Grant Thornton

(Convenience translation of a report originally issued In Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OFTHE BOARD OF DIRECTORS

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To the Shareholders and the Board of Directors of
Anatolia Tanı Ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi Ve Ticaret A.Ş.

1) Opinion

We have audited the annual report of Anatolia Tanı Ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi Ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1 January- 31 December 2022. In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (TAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated March 10, 2023 on the full set consolidated financial statements of the Group for the period of 1 January - 31 December 2022.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communique 11-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communique") of the Capital Market Board ("CMS"), the management of the Group is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
c) The annual report also includes the matters below:

Subsequent events occurred after the end of the fiscal year which have significance,

The research and development activities of the Group,

Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Customs and Trade and related institutions.

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5)Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communique, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with TAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Nazım Hikmet.

Eren Bağımsız Denetim A.Ş.

Member Firm of Grant Thornton International

T.C.

Nazım Hikmet

Engagement Partner

İstanbul, 10.03.2023

ANATOLIA GENEWORKS

ANNUAL REPORT

2022

Anatolia geneworks

Contents

ANATOLIA GENEWORKS AT A GLANCE

About Anatolia

Workforce is the company's most valuable asset.

Anatolia Geneworks is a pioneering manufacturer that has facilitated the development of the Turkish molecular diagnostics business. Initiated in 2010 with a small team led by Dr. Elif Akyüz and Alper Akyüz, the 100 m^2 R&D laboratory has evolved into a 15,000 m^2 R&D and production facility where hundreds of kits and devices are created and manufactured for export to over 70 countries. A well-trained workforce with high knowledge, motivation and commitment to ethical values is the company's most valuable asset.

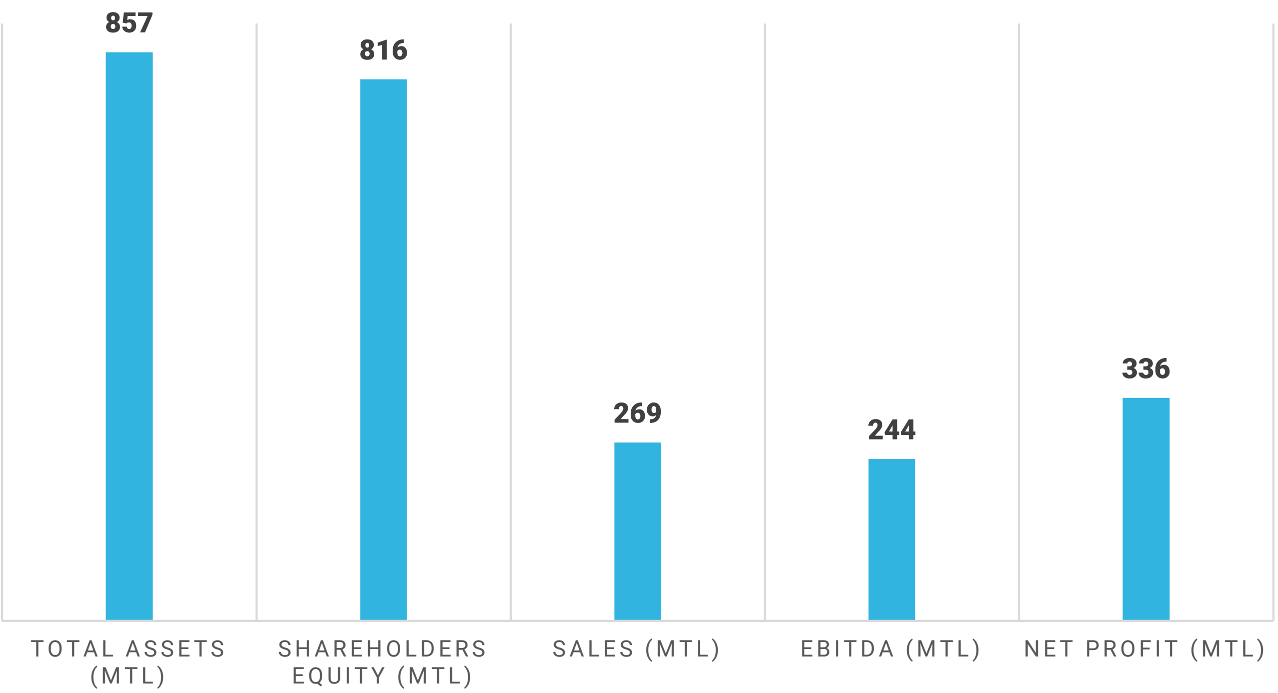
With the help of its highly technologized R&D and production areas, the Company develops and manufactures high quality diagnostic products for the entire world.

Anatolia Geneworks continues its activities not only with the aim of commercial success, but also with the aim of contributing to human health while representing our country in the global market, making Turkey's name known in the field of biotechnology and creating a country brand value.

Since its founding, Anatolia Geneworks has fostered a company culture that prioritizes development and progress and places a premium on loyalty, sharing, teamwork, and ethical principles. With its long-term vision, commercial strategies, and solid organizational structure, Anatolia Geneworks continues to advance.

- It is an international company with 100% Turkish capital,
- Its expertise and focus is in the field of "Molecular Diagnostics", which is extremely important in the diagnosis and treatment of diseases,
- Develops and manufactures kits, robotic devices and software that enable the use of techniques such as PCR, Real-Time PCR, DNA sequencing and DNA/RNA isolation for diagnostic or research purposes,
- It maintains its activities in accordance with ISO 13485:2016, ISO 9001:2015 standards in its R&D and production facilities with a total area of nearly 15,000 m^2, including the export-oriented production center in the Istanbul Industrial Free Zone,
- The 161-member multidisciplinary team is made up mostly of geneticists, biologists, engineers, and technical staff,
- The Company's R&D Center is accredited by the Ministry of Industry and Technology and benefits from the relevant incentives,
- The R&D Center employs 47 individuals, around half of them hold master's and doctoral degrees from Turkish or international universities.
- With overseas subsidiaries and a vast network of distributors, the company has introduced its products to the markets of more than 70 countries in Asia, Europe, Africa, and North and South America.
- The end-user profile consists of public and private sector hospitals, diagnostic and food control laboratories and universities in Türkiye and abroad,
- The first and only Turkish producer invited to participate in the WHO Collaborative Studies to determine new worldwide test reference standards for four distinct viruses.

Financial Indicators



2022

Financial Ratios

%34
Current Assets / Short-Term Liabilities

%84
Gross Profit/Sales

%91
EBITDA/Sales

%125
Net Profit Margin / Sales

2022

Message from the Chairman of the Board of Directors

Dear Shareholders,
Dear Investors,

While the time we were preparing the 2022 Annual Report for Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi ve Ticaret A.Ş, we were shaken by the pain of the double earthquake disaster we endured. However, despite the magnitude of the destruction and losses, the struggle of our nation, which attempted to overcome this process in solidarity by strengthening its unity and solidarity, reaffirmed our faith in the future of our Türkiye. We hope that, under the guidance of science, reason, and common sense, all of the necessary preparations will be done as quickly as possible so that our country can survive all future natural disasters with the least amount of damage and loss.

Since the year 2020, we have continued our R&D, production, and marketing endeavours in accordance with dynamic market conditions, since the impacts of the unprecedented pandemic conditions that have persisted until the present day have begun to diminish.
As is well-known, our company engages in extensive R&D pertaining to the development and integration of numerous devices and kits in the field of molecular diagnostics. The relative drop in the intensity of production and sales operations in 2022, which had reached unprecedented levels during the epidemic, allowed us to develop new items at a more rapid rate.

In 2022, the number of active projects at our R&D center increased by 30%. In 2022, the company acquired additional new workbenches and machines to boost automation in production, and its current information technology infrastructure was strengthened to increase production efficiency with various cloud and server-based monitoring and sharing applications. As part of the quality approach that the company has maintained since its inception, technological investments are continued to maintain the high production quality of our products, which are recognized on a global scale.

In 2022, the Company continued to work on increasing its overseas activities and entering new markets, and increased its ability to reach end-users directly through 4 newly established subsidiaries in the Netherlands, Poland, Bulgaria and the Philippines. It is clear that the additional regional market penetration that these new companies will create over time will contribute positively to company revenues in the long run. Anatolia has also had valuable opportunities to promote its activities and products to end users and dealers through its participation in various international and local congresses.

Anatolia's sales and profit in Turkish Lira has fallen compared to the previous year due to the influence of the price based competition in molecular diagnostic products worldwide and the rates that are low compared to the inflation. However, despite these negative effects, the gross profit margin of 84% and a 125% record net profit margin shows the sustainability of our capability to produce high added value.

As always, Anatolia will continue to increase its multifaceted activities in the coming years in order to make Türkiye's name known all over the world in the field of molecular diagnostics and to reinforce its identity as a global player. In this context, our primary goals are to develop new devices and kits within our R&D center and to strengthen our international sales channels. In our journey to achieve these objectives, we would like to thank all of our employees and partners. We also hope that the upcoming period will pave the way for a future for our nation that is devoid of misery and full of hope.

Alper Akyüz
Chairman of the
Board of Directors

Milestones

June 2010
Anatolia Tanı ve Biyoteknoloji A.Ş. was established.

December 2010
98/79/EC IVD CE, ISO13485, ISO 9001 Certifications

April 2011
First export

November 2012
The first DNA/RNA Isolation Kit is launched.

December 2013
The first DNA Sequencing kit is released.

May 2014
Fully automated isolation and PCR setup system launched.

July 2014
GMO Detection Kit accredited.

April 2015
Anatolia Geneworks was invited to the WHO study for the first time.

March 2016
1,000,000th test kit sold.

March 2017
"R&D Center" Ministry of Industry and Technology.

April 2017
Free Zone branch was established.

April 2017
Anatolia Geneworks subsidiary was established in Italy

January 2018
First multiplex panel kits were launched.

March 2018
Anatolia Geneworks subsidiary established in Pakistan.

October 2019
A sister company for machinery manufacturing was established.

December 2019
The annual production limit of 1,000,000 tests was exceeded.

February 2020
SARS-CoV-2 diagnostic kit developed and started to be sold in foreign markets.

April 2020
Kit production increased to 1 million units per month.

July 2020
A new DNA/RNA isolation robot has been introduced.

November 2020
Free Zone branch expanded for device and kit production.

December 2020
A new management and R&D building was acquired, reaching a total area of 15,000 m^2.

February 2021
4th prize in Fast Company Turkey's 2020 "Turkey's 50 Most Innovative Companies" survey.

June 2021
2nd prize in the "Medical Exports" category at the İKMİB 2020 Stars of Export award ceremony.

October 2021
Anatolia Geneworks went public and started trading on Borsa Istanbul Stars Market.

February 2022
Anatolia Geneworks subsidiary established in the Netherlands.

May 2022
Anatolia Geneworks subsidiary established in the Philippines.

July 2022
Anatolia Geneworks subsidiary established in Bulgaria.

September 2022
Anatolia Geneworks subsidiary established in Poland.

Anatolia geneworks

Company Profile

Title of the Company	Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret A.Ş.
Date of Establishment	11.06.2010
Head Office of the Company	İstanbul
Address	Hasanpaşa Mah. Beydağı Sok. No:1-9H Sultanbeyli/ İstanbul/Türkiye
Phone Number	+90 216 330 04 55
Registered Registry	İstanbul Ticaret Sicil Müdürlüğü
Registration No	738589-0
Tax Office	Sultanbeyli Vergi Dairesi
Tax ID	0680797583
Central Registration System Number	0068079758300025
Paid Capital	110.000.000 TL
Registered Capital Ceiling	500.000.000 TL

Shareholder Structure

Shareholder	Share in Capital (TL)	Capital Percentage (%)
Alper Akyüz	46.781.143	42,53
Elif Akyüz	22.801.500	20,73
Other	40.417.357	36,74
Total	**110.000.000**	**100,00**

Our Companies

The holding company RhineGene B.V. was first founded by the Company in February 2022 in Amsterdam, the Netherlands, in order to meet our IPO objectives. RhineGene Philippines Inc., a subsidiary of RhineGene B.V., was established in May 2022 in the Philippines to expand our products in Southeast Asia under the ownership of RhineGene B.V., which was established to invest in subsidiaries that will enable Anatolia to market its products more effectively all over the world.

RhineGene Bulgaria EOOD, a company based in Sofia, Bulgaria, also under the umbrella of RhineGene B.V., was established in July with the aim of creating a technical support and logistics center for both Bulgaria and the whole of Europe. RhineGene Poland Sp. z.o.o., which was established to sell our products in Poland and provide effective technical support, was acquired by our Dutch subsidiary RhineGene B.V. in September 2022.

More than 350 unique products manufactured in Türkiye are used in more than 70 countries with subsidiaries in 6 countries.

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2022 OPERATIONS

Anatolia geneworks

2022 Research and Development Activities

By the end of 2022, there were 31 new products developed as a result of completed R&D projects, which were transferred to production and commercialized.

The Company launched six new projects at the R&D Center in 2022, successfully concluded three initiatives, and concluded the year with a total of thirteen projects.

By the end of 2022, there were 31 new products developed as a result of completed R&D projects, which were transferred to production and commercialized. Some of these are Real-Time PCR kits for infection diagnosis and food analysis, while others are robotic devices and compatible kits that offer a complete solution including PCR setup step for food testing laboratories, genetic research and molecular diagnostic laboratories.

In 2022, the Company's know-how in product development by establishing an interdisciplinary team has increased, especially in projects based on system integration of nucleic acid isolation kits, robotic devices and Real-Time PCR kits, development of POCT (Point of Care Testing) systems and kits that enable on-site and rapid diagnosis, and development of rapid diagnostic products based on lateral flow and membrane array.

In 2022, the Company started to develop products based on different techniques, continued to improve its R&D laboratory equipment for this purpose, and strengthened its electronics engineer and bioengineer staff. In 2022, the R&D Center continued to increase its total number of personnel and increased the number of personnel with doctoral degrees from 3 to 5.

In 2022, the main R&D areas of focus are; Preparation of DNA and RNA from food samples and a wide range of human biological samples for PCR with the shortest time and maximum sensitivity by robotic and manual methods in different approaches such as magnetic and shaking, POCT (Point of Care Testing) enabling on-site and rapid diagnosis, as well as the development of cassette and membrane-based rapid diagnostic systems and kits, screening of different pathogens in the same reaction rapidly and at optimum cost, differentiation of subtypes by genotyping, development of different syndromic multiplex panel kits for the diagnosis of different infectious pathogens such as sepsis, gastrointestinal, and sexually transmitted infectious pathogens, and integration of different Real-Time PCR kits into new diagnostic automation systems.

In 2022, the Company's R&D Center increased its collaboration with universities, offered internship and job opportunities to successful bioengineering students and graduates through the Industrial Practices Protocol, and applied to the TÜBİTAK 1004- Center of Excellence Support Program as a Research Program Executing Organization (APYK).

2022 Customer Relations

With 2020, the pandemic period experienced worldwide caused a decline in access to general health services, diagnosis and treatment. With the start of the gradual recovery from the pandemic, demand for these services has started to grow. As a result, there has been an increase in the variety of products needed in the field of In vitro diagnostics, which sets the roadmap for diagnosis and treatment.

The decline in the number of COVID-19 tests has led to an increase in the number of routine tests performed in healthcare institutions. In this new post-pandemic period, Anatolia Geneworks maintained its strong position in the sector thanks to its value-added products and wide product range.

Our Bosphore SARS- CoV-2/Flu/RSV Panel Kit (Multiplex), which can detect influenza A, influenza B, RSV and COVID-19 pathogens with a single test kit used in the diagnosis of respiratory infections, especially in the fall and winter months, has become one of the prominent products in the UK and France markets. In our country, the approach to screening influenza A, influenza B, COVID-19 and RSV, which are respiratory pathogens that threaten especially school-age children, with a single kit has increased the demand for our Bosphore SARS- CoV-2/Flu/RSV Panel Kit.

With the addition of our new robotic devices, whose R&D process has been completed, to our products, the necessary investments and preparations for many different projects in 2022 have been completed.

In addition, thanks to our expanding distributorship network in 2020 and 2021, our sales figures for routine tests other than COVID-19 tests increased in different countries around the world in 2022. With the increase in our routine test sales, our first exports were realized to Australia, Bahrain, Estonia, USA, Palestine, Taiwan and Venezuela.

However, sales of the new non-Coronavirus parameters have increased in countries such as Azerbaijan, Uruguay, Cyprus, Georgia, Chile, Paraguay and Jordan, where we have already been present and have finalized our distributorship agreements. In these countries, projects have started to be developed for the tenders to be opened in the coming periods.

By 2022, our subsidiaries in the Netherlands, Bulgaria, Poland and the Philippines were established and capitalized. Promotion, marketing activities and congress/exhibiton participations were carried out in these countries. The first product sales also took place in 2022. Our existing subsidiaries in Italy and Pakistan started to work with different institutions with new product groups after the pandemic. Through our subsidiary in Italy, new and strong connections were created in Portugal and Spain.

While considering new needs with our products developed in accordance with the updated Health Implementation Communiqué, the number of institutions whose tenders we won in the domestic market in 2022 increased by approximately 40%.

The Isolation Devices developed by our company both in-house and produced abroad under our own brand name had a positive impact on the sample capacity, the working speed of the PCR kits we produce and the product performances. All these factors paved the way for us to create solutions with alternative products and to have a larger share in the market.

Thanks to the adaptation of these developed systems to product groups, it was possible to operate some specific test groups at high capacities. In this context, the implementation in 2022 enabled Human Papillomavirus (HPV) screening to be carried out with high capacities. Although our company had products related to this pathogen in the past, these products were adapted to the newly produced and existing high throughput isolation devices. While the screening of this virus, which is used in the diagnosis of cervical cancer, is frequently performed in our country and in the world, this newly developed system has paved the way for us to create solutions for institutions that work with high volumes of tests.

> **With the increase in our routine test sales, our first exports were realized to Australia, Bahrain, Estonia, USA, Palestine, Taiwan and Venezuela.**

Our Certificates

Anatolia Geneworks offers turnkey solutions suitable for diagnostic use with IVD CE marked Bosphore, Quantiphore Kits, Montania Real-Time PCR devices and Magnesia, Unio isolation systems for the safe use of our products in Turkey and around the world.

