricultural and hunting products and related services, a 3.52% increase in forestry products and related services, and a 1.18% decrease in fish and other fishery products, aquatic products and supporting services for fishing. In the main groups, there was an increase of 3.27% in one-year (non-durable)



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plant products, an increase of 7.60 in perennial (durable) plant products, and an increase of 7.12% in live animals and animal products, compared to the previous month.

The subgroup with the highest annual change was oily fruits with 170.17%, and the subgroup with the highest monthly change was sheep and goats, live animals and their unprocessed milk and fleece with 13.54%.

**Growth in Agriculture:**

In the first quarter of 2024, Gross Domestic Product (GDP) increased by 5.7%.

According to TSI data, the preliminary estimate of GDP for the first quarter of 2024, calculated as a chained volume index, showed a 5.7% increase compared to the same quarter of the previous year.

When examining the activities that make up the GDP, the chained volume index indicates that in the first quarter of 2024 compared to the previous year: the construction sector's total value added increased by 11.1%, information and communication activities by 5.5%, professional, administrative, and support service activities by 5.0%, industry by 4.9%, agriculture by 4.6%, services by 4.3%, public administration, education, human health, and social work activities by 3.3%, other service activities by 2.8%, real estate activities by 2.5%, and financial and insurance activities by 2.0%.

**Agricultural Product Exports:**

According to the TGDF Digital Data Panel prepared based on the Foreign Trade Data of the Turkish Statistical Institute (TURKSTAT), in the first three months of this year, there was a 8.42% increase in agricultural, food, and beverage sector exports compared to the previous year, reaching 7.01 billion USD, and a 19.38% decrease in imports, totaling 4.8 billion USD. In the January-March period, the Foreign Trade Balance gave a surplus of 2.21 billion dollars.

According to temporary foreign trade data produced within the scope of the general trade system in cooperation with the Turkish Statistical Institute and the Ministry of Trade; based on economic activities, the share of the manufacturing industry in exports in March 2024 was 94.6%, the share of the agriculture, forestry and fishing sector was 3.5%, and the share of the mining and quarrying sector was 1.5%.

According to the information in the Turkish Exporters Assembly 2024 March agricultural bulletin, the total export amount of the sector in March 2024 decreased by 6.1% compared to the Cereals, Pulses, Oilseeds, and Products March 2023 data, reaching 1,046,206.85 USD. Exports decreased by around 10% in the top 5 countries with the largest market shares in the industry. Exports to Iraq decreased by 5% and exports to the USA decreased by 22%. Contrary to the decreasing trend, exports to Venezuela amounted to 24,440.20 USD with an increase of 228%, and exports to Tunisia reached 21,319.93 USD with an increase of 1,821%.

While the most flour, hazelnut kernels and pasta were exported in the first 3 months of the year, the most imported products were wheat, soybeans and raw sunflower.

This period, the top export destinations were Iraq, Germany, and Russia, while the leading sources of imports were Russia, Ukraine, and Brazil.

**Supports:**

According to the information shared in the bulletins of the Ministry of Agriculture and Forestry, last year, 4 billion 708 million lira grant payments were made for development investments in rural areas and 13 thousand 481 people were employed with the supported projects. In 2023, 63.4 billion lira agricultural support payments were paid to the accounts of producers.

Within the scope of the support payments made by the Ministry of Agriculture and Forestry of the Republic of Türkiye, approximately 13 billion TRY support was given to producers in January. While approximately 3 billion TL support payments were made in February and approximately 11 billion TL in March, support payments for tea producers amounting to TRY363,608,530 were also made.

**Developments in Agriculture:**

The new regulation "Regulation on Licensing and Placing Plant Protection Products on the Market" came into force after being published in the Official Gazette dated 14.03.2024 and numbered 32498.

The Ministry of Agriculture and Forestry's "Indoor Plant Production Registration System Regulation", which aims to record plant production in closed environments, was published in the Official Gazette.

With the regulation, it was stated that all plant production carried out in partially or completely controllable closed areas such as greenhouses, vertical farming facilities and mushroom facilities, where farmers produce, will be recorded by identifying them with their geographical coordinates, regardless of ownership or place of production.

During the 2023/2024 campaign period, 9 million 60 thousand tons of beets were processed and 1 million 161 thousand 100 tons of sugar were produced, and 418 thousand 800 tons of molasses and 2 million 905 thousand 709 tons of fresh beet pulp were obtained as by-products.