Anatolia Geneworks operates under ISO 9001:2015 and ISO 13485:2016 quality management systems. Some of the many documents we have in this context are shown below.

Standard - Directive	Certificate Number
98/79/EC	1434-IVDD-493_2021
98/79/EC	1434-IVDD-494_2021
98/79/EC	1434-IVDD-495_2021
98/79/EC	1434-IVDD-496_2021
98/79/EC	1434-IVDD-497_2021
98/79/EC	1434-IVDD-498_2021
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98/79/EC	1434-IVDD-506_2021
98/79/EC	1434-IVDD-507_2021
98/79/EC	1434-IVDD-508_2021
ISO 9001:2015	TR011791
ISO 13485:2016	M - 18/9/2022
2006/42/EC ANNEX 1, EN ISO 12100:2010	2007-ELM-571

The 98/79/EC CE Declaration of Conformity documents of products outside Annex II List A-B are not included in this list due to their substantial number.

Our Human Resources Policy

Valued people add value to work...

Anatolia Human Resources policy is shaped with the approach of "Valued people add value to work...".

Anatolia's approach to every human element is primarily based on respect. Anatolia cares about building respectful, sustainable and lasting relationships with its team, target audience and all stakeholders. People are always at the center of its high quality products that contribute to human health.

At the core of Anatolia's approach to human resources is the respect for people and the value given to labor. Recruitment, evaluation and training activities related to employees are carefully carried out within the framework of these basic concepts.
In order to improve the quality of the product and working environment, it is aimed to increase the competencies of employees by adding new trainings and experiences they receive in Anatolia culture to their learning and skills and to continuously improve themselves.

Anatolia's human resources policy is to create a happy, healthy and safe working environment for employees and to ensure team continuity. Anatolia management believes that quality products can be produced by happy people and values diversity. As a reputable company that complies with laws and ethical rules, it does not discriminate based on race, religion, color, national origin, gender, sexual orientation, age or marital status and attaches importance to equal opportunity and justice in human resources practices.

By continuing its operations in accordance with the requirements of national and international legislation on occupational health and safety, Anatolia management commits to ensuring continuous improvement, identifying hazards and risks through risk management, taking the necessary controls and precautions, continuously providing the trainings on OHS and risk management, and creating and maintaining a safe and healthy environment.

OUR HUMAN RESOURCES APPROACH

The importance we attach to continuous development and improvement is the foundation of quality at Anatolia. For this reason, Anatolia is well aware of the importance of instilling quality awareness, customer orientation, process approach and risk-based thinking, training and performance evaluation activities, team development and process improvement. Anatolia's products benefit human health and communities around the world. With its products used in both medical laboratories and food laboratories, Anatolia provides access to the best technologies for people and society.

Anatolia endeavours to avoid brain drain by allowing graduates in Molecular Biology, Genetics, and Bioengineering, who have limited employment possibilities in their specialty, to contribute to domestic production rather than leaving the nation. People who will join the team are required to have respect for people, competence, enthusiasm for work, and openness to learning and development. In addition to learning, personality traits necessary for teamwork, such as communication skills, are assessed. Team continuity is important for Anatolia, as success can only be achieved through harmonious teamwork.

Anatolia's R&D and production strategies are also shaped with a focus on the development of human resources. The team is trained on ISO 9001, ISO 13485 quality standards and the regulation on in vitro diagnostic medical devices and contributes to the implementation of these quality systems. In 2022, Anatolia organized 542 trainings for its employees, on quality management system, technical issues related to molecular genetics and engineering applications, sustainability, environmental management, legal requirements, occupational health and safety rules. The efficiency of the trainings was measured, and additional training requirements were identified. Monitoring training efficiency is among the quality objectives.

Anatolia Geneworks increased the number of employees from 138 to 161 in 2022.

Anatolia cares about the satisfaction, health and productivity of its employees. Lunch is provided for all employees, there is a planned shuttle service with a wide network of routes and various transportation support facilities. In addition to being covered by the Social Security Institution, all our employees are covered by Complementary Health Insurance starting their first day at Anatolia. Support is also provided for their dependent families (spouse-children) within the scope of Complementary Health Insurance. Anatolia's employees are subject to the leave practices set forth in the Labor Law; in addition, there are various excused leave practices. In order to support the family life of our employees, employees who are parents are entitled to leave on their children's report card day.

In order to increase the quality of life and sense of belonging of employees, there are various support practices (such as birth, marriage, etc.) as well as fringe benefits.

Performance evaluation studies are conducted periodically every year to identify employees' strengths and areas open to improvement, and to contribute to their career and personal development by ensuring that they take part in the processes in which they are most productive and happy. Employee performance evaluation criteria are determined within the scope of quality management systems personnel requirements. Work outputs, the ability to use time effectively, contribution to improvement activities, leadership qualities, risk-based thinking, problem solving and management skills, observation by process managers, practical and written technical exams, customer-supplier feedback are evaluated. As a result of performance evaluations, new trainings and new responsibilities are given to the personnel who are capable of contributing in terms of leadership and management skills, and the personnel are motivated and guided in line with quality targets. Transfers between departments are permitted for personnel who are considered to be better, more effective, efficient and happy in a different position than their current one. Experienced staff mentor the staff who join the team later and make a difference in performance evaluations, enabling new leaders to grow.

Leadership is practiced through effective leadership behavior, not just hierarchical titles.

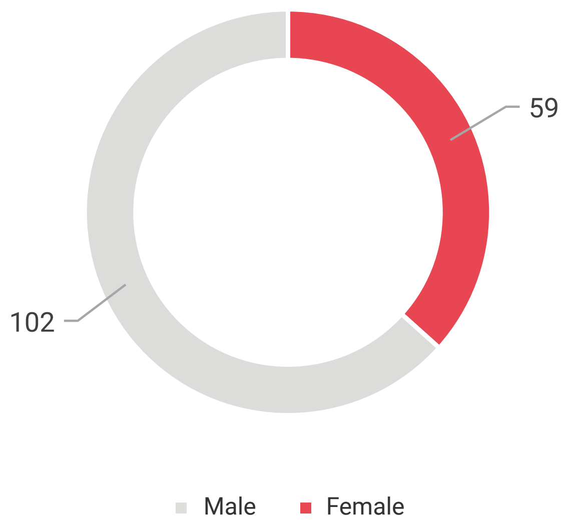
In 2022, Anatolia organized 542 trainings for its employees, mainly on quality management system, technical issues related to molecular genetics and engineering applications, sustainability, environmental management, legal requirements, occupational health and safety rules.

Equality of Opportunity

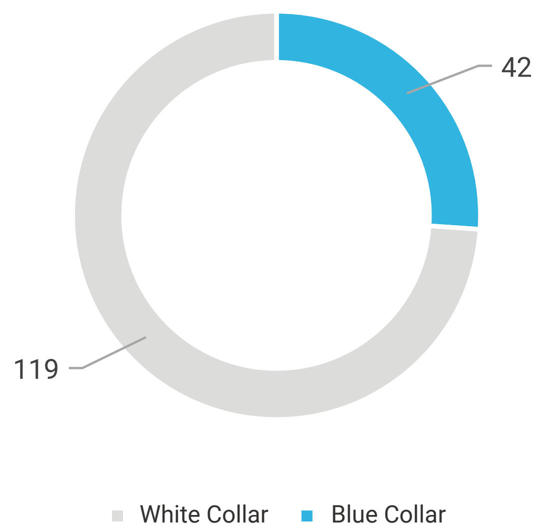
Anatolia Geneworks management attaches importance to equal opportunity and fairness in human resources practices.

As of the end of 2022, information about our employees is as follows;

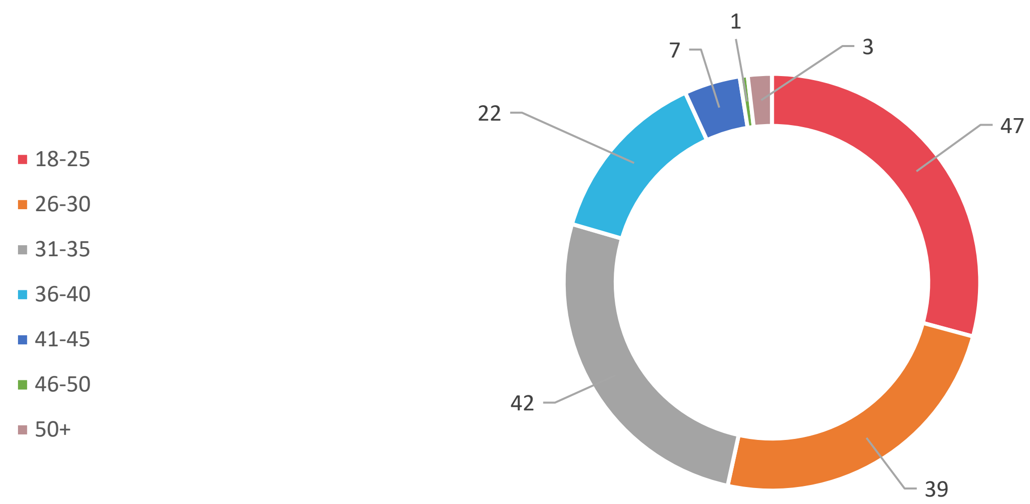
Gender



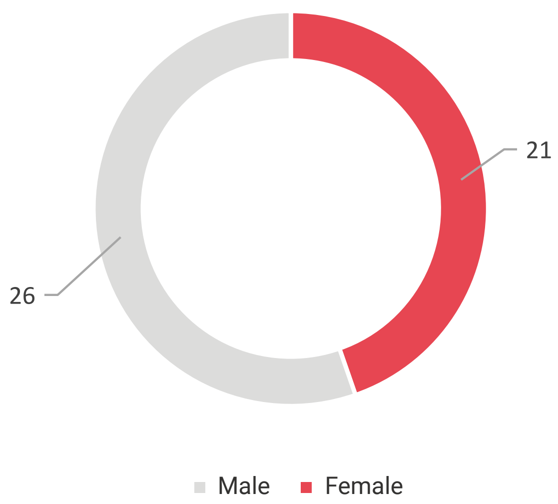
Employment Type



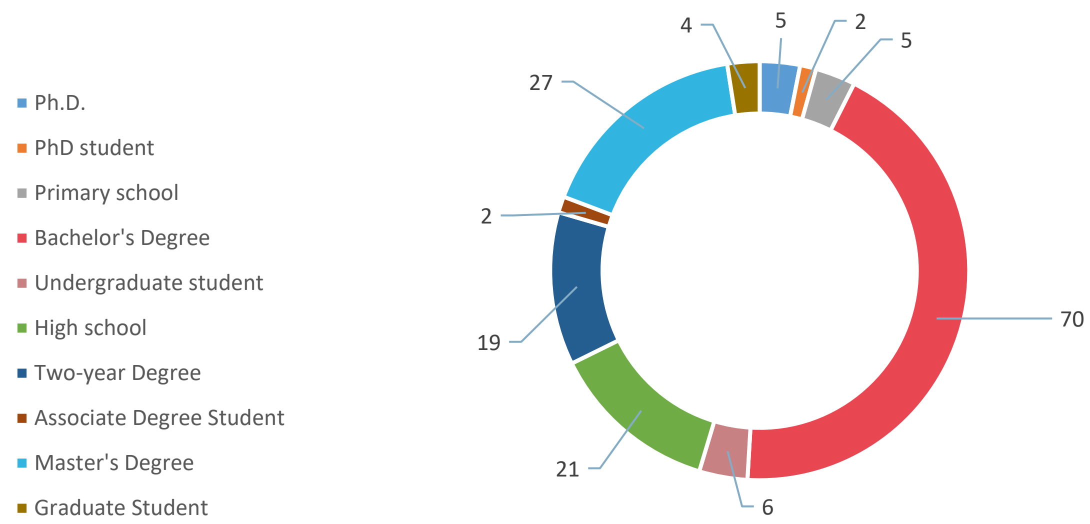
Age Groups



R&D



Educational Status



Anatolia increased the number of employees from 138 to 161 in 2022.

Growth Strategies

Complementary solutions in its wide product portfolio support Anatolia's competitive edge with its customer-oriented approach.

Maintaining its focus on molecular diagnostics, the Company successfully pursues the following growth strategies thanks to its specialized staff and R&D structure;

Having and continuously developing a top-notch quality product portfolio that includes main products that are in high demand, as well as side parameters that are not produced by many companies.

Differentiating itself from its competitors in the market by offering unique solutions that meet user needs in a versatile and effective way with technologies such as multiplex testing and rapid nucleic acid purification methods.

Aiming to create an end-to-end system solution and building a product line of kits, consumables and devices. Developing and producing modular robotic and opto-electronic laboratory diagnostic devices with different capacities and automation levels that can meet the expectations of all kinds of laboratories and to offer them to users, thus creating a long-term mutualist product ecosystem that creates and grows a prominent level of kit and consumable demand.

Offering the highest level of training and technical support to end users by establishing a wide sales network in many countries in the international market through dealers and subsidiaries, thus increasing brand awareness and creating a growing user group with high satisfaction and loyalty.

Expansion of Product Portfolio

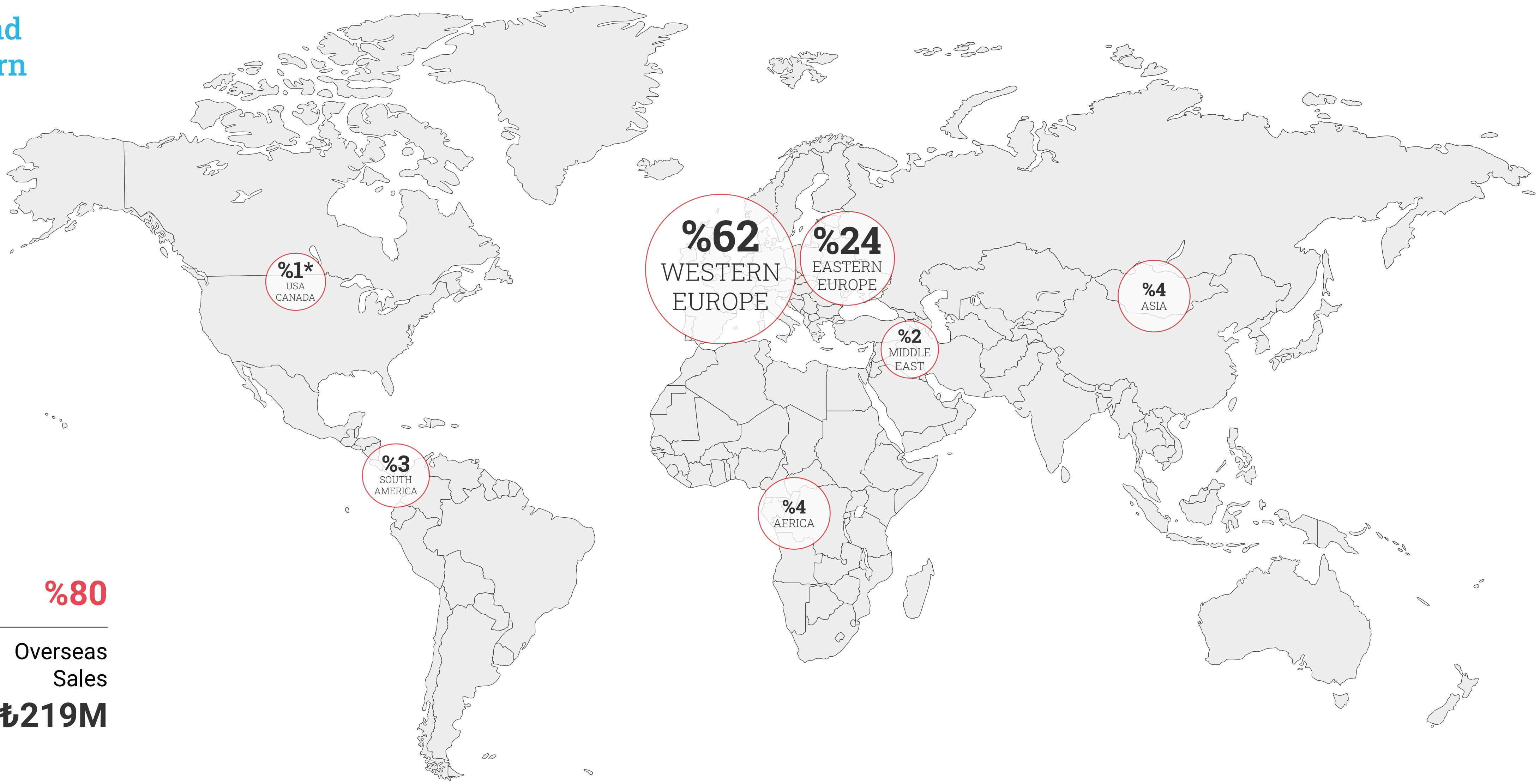
Robotics and Optoelectronic System Integration

Expansions in New Geographies

2022 Sales

Anatolia maintained its strong performance in 2022 with its product and service quality, its penetration in Western Europe and other prominent target markets.

+ Sales to More Than 50 Countries
+ ₺219M of Overseas Sales



** First export to the USA*

Fairs and Events

Anatolia conducts its marketing activities by participating in national or international fairs and congresses and introduces its products, which are used in many health institutions and university hospitals worldwide, through demonstrations and workshops.

Medlab
Dubai - United Arab Emirates
24-27 January 2022

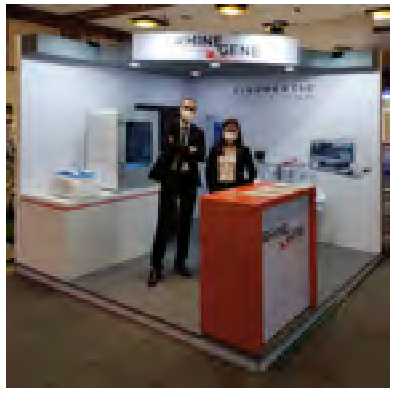
Medical Fair Brasil
Brazil - São Paulo
3-6 May 2022

SIBioC
İtaly - Cenova
5-7 October 2022

İTÜ MBG Student Congress
Türkiye - Istanbul
11-13 November 2022

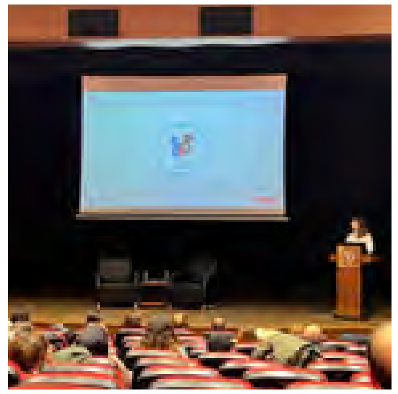
MEDICA
Germany - Düsseldorf
14-17 November 2022

KLİMUD
Türkiye - Antalya
16-20 November 2022



PAMET
Philippines - Manila
1-3 December 2022

XXV SCIENTIFIC SYMPOSIUM
Poland - Warsaw
2-3 December 2022



IEES YTU EMBS BIOFORM
Türkiye - Istanbul
6-8 December 2022

Our Future Goals

Raising brand awareness by increasing international marketing activities,

Developing products for markets where the company is not yet established,

Establishing new subsidiaries in Europe, Asia and the Americas,

Increasing international market share through new dealers,

Expanding the R&D Center team and increasing the number of projects and products developed,

Increasing participation in local congresses organized abroad.

MANAGEMENT STRUCTURE AND ORGANIZATION

Board of Directors

The proportion of female board members reached 80% in 2022.

*Ms. Kumru Ece Saran Selçuk was appointed as a **Board Member** on 30.11.2022 and Ms. Duygun Erol Barkana was appointed as an **Independent Board Member** on 05.01.2023.*

Alper Akyüz
Chairman of the Board of Directors

Alper AKYÜZ was born in 1970 in Kırıkkale.

After graduating from Bursa Anatolian High School, he continued his education in the Department of Electrical Engineering at Istanbul Technical University.

During his university years, he specialized in design, advertising and marketing in his working life.

He has been serving as the founding partner and chairman of the board of directors and also as the General Manager in Anatolia since 2010.

He is fluent in English and German.

Elif Akyüz
Vice Chairman of the Board of Directors

Born in Istanbul in 1975, Elif AKYÜZ graduated from Kadıköy Anatolian High School and completed her bachelor's, master's and doctorate degrees at Boğaziçi University, Department of Molecular Biology and Genetics.

Elif AKYÜZ, who later worked as a research assistant in the same field at Boğaziçi University, used her expertise for the development of diagnostic products in the private sector.

Elif AKYÜZ, who has been the founding partner and vice president of the board of directors since 2010, is the R&D Center Director and fluent in English, German and Italian.

Kumru Ece Saran Selçuk
Member of the Board of Directors

Born in 1992 in Bursa, Kumru Ece SARAN SELÇUK graduated from Boğaziçi University, Department of Economics in 2015.

SARAN SELÇUK, who was ranked as second and third in Turkish swimming championships, played volleyball as a licensed volleyball player between 2004-2014.

SARAN SELÇUK, who joined Hugo Boss in 2015 after her experience in Information Rights Management (IRM) at Sony Electronics Istanbul office, continues her role as Marketing and Brand Communications Leader at Hugo Boss Turkey.

SARAN SELÇUK is fluent in English and German.

Işıl Kurnaz
Independent Member of the Board of Directors

Born in Istanbul in 1974, Işıl KURNAZ graduated from Hüseyin Avni Sözen Anatolian High School and completed her bachelor's degree in Boğaziçi University, Department of Molecular Biology and Genetics, and her doctorate degree in the field of biochemistry at the University of London.

Işıl KURNAZ, who worked as a lecturer at Boğaziçi University and as a postdoctoral researcher at Manchester University, returned to Turkey in 2003 and took part in the establishment of the Department of Genetics and Bioengineering at Yeditepe University, and became an Assistant Professor, Associate Professor and Professor at the same university.

L'oreal Young Scientist and The Turkish Academy of Sciences, Outstanding Young Scientist award winner Prof. Dr. KURNAZ has been working at Gebze Technical University since 2014, where she still works as the founding director of the Biotechnology Institute.

Duygun Erol Barkana
Independent Member of the Board of Directors

Born in 1980, Duygun EROL BARKANA graduated from Eskişehir Osmangazi University, Department of Electrical and Electronics Engineering in 2001 with the first rank.

After completing her master's degree at Vanderbilt University in 2003, her doctorate degree in 2007 and working as a Research Assistant, BARKANA has been continuing her academic life at Yeditepe University since 2007.

BARKANA, who has been the Head of the Department of Electrical and Electronics Engineering at Yeditepe University since 2017, has numerous national and international academic publications. In 2018, BARKANA won the Outstanding Young Scientist Award in Science and Engineering Sciences from the Turkish Academy of Sciences.

CORPORATE GOVERNANCE

Shareholders and Investor Relations

While ensuring the coordination of the Company's disclosure policy and corporate governance, the Investor Relations Department also maintains relations with investors, analysts, rating experts, regulatory bodies and various professional organizations in their respective fields.

Responsible Manager for Investor Relations and Contact Information:

Name and Surname	Title	Phone	E-Mail	License Certificate Type	License Document No.
*Mehmet Gökalp	CFO	0216 330 04 55			
Ali Rıza Tüzüngüven	Investor Relations Manager	0216 336 10 66	yatirimci.iliskileri@anatoliageneworks.com	Capital Market Activities Level 3 License, Corporate Governance Rating License.	204194 -700904

* Effective from 01 January 2023, Mr. Mehmet Gökalp has been appointed as the new Chief Financial Officer (CFO) after the resignation of Ms. Cansu Müftüoğlu on 30.12.2022.

According to the II-17.1 numbered "Communiqué on Corporate Governance" prepared within the scope of compliance with the Capital Markets Law No. 6362 (CMB), which entered into force after being published in the Official Gazette dated 03.01.2014 and numbered 28871, the responsibilities carried out by our Investor Relations Department under the Finance and Financial Affairs Directorate, which was established to ensure communication between the partnerships and investors of the companies whose shares are traded on the Stock Exchange, within the scope of its duties during the operating period starting on October 21, 2021, the date of our public offering, are presented for your information.

32 Material Event Disclosures were made through the Public Disclosure Platform (KAP) during the 2022 annual period.

During the 2022 operating period, verbal and written inquiries received from investors were answered promptly and within the framework of the law and in a manner that does not fall within the scope of trade secrets.
Requests received from the Capital Markets Board, Borsa Istanbul and the Central Securities Depository (CSD) of Turkey and the Company's communication with the Trade Registry were provided by the Investor Relations Department.
PDP entries and publication of "Interim and Annual Financial Statements" and "Annual Reports", which are published quarterly and annually via the Public Disclosure Platform (KAP), were made by the Investor Relations Department.

The information required by the legislation to be included on the Company's website under the heading "Investor Relations" has been prepared and uploaded to the page.

The Board of Directors' Decisions are taken during the annual year have been ensured to kept duly.

Share Performance

Traded on Stock Exchange:	Borsa İstanbul (BIST)
Date Traded:	21.10.2021
Traded Market:	YILDIZ PAZAR
Company Sector:	İMALAT / KİMYA İLAÇ PETROL LASTİK VE PLASTİK ÜRÜNLER
Trade Code:	ANGEN
Reuters Code:	ANGEN.IS
Bloomberg Code:	ANGEN.TI

The opening share price of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi on January 01, 2022 is 27.06 TL The highest price seen during the year was 50.05 TL and the share price is 43.10 TL as of December 31, 2022 closing date. The share price had increased by 59,27% between 01.01.2022 and 31.12.2022.

Committees and Working Principles

At the Board of Directors meeting dated May 12, 2022 held after the Ordinary General Assembly within the framework of the provisions of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 ("Communiqué");
i) Mehmet GÖKALP to be appointed as the Chairman of the Corporate Governance Committee, Işıl KURNAZ and Ali Rıza TÜZÜNGÜVEN to be appointed as members, and the Corporate Governance Committee to fulfill the duties of the Nomination Committee and Remuneration Committee as described in the Communiqué,
ii) Mehmet GÖKALP be appointed as the Chairman and Işıl KURNAZ be appointed as the member of the Early Identification of Risk Committee, which was established as a separate committee by the Board of Directors decision dated 05/07/2021 and numbered 21 within the scope of Article 378 of the Turkish Commercial Code No. 6102,
iii) To appoint Mehmet GÖKALP as the Chairman and Işıl KURNAZ as the member of the Audit Committee established within the scope of the Capital Markets legislation.

*Prof. Dr. Duygun Erol BARKANA was elected at the Board of Directors meeting of our company dated 05.01.2023 for the independent board membership vacated by the resignation of Mr. Mehmet GÖKALP on 06.12.2022 and it was decided that he will also assume the duties of the Chairman of the Corporate Governance Committee, the Audit Committee and the Early Detection of Risk Committee.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. WORKING PRINCIPLES OF THE AUDIT COMMITTEE

1.ESTABLISHMENT

At the Board of Directors meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("Company") dated 05/07/2021 and numbered 17, within the scope of the provisions of the Corporate Governance Principles in the Corporate Governance Communiqué (II-17.1) ("Communiqué") and Borsa İstanbul A.Ş. Audit Committee Duties and Working Principles Directive, the Audit Committee ("Committee") was established in order to ensure the healthy supervision of the financial and operational activities of our Company.

2. PURPOSE

The Committee was established to oversee the functioning of the Company's accounting and reporting systems within the framework of applicable laws and regulations, public disclosure of financial information, independent audit and the functioning and effectiveness of the internal control system.
These principles have been established within the framework of the regulations, provisions and principles in the Turkish Commercial Code, capital markets legislation and the Corporate Governance Principles in the Communiqué.

3.DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

3.1.Public disclosure of the accounting system and financial information of the Company, independent audit and monitoring the operation and effectiveness of the internal control and internal audit system of the Company,
3.2.Selection of independent audit institution, initiation of independent audit process by preparing independent audit contracts and realization of works of independent audit institution at each stage under the supervision of the Committee. In addition, taking the necessary measures to conduct all kinds of internal and independent audits in an adequate and transparent manner,
3.3.Determining the services to be received from these institutions with the independent audit institution from which the service will be obtained and submitting it to the approval of the Board of Directors,
3.4.Determining the methods and criteria to be applied in the examination and conclusion of the complaints received by the Company regarding the accounting and internal control system and independent audit of the Company, and in the evaluation of the Company's employees' notifications on accounting and independent audit within the framework of the confidentiality principle,
3.5. Obtaining the opinions of the Company's responsible managers and independent auditors regarding the annual and interim financial statements and footnotes to be disclosed to the public, the rules brought by the legal regulations and international accounting principles and standards, the accounting principles followed by the Company, their truthfulness and accuracy, and notifying the Board of Directors in writing with their own evaluations,
3.6. In the meetings to be held following the publication of the relevant quarterly financial statements, a report shall be submitted to the Board of Directors after the examination of the related party transactions carried out in accordance with the continuous related party transaction whose annual approval has been obtained in the said period and the annual review of the related party transactions,
3.7. Observing the compliance with the internal regulations of the Company to prevent conflicts of interest that may arise between the members of the Board of Directors, senior management or other related parties and the misuse of information that may affect the value of the Company's shares within the scope of trade secret and
3.8. Fulfillment of the Capital Markets Board regulations and other duties assigned/to be assigned to the Committee by the Turkish Commercial Code.

4. STRUCTURE OF THE COMMITTEE

4.1. The Committee consists of at least 2 (two) members. All members of the committee must be independent members of the board of directors.
4.2. If the committee consists of two members, the majority of the members of the board of directors are required to consist of members of the board of directors who are not in charge of execution if they have more than two members. The chief executive officer/general manager cannot take part in the committee.
4.3. Experts who are not members of the Board of Directors cannot be members of the Committee.
4.4. All resources and support required for the Committee to fulfill its duties shall be provided by the Board of Directors. The Committee may invite the manager it deems necessary to its meetings and receive their opinions. The Committee makes use of independent expert opinions on matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.
4.5. The Committee meets at least four times a year, at least once every three months, and the results of the meeting are recorded in the minutes and the decisions taken are submitted to the Board of Directors.
4.6. A disclosure is made in the annual activity report about the activities of the committee and the results of the meeting.
4.7. The Committee shall immediately notify the Board of Directors in writing of its findings and evaluations and suggestions regarding its duties and responsibilities.
4.8. When the new board of directors is elected at the ordinary general assembly meeting, the relevant board of directors shall appoint the members of the Committee in parallel with its term of office. The duties of the former committee members shall continue until the new members are elected.
4.9. The Committee is gathered with the participation of more than half of the members and the decision is taken with the majority of those attending the meeting. In case of equality of votes, the decision shall be taken in accordance with the vote of the Committee chairperson.
4.10. Meetings of the Committee may be held at the headquarters of the Company or elsewhere where the access of the members of the Committee is easy.
4.11. The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant matters.

5. EFFECTIVENESS

This regulation on the duties and working principles of the Committee and amendments thereto shall enter into force upon the resolution of the Board of Directors.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE

1. ESTABLISHMENT

At the Board of Directors meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") dated 05/07/2021 and numbered 17, the Corporate Governance Committee ("**Committee**") was established to advise the Board of Directors in order to improve the Company's corporate governance practices within the scope of the Corporate Governance Principles provisions in the Corporate Governance Communiqué (II-17.1) ("**Communiqué**") and Borsa Istanbul A.Ş. Corporate Governance Committee Duties and Working Principles Directive.

2. PURPOSE

The Committee was established in order to determine whether the Corporate Governance Principles are implemented in our Company, if not, to determine the reasons thereof and the conflicts of interest arising from the failure to fully comply with these principles, to make recommendations to the board of directors to improve corporate governance practices and to oversee the work of the investor relations department. The Corporate Governance Committee also fulfills the duties of the Nomination Committee and the Remuneration Committee within the scope of the Communiqué.

These principles have been established within the framework of the regulations, provisions and principles in the Turkish Commercial Code, capital markets legislation and the Corporate Governance Principles in the Communiqué.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

3.1. Duties and Responsibilities Regarding Corporate Governance
3.1.1. Determining whether corporate governance principles are applied and conflicts of interest that may occur due to not fully complying with these principles, making recommendations to the Board of Directors to improve their practices,
3.1.2. Making annual evaluation within the scope of compliance with corporate management principles, preparing a report on compliance with corporate management principles and sending the results to the Board of Directors,
3.1.3. Monitoring whether the distribution of duties and powers among the organs, units, managers and employees of the Company has been clearly and precisely determined, to make suggestions about the regulations to be made and the policies to be determined regarding the prevention of conflicts of interest that may arise in practice, to observe the compliance with these regulations and policies,
3.1.4. Making recommendations for the determination of the Company's information policy, observing the implementation of the determined policies, reviewing the scope, quality, consistency and accuracy of the disclosures and information to be given on the Company's website and activity report,
3.1.5. Following up the procedures for protecting the rights of those concerned with an impartial and balanced approach when conflicts of interest arise between the company and shareholders and other stakeholders, examining requests and complaints from shareholders and stakeholders in matters falling within the scope of their duties, submitting solution proposals to the Board of Directors,
3.1.6. Monitoring the facilitation of the protection and use of shareholding rights, in particular the right to information and review,
3.1.7. Monitoring the Company's business and transactions with related parties within the framework of corporate governance principles,
3.1.8. Carrying out studies for the establishment of corporate governance culture in the company and its adoption by managers and personnel at all levels,
3.1.9. Contributing to the determination and development of the Company's ethical rules and observing the execution of the Company's activities within the framework of these rules,
3.1.10. Monitoring the Company's sensitivity to corporate social responsibilities and compliance with environmental and public health regulations,
3.1.11. Supervision of Investor Relations unit,
3.1.12. Conducting studies on other matters that can be evaluated within the scope of corporate governance requested by the Board of Directors, and
3.1.13. Fulfillment of the Capital Markets Board regulations and other duties assigned/to be assigned to the Committee by the Turkish Commercial Code.
3.2. Duties and Responsibilities within the scope of Nomination and Remuneration
3.2.1. Fulfillment of the duties of the Nomination Committee and Remuneration Committee,
3.2.2. Establishing a transparent system for determining, evaluating and training the appropriate candidates for the Board of Directors and managerial positions with administrative responsibility and determining the policies and strategies in this regard,
3.2.3. Making regular evaluations about the structure and efficiency of the Board of Directors and to submit its recommendations to the Board of Directors regarding the changes that can be made on these issues,
3.2.4.Determining the principles, criteria and practices to be used in the remuneration of the members of the Board of Directors and the managers with administrative responsibility by taking into account the long-term objectives of the company and supervising them,
3.2.5. Submitting proposals to the board of directors regarding the remuneration of board members and executives with administrative responsibilities, taking into account the degree of achievement of the criteria used in remuneration.

4. STRUCTURE OF THE COMMITTEE

4.1. The Committee consists of at least 2 (two) members, provided that the chairman is an independent board member.
4.2. If the committee consists of two members, the majority of the members of the board of directors are required to consist of members of the board of directors who are not in charge of execution if they have more than two members. The chief executive officer/general manager cannot take part in the committee.
4.3. Persons who can contribute to the functioning of the Company and who have sufficient knowledge and experience about the Company may be elected to the Committee. When necessary, experts who are not members of the Board of Directors are also assigned to the Committee.
4.4. All resources and support required for the Committee to fulfill its duties shall be provided by the Board of Directors. The Committee may invite the manager it deems necessary to its meetings and receive their opinions. The Committee makes use of independent expert opinions on matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.
4.5. When the new board of directors is elected at the ordinary general assembly meeting, the relevant board of directors shall appoint the members of the Committee in parallel with its term of office. The duties of the former committee members shall continue until the new members are elected.
4.6. The Committee is gathered with the participation of more than half of the members and the decision is taken with the majority of those attending the meeting. In case of equality of votes, the decision shall be taken in accordance with the vote of the Committee chairperson. Decisions taken by the Committee are put in writing and recorded, and the Committee's recommendations are submitted to the Board of Directors.
4.7. The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant matters.
4.8. In January of each year, the Committee prepares an annual evaluation report on the activities carried out in the previous year to form the basis of the Company's annual report and submits it to the Board of Directors.
4.9. The Committee shall meet as often as required by the task assigned to it. Meetings of the Committee may be held at the headquarters of the Company or elsewhere where the access of the members of the Committee is easy.