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The calendar for the calls to be issued in 2024 has been announced by the Agriculture and Rural Development Support Institution (TKDK), the relevant organization of the Ministry of Agriculture and Forestry. Minister İbrahim Yumaklı stated that the IPARD III Program, which will be implemented as of 2024, has been expanded to 81 provinces and that 785 million euros of grant support will be provided within 7 years.

It was announced that in IPARD-1 and 2 programs, 27 application calls were announced and 45.6 billion liras of grant support in real figures was given to 25 thousand 645 projects to date. It was stated that thanks to these grants, an investment of 98.2 billion liras was provided to the country's agriculture and food sectors, and 96 thousand jobs were provided in these investments.

Construction works have started for investments that will bring water to 724 thousand 250 decares of agricultural land in Iğdır, Van, and Artvin.

The Presidential Decision on Supporting the Activation of the Use of Agricultural Lands was published in the Official Gazette. The decision entered into force as of January 1.

#### 7. The Position of the Company in the Sector

HEKTAŞ maintains its position among the leading companies in the pesticides sector with its performance in the first 3 months of 2024. In addition, the company ranks among the top in the organomineral fertilizer category in the plant nutrition industry. New vegetable and wheat seeds continue to be registered within the scope of the breeding studies carried out by Hektaş with the company Areo Tohumculuk which operates in the field of seeds. With the work in the first quarter of the year, the total number of seed registrations reached 23.

#### 8. Development of the Company

Process continues for the Environmental Impact Assessment (EIA) report, for which a positive opinion was required in the first stage, in the process of moving the Gebze production facility to the Agricultural Innovation Training and Experience Center F.A.R.M. located in Orhangazi district of Bursa province.

#### 9. Products

##### PLANT PROTECTION PRODUCTS

Fungicides

Herbicides

Insecticides

Acaricides

Biological Insecticides

Fumigants and Nematicides

Plant Growth Regulators

Winter Dormant Oils and Summer Oils

Molluscicides and Others

##### PLANT NUTRITION PRODUCTS

Foliar Fertilizers

Organominerals

Drip Irrigation

Pure Fertilizers

##### SEED

Tomato Seed

Information about our other products in the C. R&D stage is available in the Research and Development Studies section of this report.

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**10. Capacity Utilization Rates**

*Capacity Utilization Rates for the First Quarter of 2024*

The capacity utilization rate in the first quarter of 2024 at the **Gebze (Plant Protection)** production facility was **45%**. The annual production capacity of HEKTAŞ Gebze Production facility for 2024 is **19,271** tons.

The capacity utilization rate in the first quarter of 2024 at the **Niğde (Plant Protection)** production facility was **20%**. The annual production capacity of HEKTAŞ Gebze Production facility for 2024 is **12,860** tons.

The capacity utilization rate in the first quarter of 2024 at the **Adana (Organomineral Fertilizer)** production facility was **22%**. The annual production capacity of Adana Organomineral Fertilizer production facility for 2024 is **99,000** tons.

**11. Production (Amount)**

*Production Quantities for the First Quarter of 2024*

In the **Gebze (Plant Protection)** production facility, plant protection products are produced in technical substance, liquid form, herbicide liquid form and powder form. Production amounts as of the first quarter of 2024 is **2,153,930** kg.

In the **Niğde (Plant Protection)** production facility, plant protection products are produced in technical, liquid form, herbicide liquid form, and powder form varieties. Production amounts as of the first quarter of 2024 is **638,797** kg.

Organomineral fertilizer is produced in the **Adana (Organomineral Fertilizer)** production facility. Production amounts as of the first quarter of 2024 is **5,488,266** kg.

**12. Developments in Sales**

When the company's sales in the first 3 months are examined, it appears that there is a decrease in sales revenue of approximately 48 % compared to same period of 2023. The main reason for this decrease in sales revenue is our cash and short-term sales strategy, as well as other reasons;

- Climatic Effects

According to average numbers of 1991-2020, the average winter temperature in Türkiye is 3.9 °C. The average winter temperature of 2024 was 7.2 °C, 3.3 °C above seasonal norms. January 2024 was the warmest January in the last 53 years. February 2024 was the 2nd warmest February among the months of February of the last 53 years.

- Exchange Rate Stabilization, Economic Effects, and Effects of Market Conditions

Since the exchange rate remained stable in the first quarter of 2024, our sales did not reach the desired levels due to the decreased appetite of dealers for stocking. In addition, factors such as tight monetary policy, high loan interest rates, and difficulty in accessing cash have caused a decrease in the high-volume purchasing appetite of both our customers and manufacturers.

Also, the low prices of agricultural products and the increase in input costs last season had a negative impact on the depletion of our customers' stocked products. The circulation of old low-priced products in the emerging spot market has a significant share in the decrease in our sales.

As a result, the effects of climatic conditions and our country's economic conditions were negatively reflected in the agricultural sector in the first quarter of 2024. These problems experienced are periodic and temporary. It is expected that sales will reach the desired levels in the future as climate conditions return to normal levels and economic conditions improve.

**13. Sales (Amount)**

In the first quarter of 2024, the sales amount of products belonging to the plant protection and plant nutrition business lines of the company is **18,221,733** kg and the sales amount of products belonging to the seed business line is **96,631** kg of open field seeds while vegetable seeds amounted to **506,623** and test sales of vegetable **46.047** kg.

It is planned that our company will reach its targeted sales amounts by the end of the year.

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**14. Incentives**

During the relevant period, our Company benefited from the Investment Incentive Certificates it received. The incentives the Company benefits from are as follows;

**SSI Incentive:**

Thanks to this incentive, the Company receives a discount on SSI premiums. Thanks to the discount created by this incentive, serious advantages are provided in terms of employee costs to the company.

**Tax Incentive – Investment Incentive Certificate:**

Investment incentive certificate is the document required to benefit from the advantages of the Investment Incentive System, which includes various incentives offered by the state if the investment made complies with the specified minimum conditions. With this document, the company reduces its investment costs by providing support from the government for elements such as tax deduction, VAT exemption, and customs duty exemption regarding its investments.

**R&D Deduction:**

In the Corporate Tax Law, R&D and R&D deduction are defined as "research and development expenditures made by taxpayers exclusively for the search for new technology and information within their enterprises". Expenditures made for R&D activities are deducted from corporate tax within the rates determined by the legislation. Thus, a cost-reducing effect is achieved in expenses made for operations such as new production methods, research and development of process development processes, research of new techniques that reduce the cost of the product and increase quality and performance.

**F- RISKS AND ASSESSMENT OF THE BOARD OF DIRECTORS**

**1. Risk Management Policy**

Within the scope of the Corporate Governance Principles published by the CMB, the Audit Committee was established in June 2012 and its working instructions were created. By the decision of our Company's Board of Directors dated 24.07.2012, the Early Detection of Risk Committee was established in order to comply with Article 378 of the Turkish Commercial Code No. 6102, which came into force on 1 July 2012, and it was announced on PDP with a material disclosure dated 24.07.2012. Guidelines regarding these committees are available on our Company's website.

**2. Forward-Looking Risks**

The risks that the Company will face in the future are regularly analyzed by the Early Detection of Risk Committee of the Board of Directors. According to the evaluations made as of the reporting period, no risks to affect the future activities of the company are foreseen.

**G- MISCELLANEOUS**

**1. Off-Center Organizations**

**a. Our Production Facilities**

- *Hektaş General Directorate and BKÜ Production Facility (GEBZE)*
- *Hektaş OMG Production Facility (ADANA)*
- *Ferbis BKÜ Production Facility (NİĞDE)*

**b. Our Regional Directorates and Other Centers**

- We have 6 Regional Directorates, namely Çukurova, Central Anatolia, Mediterranean, Marmara, Aegean and GAP, " HEKTAŞ F.A.R.M " in Orhangazi district of Bursa province and our "*Ankara High Technology Center*" in Ankara Sincan district.

**c. Our R&D Centers**

- *Hektaş General Directorate and BKÜ Production Facility (GEBZE)*
- *Hektaş Orhangazi Branch (BURSA)*

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#### 2. Information on Legislative Changes That May Significantly Affect Company Activities

There are no legislative changes such as incentives and taxes that may significantly affect our Company's financial statements.

#### 3. Information on the Conflicts of Interest Between the Company and the Institutions It Provides Services on Issues such as Investment Advisory and Rating, and the Measures Taken by the Company to Prevent These Conflicts of Interest

None.

#### 4. Information on Social Rights, Vocational Training and Other Social and Environmental Consequences of Company Activities of Employees

In our company, employees are provided with health insurance, company-contributed Private Pension, education allowance, death allowance, marriage allowance, and maternity allowance as social rights. In addition, training programs are implemented to increase their professional development within the framework of training programs prepared on an annual basis. By closely monitoring the latest developments regarding human health, environmental protection and operational safety, priority is given to the development of environmentally friendly technologies to minimize the negative effects on the environment and society.