5. EFFECTIVENESS

This regulation on the duties and working principles of the Committee and amendments thereto shall enter into force upon the resolution of the Board of Directors.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. WORKING PRINCIPLES OF THE EARLY IDENTIFICATION OF RISK COMMITTEE

1. ESTABLISHMENT

At the Board of Directors meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") dated 05/07/2021 and numbered 17, the Early Detection of Risk Committee ("**Committee**") was established for the purpose of early detection of risk and establishment of an effective risk management system of our Company within the scope of the provisions of the Corporate Governance Principles contained in the Corporate Governance Communiqué (II-17.1) ("**Communiqué**") and Borsa Istanbul A.Ş. Early Detection of Risk Committee Duties and Working Principles Directive.

2. PURPOSE

The Committee was established to advise and make recommendations to the Board of Directors of the Company on the early detection, evaluation, calculation of the impact and probability of strategic, operational, financial, legal and any other risks that may jeopardize the existence, development and continuity of the Company, management and reporting of these risks in accordance with the Company's corporate risk-taking profile, implementation of necessary measures regarding the risks identified, consideration in decision-making mechanisms and establishment and integration of effective internal control systems in this direction.

These principles have been established within the framework of the regulations, provisions and principles in the Turkish Commercial Code, capital markets legislation and the Corporate Governance Principles in the Communiqué.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

3.1. Identifying current and potential operational, strategic and other risks and preparing suggestions for taking relevant measures in connection with these risks,
3.2. Establishing risk management systems and establishing organizational infrastructures within the Company and increasing functionality, preparing proposals for the development of relevant systems,
3.3. Identifying, evaluating, monitoring the existing and possible risk factors that may affect the achievement of the objectives of the Company within the framework of the corporate risk management system and determining the principles related to the management of the risks in accordance with the risk of the Company taking profile and ensuring that they are used in the decision-making mechanisms,
3.4. Determining the risks to be kept and managed, shared or completely eliminated in the Company according to probability and impact calculations,
3.5. Providing an opinion to the Board of Directors in order to establish internal control systems in a way that shall include the processes of risk management and information systems that can minimize the effects of risks that may affect the stakeholders of the Company, especially shareholders,
3.6. Ensuring the integration of risk management and internal control systems into the corporate structure of the Company,
3.7. Reviewing the risk management systems at least once a year and ensuring that the applications in the relevant departments assuming the management responsibility of the risks are performed in line with the committee decisions,
3.8. Early identification of technical bankruptcy and ensuring that the Board of Directors is warned about this issue and developing suggestions regarding the measures to be taken,
3.9. Early detection of risks that may jeopardize the existence, development and continuation of the Company, taking the necessary measures regarding the identified risks and conducting studies to manage the risk,
3.10. Fulfillment of the Capital Markets Board regulations and other duties assigned/to be assigned to the Committee by the Turkish Commercial Code.

4. STRUCTURE OF THE COMMITTEE

4.1. The Committee consists of at least 2 (two) members, provided that the chairman is an independent board member.
4.2. If the committee consists of two members, the majority of the members of the board of directors are required to consist of members of the board of directors who are not in charge of execution if they have more than two members. The chief executive officer/general manager cannot take part in the committee.
4.3. Persons who can contribute to the functioning of the Company and who have sufficient knowledge and experience about the Company may be elected to the Committee. When necessary, experts who are not members of the Board of Directors are also assigned to the Committee.
4.4. All resources and support required for the Committee to fulfill its duties shall be provided by the Board of Directors. The Committee may invite the manager it deems necessary to its meetings and receive their opinions. The Committee makes use of independent expert opinions on matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.
4.5. When the new board of directors is elected at the ordinary general assembly meeting, the relevant board of directors shall appoint the members of the Committee in parallel with its term of office. The duties of the former committee members shall continue until the new members are elected.
4.6. The Committee is gathered with the participation of more than half of the members and the decision is taken with the majority of those attending the meeting. In case of equality of votes, the decision shall be taken in accordance with the vote of the Committee chairperson. Decisions taken by the Committee are put in writing and recorded.
4.7. The Committee submits the findings and suggestions it has reached regarding its duties and responsibilities to the Board of Directors with a report to be prepared. The report is also sent to the auditor.
4.8. The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant matters.
4.9. In January of each year, the Committee prepares and submits to the Board of Directors an annual evaluation report on the activities conducted in the previous year to form the basis for the issues to be included in the Company's annual report on risk.
4.10. The Committee shall meet as often as required by the task assigned to it. Meetings of the Committee may be held at the headquarters of the Company or elsewhere where the access of the members of the Committee is easy.

5. EFFECTIVENESS

This regulation on the duties and working principles of the Committee and amendments thereto shall enter into force upon the resolution of the Board of Directors.

SUSTAINABILITY

At our Company's board of directors meeting dated January 16, 2023;
The provisions of the "Corporate Governance Communiqué" numbered II-17.1 of the Capital Markets Law No. 6362 (CMB) were amended on October 02, 2020 in order to ensure "sustainability" of publicly traded companies and to ensure that they take concrete steps. Pursuant to the amendment, in the Sustainability Principles Compliance Framework, boards of directors will be able to determine their priorities in these areas, formulate policies and establish committees responsible for the implementation of these policies.

By evaluating these developments; establishing a Sustainability Committee to report to the Board of Directors in order to determine the sustainability strategy of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi in the fields of environmental, social and corporate governance, to carry out, monitor and audit the policies, targets and implementation plans in the field of sustainability and to fulfill the duties of improvement and development, to accept the duties and working principles of the Sustainability Committee, to appoint Duygun Erol BARKANA as the Chairman of the Sustainability Committee and Serra Ekin ŞEKERCİ as the member.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA ELİŞTİRME SANAYİ VE TİCARET A.Ş. DUTY AND WORKING PRINCIPLES OF THE SUSTAINABILITY COMMITTEE

1.KURULUŞ

At the Board of Directors meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") dated 16/01/2023 and numbered 03, the Sustainability Committee ("**Committee**") was established with the amendment made to the Corporate Governance Communiqué (II-17.1) ("**Communiqué**") on October 02, 2020 in order to determine the sustainability strategy in the fields of environmental, social and corporate governance, to carry out the execution, monitoring and auditing of policies, targets and implementation plans in the field of sustainability, and to perform improvement and development duties.

2. SCOPE

The working principles and duties determined by this committee include a harmonized management of sustainability principles and rules for managers and employees, consultants, dealers, business partners and suppliers serving Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi in every step of all processes.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

3.1. Establishing the Company's Sustainability strategy, goals and policies,
3.2. Following national and international developments in sustainability,
3.3. Ensuring that reviews and improvements are carried out regarding the identification, measurement, monitoring, recording, recording, auditing, reporting of environmental, social and economic risks and impact dimensions of all activities in which the Company is involved, and disclosures to the public,
3.4. Ensuring that all employees are informed in line with the Company's sustainability strategy and goals, to work towards the internalization of employees, and to organize necessary trainings on relevant issues,
3.5. Communicating with Company stakeholders on Sustainability and coordinating stakeholder engagement,
3.6. Supporting the transition to a low-carbon economy within the scope of combating climate change and to ensure that projects are carried out to reduce carbon emissions in business processes,
3.7. Performing activities to ensure compliance with the principles included in the Sustainability Principles Compliance Framework announced by the CMB, to prepare the reports required by the Capital Markets Legislation in relation to sustainability and to submit them to the Board of Directors for approval to be disclosed to the public.

4. STRUCTURE OF THE COMMITTEE

4.1. The Committee consists of at least 2 (two) members, provided that the chairman is an independent board member.
4.2. If the committee consists of two members, the majority of the members of the board of directors are required to consist of members of the board of directors who are not in charge of execution if they have more than two members. The chief executive officer/general manager cannot take part in the committee.
4.3. Persons who can contribute to the functioning of the Company and who have sufficient knowledge and experience about the Company may be elected to the Committee. When necessary, experts who are not members of the Board of Directors are also assigned to the Committee.
4.4. All resources and support required for the Committee to fulfill its duties shall be provided by the Board of Directors. The Committee may invite the manager it deems necessary to its meetings and receive their opinions. The Committee makes use of independent expert opinions on matters it deems necessary in relation to its activities. The cost of the consultancy services required by the Committee shall be covered by the Company.
4.5. When the new board of directors is elected at the ordinary general assembly meeting, the relevant board of directors shall appoint the members of the Committee in parallel with its term of office. The duties of the former committee members shall continue until the new members are elected.
4.6. The Committee is gathered with the participation of more than half of the members and the decision is taken with the majority of those attending the meeting. In case of equality of votes, the decision shall be taken in accordance with the vote of the Committee chairperson. Decisions taken by the Committee are put in writing and recorded, and the Committee's recommendations are submitted to the Board of Directors.
4.7. The decisions of the Committee are advisory to the Board of Directors, and the Board of Directors is the final decision-maker on relevant matters.
4.8. In January of each year, the Committee prepares an annual evaluation report on the activities carried out in the previous year to form the basis of the Company's annual report and submits it to the Board of Directors.
4.9. The Committee shall meet as often as required by the task assigned to it. Meetings of the Committee may be held at the headquarters of the Company or elsewhere where the access of the members of the Committee is easy.

5. EFFECTIVENESS

This regulation on the duties and working principles of the Committee and amendments thereto shall enter into force upon the resolution of the Board of Directors.

Sustainability Principles Compliance Statement

With the Communiqué No. II-17.1 of the Capital Markets Board on Amendments to the Corporate Governance Communiqué (II-17.1.a) published in the Official Gazette dated 02.10.2020, the Sustainability Principles Compliance Framework was put into practice and disclosed to the public through a press release issued by the Capital Markets Board. "Sustainability Principles Compliance Framework" includes the basic principles that publicly traded companies are expected to disclose while conducting their Environmental, Social and Corporate Governance (ESG) activities. While the implementation of these principles is voluntary, it is mandatory to report whether they have been implemented or not under the "Comply or Explain" principle.

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret A.Ş. established the Sustainability Committee on 16.01.2023. During the year, efforts will be made in parallel with the Sustainability Principles Compliance Framework in terms of the company's compliance and reporting, and efforts will be made to ensure compliance with generally accepted best practices in this field as much as possible.

Full compliance has not yet been achieved due to the difficulties experienced in the implementation of some of the principles, uncertainties in the general, national and international arena, the fact that some of the principles do not fully overlap with the current structure and field of activity of the Company, and the principles of compliance will be determined as a result of the studies to be carried out. In order to ensure full compliance with the principles that overlap with the Company, work has started with the committee established and it is planned to achieve maximum compliance in the coming periods.

Within this framework, Sustainability Principles Compliance Report of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret A.Ş.'s covering the 2022 Activity period includes the implementation of Environmental, Social and Corporate Governance activities in accordance with the Capital Markets Board principles with the principle of "Comply or Explain", and the main principles that have been complied with, not yet fully complied with or partially complied with are explained. The Sustainability Principles Compliance Report prepared within the framework of the Sustainability Principles has been examined by us and as a result of the evaluation made, the said Report has been found appropriate in line with our declaration above and submitted to your information.

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				REMARKS	LINKS TO THE REPORTS AS DISCLOSED TO THE PUBLIC
		YES	NO	PARTIALLY	N/A		
	A. General Principles						
	A1. Strategy, Policy and Goals						
A1.1	The board of directors identifies the subjects, risks and opportunities concerning the primary environmental, social and corporate governance (ESG).			X		Our ESG Policies such as Modern Slavery and Human Trafficking Declaration, Personal Data Protection Law, Meeting Minutes, Document Change Forms and Improvement Activity Forms are defined in the Management Procedure. In addition, ESG issues are addressed in the Employee Health and Safety Procedure. In 2023, it is planned to write missing policies and expand the scope of risks and opportunities.	
	The ESG policies are created and disclosed to the public by the board of directors (e.g. Environmental Policy, Energy Policy, Human Rights and Employees Policy etc.).		X			ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and targets in line with ESG policies have not yet been set by the board of directors. It is planned to be determined and disclosed to the public within the scope of sustainability studies in the coming period.	
A1.2	The short and long term targets as identified within the scope of the ESG policies are disclosed to the public.		X			ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and targets in line with ESG policies have not yet been set by the board of directors. In the coming period, it is planned to determine and publicly disclose short and long term targets within the scope of sustainability studies.	
	A2. Application/Monitoring						
A2.1	The committees and/or units in charge of carrying out the ESG policies as well as the senior officers concerning the ESG matters and, their tasks within the organization are identified and disclosed to the public.	X				The responsible committee was formed on 16.01.2023 and disclosed to PDP.	
	The respective committee and/or unit submits a report to the board of directors about the operations carried out within the scope of these policies for at least once in a year.		X			The responsible committee was formed on 16.01.2023 and announced on KAP, therefore no reporting has been made yet. The activities carried out by the committee is planned to report management in the coming periods.	
A2.2	Application and action plans are created and disclosed to the public in line with the ESG Targets.		X			The responsible committee was formed on 16.01.2023 and announced on KAP, therefore no reporting has been made yet. It is planned that ESG targets will be determined, implementation and action plans will be created and disclosed to the public in the coming periods.	
A2.3	The ESG Key Performance Indicators (KPI) and the level to fulfill these indicators by years are disclosed to the public.		X			Since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet. The first notifications are planned to be made this year.	
A2.4	The innovation activities that improve the sustainability performance for business processes or products and services are disclosed to the public.		X			Since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet. The first notifications are planned to be made this year.	
	A3. Reporting						
A3.1	Details about the sustainability performance, targets and actions of the organization are provided on the annual reports in a comprehensible, accurate and sufficient manner.		X			In our annual report, data on the sustainability performance, goals and actions of the partnership will be shared annually.	
A3.2	Information is disclosed to the public by the organization to indicate to which principles of the United Nation (UN) 2030 Sustainable Development Targets its operations are related.		X			Since the responsible committee was formed on 16.01.2023 and notified to KAP, no reporting has been made yet.	
A3.3	Legal actions brought and/or finalized against the company in respect of the ESG matters, and those legal actions that are significant to the ESG policies and/or that may significantly affect the operations are disclosed to the public.				X	There is no lawsuit filed against our Company.	
	A4. Verification						
A4.1	The ESG Key Performance measurements of the organization are verified by an independent third party and disclosed to the public.		X			The Company is not yet working on this issue.	
	B. Environmental Principles						
B1	The organization announces the policies and practices, action plans, environmental management systems (known as ISO 14001 standard) and programs in the field of environmental management.		X			Preparation of environmental management policy, implementation-action plans, environmental management system documentation and reporting is ongoing.	
B2	The organization discloses to the public the report's extent, the report period, the report date, and the reporting-related restrictions concerning the environmental reports prepared for the submission of environmental management related information.		X			Restrictions on the scope of the report, reporting period, reporting date, reporting date, reporting conditions regarding the environmental reports prepared for providing information on environmental management will be disclosed to the public, work is ongoing.	
B3	Provided on A2.1.						
B4	The environmental targets that are included into the rewarding criteria within the scope of performance incentive systems for the stakeholders (such as board members, executives and employees) are disclosed to the public.		X			The Company has no procedure/study on this issue.	
B5	Details on how to integrate the primary environmental problems with the respective business targets and strategies are disclosed to the public.		X			Work is ongoing to identify our material environmental issues and to integrate and manage them into business goals and strategies.	
B6	Provided on A2.4.						
B7	Details on how the environmental matters are managed, and integrated with the respective nosiness targets and strategies in a way that covers the suppliers and customers across the value chain of the organization including the operational process are disclosed to the public.		X			Works continue within the scope of sustainability policies.	
B8	Details on whether the organization is involved into the process of the respective authorities and nongovernmental organizations to create environmental related policies, and the collaborations with them are disclosed to the public.		X			Necessary collaborations are planned in the coming periods.	
B9	Reports on the environmental impacts are disclosed to the public in a comparative manner under the light of the environmental indicators (Greenhouse gas emissions (Scope-1 (Directly), Scope-2 (Energy indirectly), Scope-3 (Other indirectly) 1), air quality, energy management, water and waste water management, waste management, biodiversity impacts).		X			Information on the Company's environmental impact in the light of environmental indicators has not been disclosed to the public in a periodically comparable manner.	
B10	The standards, protocols, methodologies and base year details that are used to collect and calculate the data are disclosed to the public.		X			Details of the standard, protocol, methodology and base year used to collect and calculate the data are not publicly disclosed.	
B11	Details on the status of the environmental indicators for the reporting year, increases or decreases, in comparison with previous years, are disclosed to the public.		X			Not disclosed.	
B12	Short and long term targets have been identified to reduce the environmental impacts, and these targets and the details on the progress compared to the targets set in the previous years are disclosed to the public.		X			Not disclosed.	

B13	A strategy to fight the climate crisis is created and, the actions planned are disclosed to the public.		X			These actions are planned to be shared with the public in the following periods.	
B14	Programs or procedures are created in order prevent or minimize the potential environmental impacts of the products and/or services, and these programs or procedures are disclosed to the public.		X			Our activities continue in compliance with the regulations in the legislation.	
	Actions are taken to reduce the greenhouse emissions of the respective third parties (e.g. suppliers, sub-contractors, dealers etc.) and these actions are disclosed to the public.		X			Not disclosed.	
B15	Details on the environmental benefits/ earnings and cost savings from such attempts and projects intended to minimize the environmental impacts are disclosed to the public.		X			Not disclosed.	
B16	Data on energy consumption (natural gas, diesel, gasoline, LPG, coal, electric, heating, cooling etc.) are disclosed to the public as Scope-1 and Scope-2.		X			Not disclosed.	
B17	Details on electricity, heat, steam and cooling generated and consumed within the reporting year are disclosed to the public.		X			Since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet.	
B18	Studies are performed on increasing the use of renewable energy, transition to zero or low carbon electricity and these studies are disclosed to the public.		X			Since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet.	
B19	Data on the renewable energy production and usage are disclosed to the public.		X			Not disclosed.	
B20	Energy efficiency projects are prepared, and the details on the reduces achieved in the energy consumption and emission because of the energy efficiency projects are disclosed to the public.		X			Not disclosed.	
B21	Details on the water consumption, and the quantities and sources of water drawn from underground or aboveground, recycled and discharged, and the respective procedures are disclosed to the public.				X		
B22	Details on whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) are disclosed to the public.		X			Not disclosed.	
B23	Details on the carbon credit information that is accumulated or purchased during the reporting period are disclosed to the public.				X		
B24	Details on if carbon pricing is applied within the partnership or not are disclosed to the public.				X		
B25	Details on the platforms on which the environmental information of the organization is provided are disclosed to the public.				X		
	C. Social Principles						
	C1. Human Rights and Employee's Rights						
C1.1	A Corporate Human Rights and Employees' Rights Policy is created in accordance with the Universal Declaration of Human Rights, the ILO Conventions approved by Turkey, and other applicable regulations, those responsible for the implementation of this policy are identified, and the details thereon are disclosed to the public.			X		Human Rights and Employee Rights Policy is partially included in the Management and Employee Health and Safety Procedures. It also employs personnel in full compliance with existing labor laws and regulations.	
C1.2	The employees' rights policy contains the matters such as fair labor, improvement of working conditions, women employment and engagement considering the impacts of the supply and value chains (no discrimination in respect of gender, race, religion, language, civil status, ethnicity, sexual orientation, gender identity, family responsibilities, trade union activities, political opinion, disability, social and cultural differences etc.).			X		Personnel Selection and Recruitment processes are included in our current human resources procedure. However, policies such as women's employment, inclusion and non-discrimination were not included.	
C1.3	Details on the measures that are taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equal opportunities are diclosed to the public.			X		There are efforts to protect the rights of segments sensitive to certain economic, environmental, social factors (low-income segments, women, etc.) or minority rights/equal opportunities; however, since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet.	
C1.4	Details on developments related to the preventive and corrective actions concerning discrimination, inequality, violations of human rights, forced labor and child employment are disclosed to the public.		X			Since the responsible committee was formed on 16.01.2023 and notified to PDP, no reporting has been made yet.	
C1.5	Investments in employees (training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions and talent management issues are included in the policy on employee rights.	X					
C1.6	Occupational health and safety policies are created and disclosed to the public.			X		Occupational health and safety policies have been established but not disclosed to the public. It is planned to be announced in future periods.	
	Details on the measures that have been taken to prevent work accidents and to protect health, and the accident statistics are disclosed to the public.			X		Measures taken to prevent occupational accidents and protect health have been identified but not disclosed to the public.	
C1.7	Personal data protection and data security policies are created and disclosed to the public.			X		Personal data protection and data security policies have been established but not disclosed to the public.	
C1.8	A code of conducts is created and disclosed to the public.		X			Ethics policy has not been established and disclosed to the public; it is planned to be established in the future.	
C1.9							
C1.10	Acknowledgement meetings and training programs are organized for employees on ESG policies and practices.		X			Informative meetings and training programs for employees on ESG policies and practices are planned to be held in the coming periods.	
	C2. Stakeholders, International Standards and Initiatives						
C2.1	A customer satisfaction policy is issued about the management and resolution of customer complaints and, and disclosed to the public.			X		Customer satisfaction policies regarding the management and resolution of customer complaints have been established but not disclosed to the public.	
C2.2	Details on the communication with the stakeholders (which stakeholders, subject and frequency) are disclosed to the public.	X				Meetings held with investors within the scope of investor relations activities are included in the annual report.	
C2.3	Details on the international reporting standards adopted on the reports are disclosed.		X			It has not been disclosed due to the fact that the work on the sustainability report has not yet started.	
C2.4	Details on the principles adopted with respect to sustainability as well as the international institutions, committees and procedures applying to the organization are disclosed to the public.				X		
C2.5	Improvements and are carried out and efforts are made to be included in the sustainability indexes of the Istanbul Stock Exchange and/or international index providers.		X			It is planned to take the necessary steps to be included in the sustainability index after the activities of the committee are transformed into concrete steps.	
	D. Corporate Governance Principles						
D1	Opinions of stakeholders in determining the measures and strategies in the field of sustainability are received.		X			No feedback was received from stakeholders.	
D2	Efforts are made on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.			X		Various social responsibility projects are carried out.	

Policies

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. DISCLOSURE POLICY

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") disclosure policy ("**Policy**") has been prepared in accordance with the Turkish Commercial Code No. 6102 ("**TCC**") and Capital Markets Law No. 6362 ("**CMB Law**") and the Capital Markets Board's ("**CMB**") Communiqué on Material Events (II-15.1) ("**Communiqué on Material Events**"), Communiqué on Corporate Governance (II-17.1) ("**Communiqué**") and the Corporate Governance Principles ("**Corporate Governance Principles**").

1. Purpose and Scope

The Company management maintains a transparent and close communication with its shareholders. The main objective is to increase the value of the Company for shareholders and potential investors.

The purpose of this Disclosure Policy is to ensure that information and developments regarding the Company's strategy and targets, which may affect the Company's investment decisions and which do not constitute trade secrets, are presented in a fair, complete, accurate, timely and easily understandable manner to the information of stakeholders, particularly investors, within the framework of the relevant legislation. The Company complies with the Capital Markets Law, capital markets legislation, Turkish Commercial Code and Borsa Istanbul A.Ş. ("BIST") regulations regarding public disclosure and pays utmost attention to the realization of the principles set forth in the CMB's Corporate Governance Principles.

This Policy covers all employees and consultants of the Company and regulates the written and verbal communication of the Company with capital market participants.

This Policy has been prepared in accordance with Article 17 of the CMB's Communiqué on Material Events and is disclosed to all stakeholders via the Company's website (www.anatoliageneworks.com).

2. Authority and Responsibility

This Policy has been established and approved by the Board of Directors within the framework of the CMB Corporate Governance Principles. The Board of Directors reserves the authority to amend this policy. Amendments to this policy are published on the Company's website following the approval of the Board of Directors. The monitoring, supervision and development of the Company's public disclosure and information policy is under the authority and responsibility of the Board of Directors. The head of the Company's investor relations department is assigned to oversee and monitor all matters related to public disclosure.

3. Public Disclosure Methods and Tools

Disclosures are made through disclosure tools such as material event disclosures, financial statements and reports, annual reports, website, presentations, investor meetings and teleconferences, information letters, press releases, Trade Registry Gazette. Without prejudice to the provisions of the Capital Markets Legislation and the Turkish Commercial Code, the main public disclosure methods and tools used by the Company are set out below;

• Material event disclosures communicated through the Public Disclosure Platform ("KAP"),
• Financial statements and footnotes, independent audit report, declarations and annual report periodically disclosed to KAP,
• Announcements and notices made through the Turkish Trade Registry Gazette and daily newspapers,
• Press releases made through written and visual media,
• Informational meetings and meetings held with capital market participants face-to-face or via tele-conference,
• Corporate website, (www.anatoliageneworks.com) disclosures,
• Disclosures made through communication methods and tools such as telephone, communication via mobile phone (wap and similar technologies), electronic mail, telefax, etc.

4. Public Disclosure of Financial Statements

The Company's financial statements and notes are prepared on a consolidated basis and in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS). Annual and semi-annual financial statements are independently audited and disclosed to the public.

Financial statements and footnotes are approved by the Board of Directors with the approval of the Audit Committee within the framework of the provisions of the Capital Markets Legislation before being disclosed to the public. After the statement of accuracy is signed, the financial statements and footnotes, the independent auditor's report and the annexed documents are disclosed to the public through the Public Disclosure Platform (KAP) and published on the Company's website in accordance with the CMB and BIST regulations, following the approval of the Board of Directors. Prior period financial statements and footnotes as well as information that may be required by shareholders are available on the Company's website.

5. Public Disclosure of Annual and Interim Activity Reports

Annual and interim activity reports are prepared in accordance with the Capital Markets Legislation and CMB Corporate Governance Principles and other regulations in force within this scope. Annual reports are approved by the Board of Directors and disclosed to the public through PDP together with the financial statements and published on the Company website (www. anatoliageneworks.com). The annual activity report is also printed in hard copy to be given to those concerned.

6. Public Disclosure of Inside Information and Authorized Persons

Material event disclosures regarding the Company's insider information are prepared by the Company's investor relations department and disclosed to the public by signing electronically and submitting to the PDP.
Material event disclosures are prepared in a timely, accurate, understandable, adequate and free from misleading statements in order to help the persons and organizations that will benefit from the disclosure to make decisions. If any Company employee determines that any important and private information that has not been previously disclosed to the public has been disclosed to the public unintentionally, he/she shall immediately notify the investor relations department. In this case, an appropriate material event disclosure is prepared by the investor relations department in accordance with the provisions of the Capital Markets Legislation and submitted to the KAP.

The Company announces the material event disclosures on its website (www.anatoliageneworks.com) in Turkish no later than the business day following the public disclosure and keeps the said disclosures on its website for five years.

7. Persons Authorized to Make Public Disclosures

In addition to the above-mentioned notifications, written and verbal information requests submitted by Capital Market Participants, or any organization/person are evaluated by the Investor Relations Department. In the evaluation made; according to the content of the request, it is taken into consideration whether it is a trade secret or not and whether it is of a type that may affect investment decisions and the value of capital market instruments within the framework of the Communiqué on Material Events. Written and verbal information requests are generally answered by the investor relations department.

Press releases to the written and visual media may only be made by the members of the board of directors, the general manager, the assistant general manager responsible for the software business group, the assistant general managers responsible for the business and product development business group, the assistant general manager responsible for the marketing, sales and corporate communications business group and the director responsible for the financial and administrative affairs business group. Unless specifically authorized to do so, Company employees do not answer questions from capital market participants.

Incoming information requests are directed to the investor relations department.

8. List of Persons with Administrative Responsibility and Access to Inside Information

Persons with administrative responsibility are those who, directly or indirectly, have regular access to the Company's internal information and are authorized to make administrative decisions affecting the Company's future development and business objectives. Therefore, persons who are not authorized to make administrative decisions are not considered as persons with administrative responsibility and continuous access to inside information.

In addition to the members of the Board of Directors, the persons who have regular access to information and who are also authorized to make administrative decisions are deputy general managers.
All transactions carried out by persons with administrative responsibility and persons closely related to them in relation to the shares representing the capital and other capital market instruments based on these shares are disclosed to the public by those who make the transaction within the framework of the principles written in the Communiqué on Material Events.

In accordance with Article 7 of the Communiqué on Material Events, the list of those who have access to insider information is kept in writing to be submitted to the CMB and/or BIST upon request. Everyone on the list is informed about the protection of inside information and the need to comply with the rules of confidentiality in the course of their duties. This list is available at the Company and has been notified to Merkezi Kayıt Kuruluşu A.Ş. When there is a change in these persons, the necessary update is made within two business days at the latest.

9. Communication with Capital Market Participants

To the extent permitted by Turkish capital markets legislation, the Company may provide guidance on expectations regarding interim and annual operating results. Instead, the Company may communicate to capital market participants critical issues affecting its results of operations, strategic approaches and important elements that provide a better understanding of the industry and the environment in which it operates. Unless otherwise stated in the Disclosure Policy, only persons authorized to make public disclosures may communicate with capital market participants on behalf of the Company.

10. Unsubstantiated News Circulating in the Market

News and rumours in the market in written, visual or audio media organs and/or on the internet are monitored by keeping up to date with the market. In principle, the Company does not comment on market rumor and speculation. The Investor Relations Department monitors news and rumours about the Company in the press and on websites. This section assesses whether this news and information will have an impact on capital market instruments. If necessary, the Company also decides whether to make a material event disclosure within the framework of Article 9 of the Communiqué on Material Events.

In cases where there is a decision to postpone an announcement, the Company may refrain from making any announcement until the reasons for the postponement are lifted.

On the other hand, when a verification request is received from the CMB and/or BIST within the provisions of the capital markets legislation or if the management decides that a response is necessary and more appropriate, a statement is made about the rumor and gossip in the market.

11. Postponement of Public Disclosure of Inside Information

Persons on the Company's list who have access to inside information are informed about their obligations to keep the inside information that they may have during the performance of their duties or the execution of business and transactions on behalf of the Company, which has not yet been disclosed to the public, confidential, not to use it for the benefit of themselves or third parties, or not to disclose it to third parties without authorization.

The Company may postpone the public disclosure of insider information within the framework of Article 6 of the Communiqué on Material Events in order to prevent damage to its legitimate interests and to avoid misleading investors; in this case, the Company shall inform the relevant persons about the postponement and take measures to ensure confidentiality. Deferral is made upon the written approval of the board of directors or senior executives who are generally authorized by the board of directors.

As soon as the reasons for postponement of public disclosure of insider information are removed, public disclosure is made in accordance with the legislation. The statement shall state the decision to postpone and the underlying reasons for the postponement.

12. Measures to Ensure Confidentiality of Inside Information until Public Disclosure

As a general principle, employees working on behalf of and on account of the Company may not share with third parties any information that has not yet been disclosed to the public and that may be considered a material event. In the event that it is determined that inside information has been disclosed to third parties without being requested by these persons, a material event disclosure shall be made immediately if it is concluded that the confidentiality of the information cannot be ensured within the scope of capital markets regulations. If the disclosure of the information is postponed, a list of the persons who have access to the information subject to the postponement is drawn up at the time of the postponement decision and the "List of Persons with Access to Inside Information" is updated in this context. Reasonable measures shall be taken by carrying out the necessary work to inform both these persons and parties who have information other than these persons. Persons on the list of those who have access to such insider information are informed by the investor relations department that they are on the list for the purpose of protecting insider information and ensuring compliance with confidentiality rules until the public disclosure of material events, financial and operational results. The Company signs confidentiality agreements with the institutions that need inside information or use this information on behalf of and on account of the Company in the performance of its duties, from which it receives services such as consultancy and translation services, and obliges these institutions to keep such information confidential. The Company takes all kinds of measures to ensure the confidentiality of insider information in accordance with the relevant legislation.

13. Meetings and Discussions with Investors and Analysts

The Company may organize informative meetings for analysts, investors, creditors and shareholders when deemed necessary. Meetings do not have a predetermined calendar year and the frequency of the meetings is determined according to need. The Company uses various instruments such as roadshows, teleconferences, e-mails, teleconferences, e-mails, faxes, analyst presentations, statements/announcements for direct information in order to increase the recognition and preferability of the Company in the field of international investment, to highlight the advantages of the Company compared to other companies in an equivalent position and to make the Company preferable for investing institutions compared to other companies.

The Company considers analyst reports to be the property of the company that prepared the analyst report and does not publish them on the Company's website (www.anatoliageneworks.com). The Company does not review, verify, endorse, take responsibility for or disseminate analyst reports or revenue models. However, in certain specific and limited circumstances and upon request, the Company may review analyst reports to avoid misinforming the public, provided that it uses only publicly available historical information and is limited to a specific topic.

14. Public Disclosure of Future Assessments

From time to time, the Company may disclose its future expectations to the public in accordance with its disclosure policy. Forward-looking statements may be disclosed subject to a resolution of the board of directors or the written approval of the person authorized by the board of directors. A maximum of four announcements can be made per year. It may be disclosed on PDP in material disclosure format or presentation format. If there is a significant change in future assessments, this number limit may be exceeded and the necessary disclosure is made. Future assessments may be made by utilizing press and media organs, press conferences, press conferences, press releases, national and international conferences, meetings or other means of communication in addition to material event disclosures within the framework of the principles set forth in the Capital Markets Legislation.

It is submitted for the information of those concerned that forward-looking assessments shared with the public are based on certain assumptions and may differ from actual results. In the event of significant changes in future assessments or if it is understood that the assessments will not be realized, the public is periodically informed by the same means without delay.

15. Silent Period

The Company refrains from discussing the Company's results of operations and financial position to be reported in the financial statements with capital market participants during certain periods of the calendar year in order to prevent asymmetric information dissemination and unauthorized disclosures related to the financial statements. This period is called the "silent period". For the Company, the quiet period begins on the day following the end of each quarterly, half-yearly and annual accounting period and ends one business day after the day on which the financial statements and footnotes are publicly announced.

In addition, during the silent period (only for annual and semi-annual accounting periods), persons who possess inside information or continuous information or their spouses, children or persons living in the same household are prohibited from trading in the Company's capital market instruments.

16. Market Distorting Actions

Within the framework of the relevant provisions of the CMB's Communiqué on Market Abuse (VI-104.1), the board of directors takes and implements the necessary measures to ensure that the persons included in the insider information list do not use confidential and/or trade secret and non-public information about the Company, which are within the scope of market abuse, in a way to benefit themselves or others, and that they do not provide false or misleading information about the Company or spread news.

17. Company Website (www.anatoliageneworks.com)

The Company's website at www.anatoliageneworks.com is actively used for public disclosure as recommended by the CMB Corporate Governance Principles. The disclosures on the Company's website do not replace the notifications and material event disclosures required to be made pursuant to the provisions of capital markets legislation. All public disclosures made by the Company are accessible via the website, and the website is structured and segmented accordingly. All kinds of measures are taken regarding the security of the website. The website is organized in the content and manner stipulated by the CMB Corporate Governance Principles. In particular, the announcement regarding the general assembly meetings to be held, the information document regarding the agenda items, other information, documents and reports related to the agenda items, and information on the methods of participation in the general assembly meetings are prominently displayed on the website. Continuous efforts are made to improve the website.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. DONATION AND AID POLICY

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") donation and aid policy ("**Policy**") has been established in accordance with the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board ("**CMB**").