#### 5. Mandatory Information to be Provided to Partners Regarding Related Party Transactions and Balances

Information regarding our company's transactions with related parties is included in the footnotes No.20 of the financial statements dated 31.03.2024.

#### 6. Information to Stakeholders

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

NAME & LAST NAME	TITLE	LICENCE	E-MAIL	TELEPHONE
Tuba BEKTAŞ	Head of Investor Relations	CMB Level 3 License, Corporate Governance Rating License, Derivative Instruments License, Credit Rating License	<a href="mailto:yatirimciiliskileri@hektas.com.tr">yatirimciiliskileri@hektas.com.tr</a> <a href="mailto:investorrelations@hektas.com.tr">investorrelations@hektas.com.tr</a>	+90 262 888 19 56
Fusun DÖNERTAŞ	Investor Relations Department Manager		<a href="mailto:yatirimciiliskileri@hektas.com.tr">yatirimciiliskileri@hektas.com.tr</a> <a href="mailto:investorrelations@hektas.com.tr">investorrelations@hektas.com.tr</a>	+90 262 888 19 56

#### Events Occurring Within the Period:

##### Capital Market Instrument Transactions Other than Shares

Based on the application made by our company to the Capital Markets Board on 08.12.2023, the issue document for the debt instruments to be issued to private and/or qualified investors without public offering in the country up to a nominal amount of TRY5,000,000,000 was approved by the Capital Markets Board on 09.01.2024.

The company redeemed **TRY1,850,000,000** of debt instruments in the first three months;

ISIN CODE	NOMINAL VALUE	MATURITY	ISSUANCE DATE	REDEMPTION DATE
TRFHEKT12411	TRY 850,000,000.00	182	07.07.2023	05.01.2024
TRFHEKT22410	TRY 1,000,000,000.00	177	09.08.2023	02.02.2024

**TRY 1,850,000,000.00**

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#### Senior Management Changes

Based on the decision of our company's Board of Directors; it was decided that Celal MADAZLI, who was working in the Technical Affairs Directorate of our company, would resign on 23.01.2024 and Ayhan GÖKBAĞ would be appointed in his place, and it was announced to the public by informing our stakeholders in the PDP statement dated 23.01.2024.

Based on the decision of our company's Board of Directors on 26.01.2024; it was decided that Selami YILDIZ, who was serving as General Manager in our company, would resign as of 26.01.2024, and that Enis Emre TERZİ, who was serving as Financial Affairs Director in our company, would be appointed in his place, effective from 26.01.2024, and it was announced to the public by informing our stakeholders in the PDP statement dated 27.01.2024.

#### Public Offering Process of Ferbis Tarım Ticaret ve Sanayi AŞ

At the Extraordinary General Assembly meeting held within the scope of public offering of FERBİS Tarım Ticaret ve Sanayi A.Ş., a 100% subsidiary of our company, the amendment to the articles of association was approved and the new articles of association was registered in the trade registry. It was presented to our stakeholders and announced to the public with the PDP statement dated 19.02.2024.

#### R&D Center Application for Orhangazi Branch

The application made by our HEKTAŞ Ticaret Türk A.Ş. Orhangazi Branch, operating in Bursa, to obtain an R&D Center Certificate within the scope of Law No. 5746, has been approved by the Ministry of Industry and Technology; and it has been decided to grant an R&D Center Certificate to our Orhangazi Branch and to allow the business to benefit from the incentives and exemptions provided within the scope of Law No. 5746, based on the periods determined by the legislation. The development was presented to our stakeholders and announced to the public with the PDP statement dated 21.02.2024.

#### Legal Entity Board Member Representatives

At the Board of Directors meeting of our Company dated 27.03.2024, Güzde ERKOÇ was appointed instead of Sebahattin KARAKOÇ, a real person acting on behalf of Akdeniz Chemson Kimya Sanayi ve Ticaret Anonim Şirketi, who is a Legal Entity Member of the Board of Directors in our Company, and the statement on the subject was made on PDP.

Pursuant to the decision of the Board of Directors taken at the Board of Directors meeting of our Company dated 29.03.2024, İrem ATALAY has been appointed to replace Arif ÇETİNKAYA, a real person acting on behalf of OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi, who is a Legal Entity Member of the Board of Directors in our Company, effective as of April 1, 2024 and the statement on the subject was made on PDP.