Subject to the limitations set forth in this Policy, our Company may make aids and donations to individuals, non-governmental organizations, associations or foundations, universities, public institutions and organizations operating in the fields of education, culture, arts, environment and sports with an understanding of corporate social responsibility, including but not limited to the aforementioned, in accordance with the principles set forth in the Capital Markets Law No. 6362, CMB's Dividend Communiqué (II-19.1) and other capital markets legislation. The Company may donate and provide assistance to natural persons and public or private legal entities in a manner that shall not disrupt the purpose and subject of the Company, provided that it shall make necessary special case disclosures and shall submit the donations made within the year to the information of the shareholders in the General Assembly, provided that it shall act in compliance with the concealed profit transfer regulations of the Capital Market legislation and other relevant legislation.

All payments to political parties, organizations associated with political parties, local and foreign authorities and public officials (especially those related to support activities and memberships) shall be submitted to the approval of the internal control manager in charge without exception and in a timely manner. In addition, the Company intends to make only tax-deductible donations and grants.

All donations and grants made upon the decision of the Company's management are made in accordance with the Company's vision, mission and policies and in consideration of the Company's ethical principles and values. Donations and grants can be made in two ways as cash and in kind.

In line with the principles set forth in this Policy and the legislation to which it is subject, the Company submits all donations and grants made in each accounting period to the information of the shareholders with a separate agenda item at the general assembly meeting of the relevant year.

In case the last balance sheet assets total of the donations and aids made by the Company within the framework of the Capital Market legislation is at least 1% or more or the sum of donations and grants below 1% reaches at least 1% of the last balance sheet assets declared to the public, necessary special case statements are made.

Expenditures made as part of Donations, Aid and Social Responsibility:
None.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. Ş. PROFIT DISTRIBUTION POLICY

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") dividend distribution policy ("**Policy**") has been prepared in accordance with the provisions of the Turkish Commercial Code No. 6102 ("**TCC**"), Capital Markets Law No. 6362 ("**CMB Law**"), Capital Markets Legislation, Capital Markets Board ("**CMB**") Dividend Communiqué (II-19.1), and our articles of association.

The profit for the period shown in the annual balance sheet is determined by determining the amount remaining after deducting from the income determined at the end of the fiscal year the amounts that must be paid and set aside by the Company in accordance with general accounting principles, such as general expenses and depreciation costs of the Company, and the provisions set aside for taxes and financial liabilities to be paid by the Company, from the income determined at the end of the fiscal year, and the net profit for the period distributable after deducting the losses of previous years, if any, is determined.

The Company aims to distribute at least 40% of the distributable net profit for the period calculated in accordance with the Articles of Association, TCC, CMB, Dividend Communiqué (II-19.1) and tax regulations, provided that it is approved by the General Assembly and dividend distribution is not restricted in accordance with the relevant legislation. Although companies whose shares are traded on Borsa Istanbul A.Ş. are not obliged to make any dividend distribution decisions, the Company aims to establish an ongoing tradition of dividend distribution. For the avoidance of doubt, this target is not a commitment and cannot be interpreted as a commitment. Dividend may be distributed in cash and/or free of charge and/or by using these two methods together in certain proportions. The implementation of this policy and the proportion of the dividend to be distributed depend on a number of factors, including but not limited to the Company's investment and financing strategies and needs, changes and developments in the relevant legislation, market expectations, the Company's medium and long-term strategies, the capital and investment requirements of the Company and/or its affiliates and subsidiaries, profitability, financial position, indebtedness and cash status, and national and global economic conditions. In line with these conditions, the rate of distributable profit may be reduced each year with the recommendation of the board of directors and the approval of the general assembly, or it may be decided not to distribute any profit within the framework of the principles stated above.

The dividends shall be distributed to the shareholders on the date determined by the general assembly following the approval of the general assembly within the legal periods, regardless of their issuance and acquisition dates, to all of the existing shares as of the date of distribution. Profit share distribution can be made at a time or in installments.

In the event that the Company defaults due to the failure to fulfill its obligations arising from the contracts to which it is a party, especially credit contracts, it may not be able to distribute profits due to the restrictions in the relevant contracts.

From the income determined at the end of the Company's operating period, the amount that is required to be paid or reserved by the Company, such as general expenses and various depreciation, and the remaining profit after deducting the compulsory taxes to be paid by the Company's legal entity, and the amount after deducting the loss of previous years, if any, are distributed in the following order and principles:

a. General Legal Reserves: Until it reaches 20% of the capital, 5% is set aside as general legal reserves.

b. First Dividend: The first profit share is allocated from the remaining amount over the amount to be found with the addition of the donation amount, if any, within the framework of the Company's profit distribution policy in accordance with the Turkish Commercial Code and capital market legislation.

c. After the above-mentioned deductions are made, the General Assembly has the right to decide on the distribution of dividends to the members of the Board of Directors, employees of the Company and persons other than shareholders.

d. Second Dividend: The General Assembly is authorized to distribute the amount remaining after deducting the amounts specified in subparagraphs (a), (b) and (c) from the net profit for the period, in whole or in part, as second dividend, to add it to the reserves set aside by law and the articles of association, to set it aside as extraordinary reserves or to leave it in the balance sheet as retained earnings. Unless the amounts specified in subparagraphs (a) and (b) above are set aside, the General Assembly cannot decide to set aside other reserves, to transfer profit to the following year or to distribute dividends under any name.

e. General Legal Reserves: After deducting the dividend at the rate of 5% of the capital from the portion decided to be distributed to the shareholders and other persons participating in the profit, 10% of the amount found after deducting the dividend at the rate of 5% of the capital shall be added to the general legal reserve fund.

Unless the dividend determined for the shareholders in the articles of association and the reserve funds required to be allocated in accordance with the TCC and the profit share determined for the shareholders in the articles of association are allocated; no decision may be made to allocate another reserve fund, to transfer profit to the following year and to distribute a share from the profit to the members of the Board of Directors, partnership employees and persons other than the shareholder and no share from the profit can be distributed to these persons unless the profit share determined for the shareholders is paid in cash.

The decision to distribute profits made by the General Assembly in accordance with the provisions of the Articles of Association shall not be revoked unless permitted by the relevant legal regulations.

The dividend is distributed to all of the existing shares as of the date of distribution, regardless of their issuance and acquisition dates. The form and time of distribution of the profit agreed to be distributed shall be agreed by the general assembly upon the proposal of the board of directors in this regard.

The General Assembly may decide to distribute profit share advance to shareholders within the framework of the relevant provisions of the TCC and capital market legislation.

2021 Dividend Distribution

In accordance with the Capital Markets Board (CMB) Communiqué Serial: According to our financial statements for the accounting period 01.01.2021 - 31.12.2021, which were prepared in accordance with International Financial Reporting Standards within the framework of the provisions of the Communiqué Serial: II No. 14.1 of the Capital Markets Board (CMB) and audited by Eren Bağımsız Denetim A.Ş., a distributable net profit for the period amounting to TL 414,331,607,- has been obtained, and in accordance with our Dividend Distribution Policy and the principles set forth in Article 13 of our Articles of Association and in accordance with the attached profit distribution table:
i. 305,555,555 TL gross of the net distributable profit calculated in accordance with the Turkish Commercial Code and the Capital Markets Board's regulations and resolutions on dividend distribution be distributed to shareholders as cash dividend,
ii. 49.005.555 TL- to be set aside as general legal reserves in accordance with the provisions of the Turkish Commercial Code,
iii. To add the remaining profit to extraordinary reserves,
iv. The dividend distribution proposal, which includes the distribution of the cash dividend to be distributed to shareholders on May 23-August 23, 2022, in cash and in two equal installments, and the authorization of the Board of Directors in this regard, was submitted to the approval of the shareholders at the 2021 Ordinary General Assembly Meeting held on May 11, 2022, and a unanimous dividend distribution decision was taken.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. REMUNERATION POLICY

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") remuneration policy ("**Policy**") has been prepared in accordance with the Corporate Governance Communiqué (II-17.1) of the Capital Markets Board ("**CMB**").

This Policy is a guideline and aims to determine the principles of remuneration in a fair, consistent, balanced with the responsibilities taken and competitive with the market and has been approved by the Board of Directors.

1. Scope

The principles set forth in this Policy cover the remuneration system and practices of our board members and senior executives within the scope of those with administrative responsibilities within the framework of the Capital Markets Law No. 6362 and the CMB's Corporate Governance Communiqué (II-17.1) and other Capital Markets Legislation.

2. Policy

Dividends, share options or payment plans based on the Company's performance cannot be used in the remuneration of independent board members.

The Company may not lend money or extend credit to any member of the Board of Directors or executives with administrative responsibility.

The remuneration of the members of the Board of Directors shall be determined by a resolution of the General Assembly.

Expenses incurred by the members of the Board of Directors due to their contributions to the Company (transportation, accommodation, telephone, insurance, etc. expenses) may be covered by the Company.

As part of our policy; wage and fringe benefits management is organized and implemented in line with fair, objective, high performance, competitive, rewarding and motivating criteria and main objectives.

The main objectives of our policy are to make remuneration by emphasizing the concepts of job size, performance, contribution to the business, knowledge/skills and competencies, to motivate employees and increase their loyalty by ensuring intra-company and inter-company wage balance and competitiveness in the market, and to recruit the workforce with appropriate competencies that will enable our Company to achieve its goals.

Senior executive remuneration is based on a fixed (base) salary system:
Fixed salaries are cash payments made regularly and continuously on a monthly basis and in fixed amounts, regardless of performance. Such remuneration is determined taking into account the financial situation of the Company and is paid to all employees based on the duration of employment, title and nature of the work performed. While determining the remuneration of the members of the Board of Directors and other senior executives, the Company determines an annual remuneration for these persons on an annual basis in accordance with the market conditions, the Company's strategies, policies and performance, taking into account the duties and responsibilities they have undertaken in the Company. The Company may also exceptionally make payments in cash or in kind to some or all of the employees or only to the members of the Board of Directors and senior executives for incentive purposes without a contractual commitment. Incentive payments are not regular performance-based achievement bonuses, but rather an appreciation payment given to reward the extra success of the Company's employees in their work and to encourage success.

In order to support salary management with additional benefits, the Company provides "fringe benefits" (fringe benefits). The fringe benefits provided by the Company are in line with market conditions, competitive and fair. In line with this, benefits such as [company car] may be provided to senior executives, as well as other benefits such as supplementary health insurance.

Remuneration and similar benefits provided to senior executives:
As of December 31, 2022, the total gross number of salaries and similar benefits provided to the members of the Board of Directors and other key executives in the current period is 8.221.138 TL.

ANATOLİA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.Ş. PRINCIPLES REGARDING RELATED PARTY TRANSACTIONS

Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi ("**Company**") related party transactions principles ("**Principles**") have been prepared in accordance with the Capital Markets Board's ("**CMB**") Corporate Governance Communiqué (II-17.1) ("**Communiqué**").

Pursuant to Article 9 of the Communiqué, except for the common and continuous transactions of our Company with its related parties;

In transactions similar to asset and service procurement and liability transfer transactions; the ratio of the transaction amount to the total amount of the asset according to the last financial statements disclosed to the public or to the revenue amount according to the last annual financial statements disclosed to the public or to the company value to be calculated on the basis of the arithmetic average of the adjusted weighted average prices for the six months before the date of the decision of the board of directors,

-For transactions similar to the sale of assets and services; the transaction amount (net book value if the net book value of the asset is higher) is equal to the total assets according to the last publicly disclosed financial statements or the amount of revenue generated according to the last publicly disclosed annual financial statements (if the asset is transferred, leased or a right in rem is established on it, If it is foreseen that the ratio of the profit obtained from the said asset according to the latest annual financial statements to the profit before tax from continuing operations of the partnership) or to the company value to be calculated on the basis of the arithmetic average of the daily adjusted weighted average prices for the six months prior to the date of the board of directors' decision will be realized as more than 5%; a valuation must be made by an organization determined by the CMB prior to the transaction. In addition, before starting the said transactions, it is necessary to take a decision of the board of directors that determines the principles of the transaction to be made.

If it is foreseen that the rates related to the above-mentioned transactions will reach more than 10%, in addition to the obligation to have valuation, the approval of the majority of independent members is required in the decisions of the board of directors regarding the transaction. Members of the board of directors who are related parties may not vote at meetings of the board of directors at which the subject is to be discussed. In the event that the majority of the independent members do not approve the transaction, this situation is disclosed on the Public Disclosure Platform ("PDP") in a manner to include sufficient information regarding the transaction and the transaction is submitted to the approval of the general assembly. In the said general assembly meetings, decisions shall be taken in a vote in which the parties to the transaction and the persons associated with them shall not vote.

In case it is decided to carry out related party transactions; summary of valuation report including direct or indirect relations between the parties of the transaction, nature of the transactions, assumptions used in valuation and valuation results, if the transactions have not been carried out in accordance with the results reached in the valuation report, the justification of this situation is announced to the public by way of making a special case statement.

In accordance with the Communiqué, the following principles are complied with for the Company's common and continuous transactions with related parties.

The scope of the widespread and continuous transactions between the company and its related parties and the conditions related to these transactions are decided by the board of directors. In case of a significant change in the scope and conditions of the said transactions, the decision of the board of directors is taken again. The amount of common and continuous transactions between the Company and its related parties in an accounting period,
• the ratio of the sales to the cost of the last annual financial statements disclosed to the public in the purchase transactions,
• If it is foreseen that the ratio of the sales transactions to the revenue amount according to the last annual financial statements disclosed to the public will reach a ratio of more than 10%, in addition to the decision of the board of directors, a report shall be prepared by the board of directors of the corporation regarding the conditions of the transactions and their comparison with the market conditions, and the entire report or the result of this report shall be disclosed on PDP.

In the calculation of the ratios, collective evaluation of the transactions of the same nature is the basis, and each of the transactions made with the same partnership and with different qualities should be evaluated as a separate transaction. If the majority of the members of the independent board of directors do not approve the said transactions, it is obligatory to explain the reason for opposition in PDP.

At a minimum, the following issues must be included in these reports:
• Information about the companies that are parties to the transaction, including their trade name, activities related to the company, whether they are publicly traded or not, summarized financial data such as total assets, operating profit, net sales on an annual basis, and similar information.
• General information about the nature of the relations with the companies party to the transaction and its impact on the activities of the partnership.
• The date and subject of the contract on which the transaction is based, the important elements in the contract, provided that they are not trade secrets, and information on this if it has been previously included in documents such as prospectus.
• Criteria for assessing the appropriateness of the transaction to market conditions.
• An assessment of whether the transaction is in line with market conditions.

Corporate Governance Compliance Report and Information Form

Our Company has shown due diligence in the implementation of the principles set out in the Corporate Governance Principles published by the Capital Markets Board (CMB) for the fiscal period January 1 - December 31, 2022, and Corporate Governance Compliance Reporting is made through the PDP Platform using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates in accordance with the Corporate Governance Communiqué numbered II-17.1 with the decision of the Capital Markets Board dated 10.01.2019 and numbered 2/49.

	Company Compliance Status					Explanation
	Yes	Partially	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.		X				Although there is no regulation in the Articles of Association regarding the request of the shareholders to appoint a "special auditor" at the general assembly, the right of the shareholders to obtain information and to examine is provided by Turkish Commercial Code. It is legally guaranteed with Article 438.
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					The company avoids implementations that make it difficult to use the right to vote.The beneficiaries who have the right to attend the General Assembly meetings of the company, can also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code and use their voting rights.
1.4.2 - The company does not have shares that carry privileged voting rights.		X				There are regulations in the Articles of Association regarding the privilege of voting mentioned in the relevant principle.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.		X				Rights have been provided within the framework of general regulations in the legislation.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					Information on the shareholding structure is updated on the website and in the company's annual report every quarter, in case of any change.

2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.			X			Not applied
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Essential information is provided by the Human Resources Department, there is no Union.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.			X			There is no regulation on this matter.
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					Work is ongoing to determine the code of ethical behavior.
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.		X				Efforts are underway to establish the necessary mechanisms .
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.		X				It has been seen that the reports prepared by the Board of Directors Committees and the Financial Affairs Department regarding the Company's Risk Management and Internal Control are sufficient. The existing structure for Risk Management and Internal Control is maintained.
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			It has been seen that the reports prepared by the Board of Directors Committees and the Financial Affairs Department regarding the Company's Risk Management and Internal Control are sufficient. The existing structure for Risk Management and Internal Control is maintained.

4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			There is no regulation on this matter.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.			X			Committee members; consists of expert lecturers who have experience in genetics and electronics, which are the main fields of activity of the company.
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.	X					
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Apart from the independent board members, there are no board members serving in more than one committee in the company.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.			X			In accordance with the working principles of the committee, the committees may benefit from the opinions of experts when necessary. No such need has come to the fore in the past year by the committee members.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There is no consultancy service received in this direction.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific work has been carried out within the scope of performance evaluation at the level of the Board of Directors.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Financial rights provided to members of the board of directors and senior executives are explained collectively in the company annual report.

General Assembly

The 2021 Ordinary General Assembly Meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi was held on Wednesday, 11.05.2022 at 11.00 a.m. at Hasanpaşa Mahallesi, Beydağı Sokak, No:1- 9H Sultanbeyli/ISTANBUL under the supervision of Hatun KOSTAK, the Ministry Representative assigned by the letter dated 09.05.2022 and numbered 74461807 of the Provincial Directorate of Trade of the Governorship of Istanbul.

The invitation for the meeting was made in due time by announcing the date, time, place and agenda of the meeting on April 08, 2022 on the Public Disclosure Platform (PDP) and our company's www.anatoliageneworks.com website, as well as on the Electronic General Assembly System (E-GEM) of Merkezi Kayıt Kuruluşu A.Ş. and in the Turkish Trade Registry Gazette dated April 14, 2022 and numbered 10559, as stipulated in the Law and Articles of Association.

From the examination of the List of Attendants, it is understood that out of 110,000,000 shares with a nominal value of 1 TL, corresponding to the total issued capital of the Company amounting to 110,000,000 TL, 83,690,272 shares in person and 258,138 shares by proxy, totalling 83,948,410 shares were represented at the meeting, and the representative of the Independent Audit Company EREN BAĞIMSIZ DENETİM A.Ş. was present, and thus the minimum meeting quorum stipulated in the Turkish Commercial Code and the Articles of Association was present.

Regarding the 2021 Ordinary General Assembly Meeting, it has been determined that the preparations for the electronic general assembly were fulfilled in accordance with the legal regulations in accordance with the fifth and sixth paragraphs of Article 1527 of the Turkish Commercial Code, and the meeting was held simultaneously in electronic and physical environment.

Miscellaneous Issues

Information on Own Shares Acquired by the Company
The Company has not acquired any shares of its own.

Administrative and Judicial Sanctions
As of December 31, 2022, there are no administrative or judicial sanctions against the members of the Company's management body.

Legislative Changes That May Significantly Affect Company Activities
There are no legislative changes that may significantly affect the Company's operations.

Disclosures Regarding the Special Audit and Public Audit Conducted During the Accounting Period
In the 2022 activity year, there was no special audit request within the scope of Article 438 of the TCC.

Information on Lawsuits Filed Against the Company that May Affect the Financial Position and Activities of the Company and Their Possible Results
In 2022, there is no significant lawsuit filed against the Company that may affect the Company's Financial Position and Operations.

Disclosures on Administrative and Judicial Sanctions Imposed on the Company and the Members of the Governing Body Due to Practices Contrary to the Provisions of the Legislation
In 2021, there were no administrative and judicial sanctions imposed on the Company and the members of the management body due to practices contrary to the legislation.

Information and Evaluations on Whether the Targets Set in the Previous Periods were Achieved, Whether the Resolutions of the General Assembly were Fulfilled, and the Reasons for Failure to Achieve the Targets or Failure to Fulfill the Resolutions
An annual budget is prepared in accordance with the targets set by the Company's Board of Directors and the compliance of the operating results with the budget is monitored. The resolutions of the Ordinary General Assembly for 2021 activities held in May 2022 have been implemented by our Company.

If an Extraordinary General Assembly Meeting was held during the year, information on the Extraordinary General Assembly Meeting, including the date of the meeting, the decisions taken at the meeting and the actions taken in relation to the meeting
The Company did not organize an Extraordinary General Assembly during the period.

Significant changes in the environment in which the Company operates and the Company's policies in response to these changes
There has been no significant change in the geographical environment in which the Group operates during the period.

Determination of whether the Company's Capital is Uncovered or the Company is Insolvent and Assessments of the Management Body
Within the framework of the calculation made by taking into account the ratios specified in Article 376 of the TCC, the Company's capital does not remain uncovered.

Information on the Conflicts of Interest between the Company and the Institutions Providing Services such as Investment Advisory and Rating Services and the Measures Taken by the Company to Prevent These Conflicts of Interest
During the period, the Company did not receive any services such as investment consultancy and rating.

Information on Own Shares Acquired by the Company
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During the period, the Company did not receive any services such as investment consultancy and rating.
Significant Events During and After the Annual Report Period

 # Our material event disclosure dated 09.02.2022

Within the scope of our company's growth strategy in international markets, our subsidiary established under the name of RhineGene B.V. in the Netherlands with a capital of 1.000.000.-Euro, in which we fully participated, was registered on 09.02.2022.

 # Our material event disclosure dated 10.05.2022

RhineGene Philippines Inc. established under the roof of RhineGene B.V., a subsidiary of our Company, was registered as of 10.05.2022.

#Our material event disclosure dated 11.05.2022

The 2021 Ordinary General Assembly Meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi was held on Wednesday, 11.05.2022 at 11.00 at Hasanpaşa Mahallesi, Beydağı Sokak, No:1 -9H Sultanbeyli/ISTANBUL under the supervision of Hatun KOSTAK, the Ministry Representative assigned by the letter dated 09.05.2022 and numbered 74461807 of the TC. Istanbul Governorship Provincial Directorate of Commerce.

 # Our material event disclosure dated 25.05.2022

The transfer and registration of Alpha IVD S.p.A shares have been completed as of May 25, 2022.

 # Our material event disclosure dated 26.07.2022

Aiming to grow in international markets, Anatolia had decided to enter the Bulgarian market, one of its priority countries, in order to provide technical support to other offices established or to be established in European Union countries with its experienced and highly qualified sales and support staff, as shared in the IPO prospectus. In this context, RhineGene Bulgaria EOOD (Trade Registry No: 207 028 328), established under the roof of RhineGene B.V., a subsidiary of our Company, was registered on 26.07.2022.

 # Our material event disclosure dated 27.09.2022

The transactions of RhineGene POLAND Sp. z o.o (Trade Registry No: 725232323249), which was established to conduct sales and marketing activities in Poland under the roof of RhineGene B.V., a subsidiary of our Company, were completed as of 27.09.2022.

 # Our material event disclosure dated 30.12.2022

The Board of Directors unanimously resolved to appoint Mr. Mehmet Gökalp as the new Chief Financial Officer (CFO), effective as of January 1, 2023, as a result of the resignation of Ms. Cansu Müftüoğlu, Chief Financial Officer (CFO).

STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS NUMBERED II-14.1

As our Company, we declare that;
i) Consolidated Statement of Financial Position, Profit and Loss Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and Annual Report of the Board of Directors for the period 01/01/2022 - 31/12/2022, together with its footnotes, prepared in accordance with the Turkish Accounting Standards / Turkish Financial Reporting Standards (TAS/TFRS) and the formats determined by the CMB pursuant to the Capital Markets Board's "Communiqué on Principles Regarding Financial Reporting in Capital Markets" numbered II-14.1 ("Communiqué"),
ii) Corporate Governance Information Form (CGIF) and Corporate Governance Compliance Report, after obtaining the opinion of the Corporate Governance Committee,
iii) The Sustainability Principles Compliance Report has been reviewed by us in consultation with the Sustainability Committee,
- Within the framework of the information, we have within the scope of our duties and responsibilities in the Company, that the financial statements and annual report do not contain any misstatements in material matters or any omissions that may be construed as misleading as of the date of the disclosure,
- We hereby declare, to the best of our knowledge and as part of our duties and responsibilities within the Company, that the financial statements prepared in accordance with the applicable financial reporting standards give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company, including those within the scope of consolidation, and that the annual report fairly reflects the development and performance of the business and the financial position of the Company, including those within the scope of consolidation, together with the significant risks and uncertainties it faces.

Board of Directors

INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ AR-GE SANAYİ VE TİCARET A.Ş. AND GROUP COMPANIES CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMER 2022 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

CONTENTS

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	*Notes*	Audited 31 December 2022	Audited 31 December 2021
Current Assets			
Cash and cash equivalents	5	323.447.280	462.412.511
Financial investments	6	101.094.857	51.880.614
Trade receivables	7	69.430.482	99.610.472
- *Due from related parties*	*8*	--	*306.490*
- *Due from third parties*		*69.430.482*	*99.303.982*
Other receivables		6.576.172	2.060.174
- *Other receivables from third parties*	*9*	*6.576.172*	*2.060.174*
Inventories	10	90.846.140	64.909.737
Prepaid expenses	11	3.529.603	6.043.952
Current tax assets		7.044.275	3.711.454
Other current assets	12	23.090.466	17.399.981
TOTAL CURRENT ASSETS		**625.059.275**	**708.028.895**
Non-current Assets			
Other receivables		572.916	--
- *Other receivables from third parties*	*9*	*572.916*	--
Property, plant, and equipment	13	176.189.120	128.727.584
Right use of assets	15	11.239.951	45.813
Intangible assets	14	43.392.865	22.848.843
- Intangible assets other than goodwill		*43.392.865*	*22.848.843*
Prepaid expenses	11	357.065	123.051
Other non-current asset		104.309	--
TOTAL NON-CURRENT ASSETS		**231.856.226**	**151.745.291**
TOTAL ASSETS		**856.915.501**	**859.774.186**

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Financial Position for The Years Ended 31 December 2022 and 2021

LIABILITIES	*Notes*	Audited 31 December 2022	Audited 31 December 2021
Current Liabilities			
Short-term borrowings	17	337.292	451.058
Short-term portion of long-term borrowings	17	920.886	2.024.805
Lease liabilities	16	1.060.536	--
Trade payables	7	7.812.978	11.849.656
- *Due to related parties*	*8*	*340.525*	*863.735*
- *Due to third parties*		*7.472.453*	*10.985.921*
Payables within benefit to employees	20	2.058.388	3.821.726
Other Payables		1.978.936	496.700
- *Due to third parties*	*9*	*1.978.936*	*496.700*
Deferred income	11	599.546	3.616.933
Provisions		1.674.946	762.709
- Provisions for employee benefits	*18*	*1.674.946*	*762.709*
Other current liabilities	12	1.974.119	4.979.396
TOTAL CURRENT LIABILITIES		**18.417.627**	**28.002.983**
Non-current liabilities			
Long-term borrowings	17	294.078	1.275.174
Lease liabilities	16	10.710.601	--
Long-term provisions		8.437.533	1.610.518
- Long-term provisions for employee benefits	*18*	*8.437.533*	*1.610.518*
Deferred tax liabilities	21	2.654.633	3.093.219
TOTAL NON-CURRENT LIABILITIES		**22.096.845**	**5.978.911**
EQUITY			
Equity attributable to owners of the Company		**816.401.029**	**766.737.481**
Share capital	22	110.000.000	110.000.000
Share premiums		218.843.895	215.000.000
Accumulated comprehensive income and expense			
- *Expense not to be reclassified to profit or loss*		(2.103.485)	(167.170)
- Defined Benefit Plans Remeasurement Gains (Losses)		*(2.103.485)*	*(167.170)*
- *Expense to be reclassified to profit or loss*		32.189.833	9.268.122
- Foreign Currency Conversion Differences		*32.189.833*	*9.268.122*
Legal reserves		57.743.791	8.738.235
Retained earnings		69.337.180	(9.433.313)
Profit for the period		330.389.815	433.331.607
Non-controlling interests	**22**	**--**	**59.054.811**
TOTAL SHAREHOLDER'S EQUITY		**816.401.029**	**825.792.292**
TOTAL LIABILITIES		**856.915.501**	**859.774.186**

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Financial Position and Other Comprehensive Income as of
1 January - 31 December 2022 and 2021
(Amounts expressed in TL unless otherwise indicated.)

	Notes	**Audited 1 January- 31 December 2022**	**Audited 1 January- 31 December 2021**
Revenue	24	268.817.404	410.109.510
Cost of sales (-)	24	(44.514.716)	(51.426.497)
GROSS PROFIT		**224.302.688**	**358.683.013**
General administrative expenses (-)	26	(51.266.950)	(15.047.068)
Selling and marketing expenses (-)	25	(34.042.084)	(26.606.393)
Research and development expenses (-)	27	(2.786.452)	(967.917)
Other operating income	29	69.804.958	45.963.087
Other operating expenses (-)	29	(22.067.553)	(22.586.073)
OPERATING PROFIT		**183.944.607**	**339.438.649**
Income from Investment Activities		37.200.270	431.949
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES		**221.144.877**	**339.870.598**
Finance income	30	131.941.046	177.627.786
Finance expenses (-)	30	(12.768.044)	(55.239.219)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**340.317.879**	**462.259.165**
Tax Income / (Expense) of Continuing Operations			
Tax expenses		(4.055.641)	(15.253.172)
Deferred tax expense / incomes	21	(143.038)	(3.631.785)
PROFIT FROM CONTINUING OPERATIONS		**336.119.200**	**443.374.208**
NET PROFIT FOR THE PERIOD		**336.119.200**	**443.374.208**
Profit/(loss) attributable to:			
Non-controlling interests		5.729.385	10.042.601
Equity holders of the parent		330.389.815	433.331.607
		336.119.200	**443.374.208**
Earnings per share (Nominal value per TL 1)	23	3,0035	5,7232
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss, before tax			
- *Gain /loss arising from defined benefits plan*		*(2.420.394)*	*(353.273)*
To be reclassified to profit or loss, before tax			
- *Currency translation differences*		28.482.705	*31.036.839*
Total other comprehensive income, before tax		**26.062.311**	**30.683.566**
Other comprehensive income, total tax effect			
- Not to be reclassified to profit or loss other comprehensive income, tax effect			
- *Deferred tax income/(expense)*		*484.076*	*70.655*
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**26.546.387**	**30.754.221**
TOTAL COMPREHENSIVE INCOME		**362.665.587**	**474.128.429**
Attributable to:			
Equity holders of the parent		351.375.208	441.185.151
Non-controlling interests		11.290.379	32.943.278

The accompanying notes form an integral part of these consolidated financial statements

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statement of Changes in Share Holder's Equity as of 1 January - 31 December 2022 and 2021
(Amounts expressed in TL unless otherwise indicated.)

			Other comprehensive income							
	Share capital	**Premiums/ Discounts on Shares**	**Items that will never be reclassified to profit or loss**	**Items that will be reclassified to profit or loss**	**Legal reserve**	**Retained earnings**	**Profit for the period**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021	**15.000.000**	**--**	**115.448**	**1.131.960**	**62.632**	**195.554**	**293.396.437**	**309.902.031**	**26.111.533**	**336.013.564**
Transfers	--	--	--	--	--	293.396.437	(293.396.437)	--	--	--
Total comprehensive income	--	--	(282.618)	8.136.162	--	--	433.331.607	441.185.151	32.943.278	474.128.429
Capital Increase	85.000.000	--	--	--	(15.705.120)	(69.294.880)	--	--	--	--
Dividends	10.000.000	215.000.000	--	--	--	--	--	225.000.000	--	225.000.000
Other payments to shareholders excluding dividends	--	--	--	--	24.380.723	(234.380.723)	--	(210.000.000)	--	(210.000.000)
Increase/ (decrease) due to other changes	--	--	--	--	--	650.299	--	650.299	--	650.299
As of 31 December 2021	**110.000.000**	**215.000.000**	**(167.170)**	**9.268.122**	**8.738.235**	**(9.433.313)**	**433.331.607**	**766.737.481**	**59.054.811**	**825.792.292**
Balance at 1 January 2022	**110.000.000**	**215.000.000**	**(167.170)**	**9.268.122**	**8.738.235**	**(9.433.313)**	**433.331.607**	**766.737.481**	**59.054.811**	**825.792.292**
Transfers	--	--	--	--	19.000.000	414.331.607	(433.331.607)	--	--	--
Profit sharing	--	--	--	--	30.005.556	(335.561.114)	--	(305.555.558)	--	(305.555.558)
Effects of business combinations under common controls	--	3.843.895	--	--	--	--	--	3.843.895	(70.345.191)	(66.501.296)
Total comprehensive income	--	--	(1.936.315)	22.921.711	--	--	330.389.815	351.375.211	11.290.380	362.665.591
As of 31 December 2022	**110.000.000**	**218.843.895**	**(2.103.485)**	**32.189.833**	**57.743.791**	**69.337.180**	**330.389.815**	**816.401.029**	**--**	**816.401.029**

The accompanying notes form an integral part of these consolidated financial statements

	Notes	Audited 1 January- 31 December 2022	Audited 1 January- 31 December 2021
A. Cash flow from Operating activities		**311.020.794**	**407.201.513**
Income for the period		336.119.200	443.374.208
Adjustments to reconcile cash flow generated from operating activities:		**32.730.618**	**11.141.294**
Depreciation and amortization	13,14,15	22.426.215	9.899.049
Adjustments for impairment	7	143.323	3.817.734
Adjustments for provisions	18	5.919.171	1.239.445
Net financial expenses	30	(17.846.713)	(7.740.806)
Tax Income / Expense	21	4.198.679	18.884.957
Unrealized foreign currency (income) / loss		17.889.943	(14.959.085)
Changes in working capital:		**(57.829.024)**	**(47.313.989)**
Change in trade and other receivables		24.947.754	22.279.483
Change in inventories		(25.936.400)	(19.314.283)
Adjustments for financial investments (increase)/decrease		(49.214.244)	(38.880.000)
Change in other current and non-current asset		10.074.599	(2.110.923)
Change in trade payables		(2.554.449)	9.352.788
Change in payables related to employee benefits		(1.763.338)	733.142
Change in other liabilities		(5.442.826)	3.222.215
Tax Payment	21	(7.940.120)	(22.596.411)
B. Cash flows from investing activities		**(139.999.193)**	**(67.431.168)**
Acquisition from procurement of property and equipment and intangible assets	13,14,15	(94.114.262)	(77.433.499)
Proceeds from sales of property and equipment and intangible assets		1.636.812	193.619
Interest received	30	18.979.558	9.808.712
Expenses from purchase of subsidiaries		(66.501.301)	--
C. Cash flows from financing activities		**(309.986.832)**	**(12.841.573)**
Acquisition on loan repayments		(2.198.781)	(25.648.846)
Acquisition on lease repayments		(1.817.922)	(124.821)
Cash inflows from the issuance of shares		--	225.000.000
Dividends paid		(305.555.558)	(210.000.000)
Interests paid	30	(414.571)	(2.067.906)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(138.965.231)**	**326.928.772**
D. Cash and cash equivalents at January 1		**462.412.511**	**135.483.739**
Cash and cash equivalents at December 31 (A+B+C+D)	**5**	**323.447.280**	**462.412.511**

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Cash Flow as of 1 January - 31 December 2022 and 2021
(Amounts expressed in TL unless otherwise indicated.)

1. GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

The main field of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Sanayi ve Ticaret A.Ş (“Company” or “Anatolia”) and its subsidiaries (collectively "The Group"), is producing kits, installation of robots, developing software and designing of devices for research of real-time PCR and such as DNA sequencing and DNA/RNA Isolation techniques.

Exporting its developed products to more than 50 countries in Europe, Asia, Africa and America, the Group is the first and only Turkish manufacturer company invited by the World Health Organization to determine new global test reference standards on four different viruses (“WHO Collaborative Study”).

As of the 31 December 2022 and 2021 the total number of employees of the Group is 165 and 138 respectively.

The company is registered with the Capital Markets Board (“CMB”) and its shares are traded on Borsa Istanbul A.Ş. (“BIST”) as of 2021. As of 31 December 2022, the Company has 29.43% of shares registered in BIST (Note 22).

The final control of the Group belongs to Elif Akyüz and Alper Akyüz.

The company is registered in Turkey, its registered address and R&D Departments are as follows:

Hasanpaşa Mh. Beydağı Sk. No:1-9H, Sultanbeyli, İstanbul, Turkey.