#### Common and Continuous Transactions

Due to the widespread and continuous commercial activity between FERBİS Agriculture Trade and Industry Joint Stock Company and our Company, on the sale of raw materials, packaging and finished products, its share in total sales exceeds 10%, within the scope of CMB's Corporate Governance Communiqué No. II-17.1, the "Report on Common and Continuous Transactions" between our subsidiary FERBİS Tarım Ticaret ve Sanayi Anonim Şirketi and our Company was prepared and was presented to our stakeholders and announced to the public with the PDP statement dated 29.03.2024.

#### Notification Regarding General Assembly Proceedings

- The invitation text, agenda, notification regarding dividend distribution transactions and notification regarding the election of the Independent Audit Company for 2024 for the 2023 Ordinary General Assembly meeting to be held on 26.04.2024 were announced to the public through PDP statements.

#### **Events Occurring Outside the Period:**

##### Senior Management Changes

Based on the decision dated April 15, 2024 taken by our Board of Directors, it has been decided to appoint Mr. Murat KILIC to the vacant position of Finance Director. This was presented to our stakeholders and announced to the public with the PDP statement dated 15.04.2024.

##### Duties and Powers of Members of the Board of Directors

Legal entity Member of the Board of Directors of OMSAN Lojistik A.Ş (Eren Ziya DİK, real person acting on behalf of the company) was elected as the Chairman of the Board of Directors for a period of 1 year, Legal entity Member of the Board of Directors OYTAŞ İç ve Dış Ticaret A.Ş (Can ÖRÜNG, real person acting on behalf of the company) was elected as the Deputy Chairman of the Board of Directors for a period of 1 year. It was presented to our stakeholders and announced to the public through the PDP statement.

## HEKTAŞ TİCARET T.A.Ş.

### II - INTERIM TERM ANNUAL REPORT OF THE BOARD OF DIRECTORS PREPARED ACCORDING TO THE COMMUNIQUE NUMBERED 14.1

#### Board of Directors Committees

In accordance with the Capital Markets Board's Corporate Governance Communiqué No. II-17-1, it was decided that;

- Independent Member of the Board of Directors Bedri VAROĞLU was appointed as Chairman and Independent Member of the Board of Directors Kadri ÖZGÜNEŞ was appointed as a member of the Audit Committee of the Company's Board of Directors;

- Independent Member of the Board of Directors Bülent Şamil YETİŞ was elected as the Chairman of the Corporate Governance Committee, and Independent Member of the Board of Directors Bedri VAROĞLU and Investor Relations Department Manager Tuba BEKTAŞ were elected as committee members,

-Independent Member of the Board of Directors Kadri ÖZGÜNEŞ was elected as the Chairman of the Early Detection of Risk Committee and Independent Member Bülent Şamil YETİŞ as the committee member, and it was announced to the public by informing our stakeholders through the PDP statement.

#### Selection of Independent Audit Firm

It was decided that DRT Bağımsız Denetim and Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Deloitte Touche Tohmatsu) was elected as an independent auditor for the audit of the accounts and transactions of our Company and its Subsidiaries for the 2024 activity year within the framework of the Capital Markets legislation, the Turkish Commercial Code, and relevant legislation. The decision was presented to our stakeholders and announced to the public through the PDP statement.

#### Legal Entity Board Member Representatives

Based on the Board of Directors Decision taken by our Company's Legal Entity Member of the Board of Directors OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi and effective from 08.05.2024; Ferhat BAĞLARLIOĞLU was appointed instead of İrem ATALAY, a real person acting on behalf of OYAK Pazarlama Hizmetleri ve Turizm Anonim Şirketi, who is a Legal Entity Member of the Board of Directors in our company, and it was presented to our stakeholders and announced to the public with the PDP statement dated 08.05.2024.

#### Registration of the General Assembly Meeting

The 2023 Extraordinary General Assembly Meeting held on 26.04.2024 was registered by the Gebze Trade Registry Directorate on 09.05.2024 and was announced to the public by submitting it to our stakeholders through the PDP statement.

#### Submission of Financial Statements to Any Authority

The company's unconsolidated detailed Income Statement for the period 01/01/2024-31/03/2024 has been submitted to the Tax Office to which it is affiliated, as an annex to the 2024 1st Term Corporate Advance Tax Declaration. It was presented to our stakeholders and announced to the public with the PDP statement dated 22.05.2024.