The Group has a free zone branch at Aydınlı SB Mahallesi, Matraş Caddesi, No:18/Z02, Tuzla / Istanbul.

The Group carries out production in its head office and free zone branches.

Subsidiaries

As of 31 December 2022, the subsidiaries subject to the consolidated financial statements, the countries in which they operate, and their fields of activity are as follows:

Subsidiaries	Country	Main Activity
Alpha IVD SRL (“Alpha”)	Italy	Trading of test kits, devices and software in the field of molecular biology
Euronano Diagnostics (Private) Limited (“Euronano”)	Pakistan	Trading of test kits, devices and software in the field of molecular biology
RhineGene B.V. (“RhineGene”)(*)	Holland	Trading of test kits, devices and software in the field of molecular biology
RhineGene Philippines (“RhineGene PH”) (**)	Philippines	Trading of test kits, devices and software in the field of molecular biology
RhineGene Bulgaria (“RhineGene BG”) (***)	Bulgaria	Trading of test kits, devices and software in the field of molecular biology
RhineGene Poland(“RhineGene PL”) (****)	Poland	Trading of test kits, devices and software in the field of molecular biology

Alpha and Euronano were founded by Anatolia, Elif Akyüz and Alper Akyüz in 2017 and 2018, respectively.

(*) The commercial title of Alpha IVD S.r.l (Ltd.) has been changed and announced in the trade registry gazette as Alpha IVD S.p.A (A.Ş.) due to its new restructuring regarding the current business volume and business plans for the coming years.

(**) 200,000 of which RhineGene B.V, which is a 100% subsidiary of the Company, has fully participated in on 10.05.2022. -USD capital, RhineGene Philippines Inc. was established.

(***) RhineGene Bulgaria was established on 26.07.2022, in which RhineGene B.V, a 100% subsidiary of the Company, fully participated.

(****) RhineGene Poland was established on 27.09.2022, in which RhineGene B.V, a 100% subsidiary of the Company, fully participated.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Accounting policies

The accompanying consolidated financial statements are prepared in accordance with the announcement of the Capital Markets Board ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II-14.1 published in the Official Gazette dated 13.06.2013 and numbered 28676 and Turkish Financial Reporting Standards (''TFRS'') published by Public Oversight Accounting and Auditing Standards Board ("POA").

TASs; Turkish Accounting Standards, includes Turkish Financial Reporting Standards ("TFRS") and related annexes and comments.

Consolidated financial statements are presented in accordance with the "TFRS Taxonomy" published by POA dated on 7 June 2019 and Financial Statement Examples and User Guide published by CMB.

Approval of consolidated financial statements

Consolidated financial statements as of 1 January - 31 December 2022 have been approved by the Board of Directors and authorized for publication on 10 March 2023. The General Assembly of the Company and the relevant regulatory authorities have the right to request the amendment of the consolidated financial statements after the publication of the consolidated financial statements.

Comparative Information and Correction of Prior Financial Statements

The current period consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period consolidated financial statements.

The Group has classified the Income Accruals, which it reported under "Other Period Assets", which was TL 581.545 amounting to on 31 December 2021 in the balance sheet in the previous period, to "Trade Receivables".

The Group has classified Expense Accruals, which it had reported under "Other Current Liabilities", which was TL 3.982.538 amounting to on 31 December 2021 in the balance sheet in the previous period, to "Trade Payables".

The Group has reclassified the profits from the sale of property, plant and equipment, which it reported under "Other Operating Income", which was TL 365.032 amountig to on 31 December 2021 in the profit or loss statement in the previous period, to "Income from Investment Activities".

The Group has classified the income from financial investments, which it reported under "Finance Income", which was TL 66.917 amounting to as of 31 December 2021 in the profit or loss statement in the previous period, to "Income from Investment Activities".

Preparation of Financial Statements in Hyperinflationary Economies

In accordance with the communique issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Accounting Standards, it is decided not to apply inflation accounting from 1 January 2005 which is published on 17 March 2005 numbered 11/367. Accordingly, as of 1 January 2005, no:29 "Financial reporting in Hyperinflationary Economies" ("TAS 29") was not applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2022 within the scope of TAS 29 "Financial Reporting in High Inflation Economies". In addition, a new announcement has been made by the KGK regarding the inflation accounting application and no inflation adjustment has been made in accordance with TAS 29 in the accompanying consolidated financial statements dated 31.12.2022.

Functional and presentation currency

The Group prepares and maintains its legal books and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), accounting principles set forth by tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The valid currency of the Group is Turkish Lira ("TL"). These consolidated financial statements are presented in TL, which is the valid currency of the Group.

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Cash Flow as of 1 January - 31 December 2022 and 2021
(Amounts expressed in TL unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1. Basis of presentation (Continued)

Financial statements of subsidiaries operating in countries other than Turkey
Subsidiaries in foreign country assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate. The retranslation of net assets at the beginning of the period and the exchange differences which resulting from the using of average exchange rates are followed on differences of foreign currency translation account within shareholders' equity.

Netting/Offsetting

Financial assets and liabilities are shown in net, if the required legal right already exists, there is an intention to pay the assets and liabilities on a net basis, or if there is an intention to realize the assets and the fulfilment of the liabilities simultaneously.

2.2. Changes in Accounting Policies

Significant changes in accounting policies are applied retrospectively and prior period consolidated financial statements are restated.

2.3. Restatement and Errors in the Accounting Policies and Estimates

If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively. There was no significant change in accounting estimates of the Group in the current year. The detected significant accounting errors are applied retrospectively, and prior period consolidated financial statements are restated.

2.4. Going concern

The consolidated financial statements prepared on a going concern basis, with the assumption that the Group will benefit from its assets and fulfil its obligations in the next year and in the natural course of its activities.

2.5. New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and IFRIC interpretations effective as of 1 January 2022. The effects of these standards and interpretations on the Group's Financial position and performance have been disclosed in the related paragraphs.

Standards, amendments and interpretations applicable as at 31 December 2022:

Amendment to FRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

• **Amendments to TFRS 3**, 'Business combinations' update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

• **Amendments to TAS 16,** 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

• **Amendments to TAS 37,** 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial Instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Changes in Turkish Financial Reporting Standarts (continued)

Standards, amendments and interpretations that are issued but not effective as at 31 December 2022:
Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.
Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendment to TAS 1 – Non current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendment to TAS 1 – Non current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
These amendments are not expected to have a material impact on the consolidated financial statements of the Group and its performance.

2.6. Summary of significant accounting policies

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

Consolidation Principles

Full Consolidation:

Consolidated financial statements include the financial statements of the subsidiary managed by the Group in Note 1.

Subsidiaries are consolidated using the full consolidation method from the date on which the control passes to the Group. They are excluded from the scope of consolidation as of the date of loss of control.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Consolidation Principles (continued)

As of 31 December 2022 and 2021, the subsidiaries consolidated within the Parent Company have been consolidated using the "full consolidation method" since the control power belongs to the Group.

The applied principles of consolidation as below:

(i) The balance sheets and income statements of the subsidiaries are consolidated one by one for each item and the carried net book value of the investment, which is owned by the Parent Company, is eliminated with the related equity items. The intra-group transactions, the remaining profit margins balances in the balance sheets which between the Parent Company and its subsidiaries, are eliminated.

(ii) Operating results of subsidiaries are included in the consolidation effective from the date on which the said company controls are transferred to the Parent Company.

(iii) Non-controlling interests in net assets and operating results of subsidiaries are presented separately as non-controlling interests in the consolidated balance sheet and consolidated income statement.

The following table shows the subsidiaries, total shares of owned and effective partnership ratios as of 31 December 2022 and 2021:

Subsidiaries	31 December 2022	31 December 2021
Alpha IVD SRL (“Alpha”) (*)	%100	23,33%
Euronano Diagnostics (Private) Limited (“Euronano”)	%99,99	99,99%
RhineGene B.V. (“RhineGene”)	%100	--
RhineGene Philippines (“RhineGene PH”)	%100	--
RhineGene Bulgaria (“RhineGene BG”)	%100	--
RhineGene Poland(“RhineGene PL”)	%100	--

(*) Although the ownership rate of the company is 50% or less, control power can be obtained with the remaining votes belonging to Elif Akyüz and Alper Akyüz, who are also the controlling shareholders of Anatolia. Elif Akyüz and Alper Akyüz declared that they will use their voting rights in line with Anatolia.

The company take over 100% of the company by paying 66,501,299 TL for the remaining 76.67% of Alpha shares. The transfer and delivery procedures were completed on May 25, 2022. This take over is considered as a “business combination under common control” and the difference between Alpha's net equity at the acquisition date and the purchase price is classified under “Share Premiums” under equity. (**) (Footnote 1)

Related Parties

To the accompanying consolidated financial statements, key personnel in management and board of directors, their family and controlled or dependent companies, participations and subsidiaries of the Group is referred to as related parties.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less (Note 5). To consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than three months, excluding the interest accruals. If any provision provided to the cash and cash equivalents because of a specific event, Group measures expected credit loss from these cash and cash equivalents by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectations for the future indications.

Trade Receivables and Allowance for Doubtful Receivables

Trade receivables that are created by the Group by way of providing goods or services in the ordinary course of business directly to a debtor are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest rate method, less provision for impairment. Short-term trade receivables with no specific interest rates are measured at original invoice amount if the effect of interest accrual is unsignificant.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Trade Receivables and Allowance for Doubtful Receivables

Impairment

IAS 39, "Financial Instruments" valid before 1 January 2018: Instead of "realised credit losses model" in Accounting and Measurement Standard, "expected credit loss model" was defined in IFRS 9 "Financial Instruments" Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of the Group are considered.

Trade Payables

Trade payables are stated at their nominal value, discounted to present value as appropriate.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method. Costs comprise direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distributed.

Property, plant and equipment and related depreciation

Property, plant, and equipment are carried at acquisition cost, less any accumulated depreciation and any impairment loss Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation is provided on the restated amounts of property, plant and equipment on a pro-rata basis. Profit and loss arising out of the sale of property, plant and equipment are included in the other income and expense accounts. Repair and maintenance expenditure related to property, plant and equipment is expensed as incurred.

Cost amounts of property, plant and equipment, other than the lands and construction in progress are subject to depreciation by using systematic pro-rata basis using the straight-line method in accordance with their expected useful life.

The depreciation and amortization periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Year
Buildings	50
Machinery and Equipment	4-14
Motor vehicles	5-10
Furniture and Fixtures	4-10
Leasehold improvements	10-20

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7. Summary of significant accounting policies (continued)

Intangible assets and related amortization

An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method Intangible assets including acquired rights, information systems and computer software are amortized using the straight-line.

Costs incurred on development projects relating to the design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other research and development expenditures are recognized as an expense as incurred. Development expenditures previously recognized as an expense cannot be recognized as an asset in a subsequent period.

The useful lives of intangible assets are as follows:

	Year
Rights	3-5
Research and development costs	5
Other intangible asset	5-10

Impairment of assets

The carrying values of all tangible or intangible fixed assets, other than goodwill which is reviewed for impairment at least annually, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement for items carried at cost and treated as a revaluation decrease for items carried at revalued amount to the extent that impairment loss does not exceed the amount held in the revaluation surplus. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Financial assets

The Group performs the classification process regarding its financial assets during the acquisition of the related assets and reviews them regularly.

Classification

The Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, after the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

a) Financial assets measured at amortized cost

Financial assets measured at amortized cost, are non-derivative assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Financial assets (continued)

b) Financial assets measured at fair value

i. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

In case of sale of assets, valuation differences classified to other comprehensive income are reclassified to retained earnings.

Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss. If the said preference is made, dividends from related investments are recognized in the income statement.

ii. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss, are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Company is recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets is measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provisions for losses are measured as below.

- Impairment of the financial and contractual assets is measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provisions for losses are measured as below.

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.

- Lifetime ECL: results from all possible default events over the expected life of financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

a) Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

b) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected fife of the financial liability, or, where appropriate, a shorter period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a considerable time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. Investment income earned by the temporary investment of the part of the borrowing not yet used is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Taxation and Deferred Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>: The tax currently payable is based on taxable profit for the year.

<u>Deferred tax</u>: Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Employee Benefits / Retirement Pay Provision

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 "Employee Benefits" ("IAS 19"). The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

Operating Expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6. Summary of significant accounting policies (continued)

Revenue Recognition

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:

(a) Identification of customer contracts
(b) Identification of performance obligations,
(c) Determination of transaction price in the contract,
(d) Allocation of price to performance obligations,
(e) Recognition of revenue when the performance obligations are fulfilled.

Group recognizes revenue from its customers only when all the following criteria are met:

(a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
(b) Group can identify each party's rights regarding the goods or services to be transferred,
(c) Group can identify the payment terms for the goods or services to be transferred.
(d) The contract has commercial substance,

It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

<u>Equipment rental revenue</u>

Rent income from operational rental transactions is accounted if it is measured reliably based on straight-line method during relevant rental agreement and if it is possible that an economic benefit related to transaction is achieved by the Group.

Provisions

Provisions are recognized when, and only when the Group has a present obligation because of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized by the amortized amount as of balance sheet date in case that the monetary loss is material. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Commitments and Contingencies

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non-occurrence of certain future events unless the expected performance is remote. Accordingly, contingent losses are recognized in the financial statements if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7. Summary of significant accounting policies (continued)

Transactions in foreign currency

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

The periods-end rates used for USD, EURO and PKR are shown below:

	31 December 2022	31 December 2021
US Dollars	18,7029 TL	12,9775 TL
Euro	19,9806 TL	14,6823 TL
PKR	0,0820 TL	0,07227 TL
PLN (Zloti)	4,2641 TL	3,2870 TL
LEVA	10,1354 TL	7,6704 TL
PHP	0,3364 TL	0,2618 TL

Earnings per share

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings or inflation adjustments. To earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Government incentives and grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions. Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Cash Flow statement

Cash and cash equivalents comprise of cash in hand, bank deposits and short-term investments, which can easily be converted into cash for a known amount, has high liquidity with maturities of 3 months or less.

EBITDA

EBITDA is defined as earnings before interest expense, income tax expense (benefit), depreciation and amortization. This information should be read with the statements of cash flows contained in the accompanying financial statements (note 3).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.7. Significant Accounting Assessments, Estimates and Assumptions

Provisions for doubtful trade receivables: The provision for doubtful receivables reflects the amounts that the management believes will cover the future losses of the receivables that exist as of the reporting date but have the risk of being uncollectible within the current economic conditions. While evaluating whether the receivables are impaired or not, the past performance of the debtors, their credibility in the market, their performance from the date of the consolidated financial statements until the approval date of the consolidated financial statements and the renegotiated conditions are also taken into. In addition, the “simplified approach” defined in TFRS 9 has been preferred within the scope of the impairment calculations of trade receivables that are accounted at amortized cost in the consolidated financial statements and that do not contain a significant financing component (with a maturity of less than one year). With this approach, the Group measures the provision for impairment on trade receivables at an amount equal to “lifetime expected credit losses”, unless the trade receivables are impaired for certain reasons (excluding realized impairment losses).

Provision for employee benefit: Employment termination benefits pay liability is determined by actuarial calculations based on some assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long term, these assumptions contain significant uncertainties.

Lawsuit provisions: The probability of loss of ongoing lawsuits and the consequences that will be endured if they are lost are evaluated in line with the opinions of the Group's legal advisors. The Group management makes its best estimates using the data in hand, and estimates the provision it deems necessary.

Deferred tax: The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their statement of financial position accounts prepared in accordance with TAS/TFRS promulgated by POA Financial Reporting Standards and their statutory financial statements. These temporary differences usually result from the recognition of revenue and expenses in different reporting periods for TAS/TFRS and Tax Laws.

Impairment of Inventory: When calculating, data on the list prices of inventories after discounting are used. In cases where the projected net realizable value is below the cost value, an inventory impairment provision is made.

3. SEGMENT REPORTING

The Group defined EBITDA as profit before interest, depreciation and tax. Announced EBITDA amounts are presented separately by the Group management to better understand and measure the operating performance of the Group.

The details of reporting according to the segments for the period ended 31 December 2022 are as follows:

31 December 2022	COVID-19 Test Kits	Other Kits	Equipment	Other	Total
Domestic Sales	11.606.368	40.410.897	413.103	1.147.405	53.577.773
Foreign Sales	131.356.908	81.417.536	1.949.039	516.148	215.239.631
Total Sales	**142.963.276**	**121.828.433**	**2.362.142**	**1.663.553**	**268.817.404**
Cost of Sales (-)	19.986.266	22.013.648	1.683.026	831.776	44.514.716
Gross Profit	**122.977.010**	**99.814.785**	**679.116**	**831.777**	**224.302.688**
General administrative expenses (-)	(27.264.943)	(23.234.255)	(450.491)	(317.261)	(51.266.950)
Selling and marketing expense (-)	(18.104.364)	(15.427.921)	(299.133)	(210.666)	(34.042.084)
Research and development expenses (-)	(1.481.899)	(1.262.824)	(24.485)	(17.244)	(2.786.452)
Other operating income	37.123.882	31.635.707	613.387	431.982	69.804.958
Other operating expense (-)	(11.736.032)	(10.001.047)	(193.911)	(136.563)	(22.067.553)
Income from investmen activities	19.783.958	16.859.216	326.885	230.211	37.200.270
Operating income before finance expense	**121.297.612**	**98.383.661**	**651.368**	**812.236**	**221.144.877**
Depreciation and Amortization	11.926.776	10.163.593	197.063	138.783	22.426.215
EBITDA	**133.224.388**	**108.547.254**	**848.431**	**951.019**	**243.571.092**

The details of reporting according to the segments for the year ended 31 December 2021 are as follows:

31 December 2021	COVID-19 Test Kits	Other Kits	Equipment	Other	Total
Domestic Sales	20.582.764	20.157.740	294.090	661.986	41.696.580
Foreign Sales	258.510.628	105.327.505	4.192.940	381.857	368.412.930
Total Sales	**279.093.392**	**125.485.245**	**4.487.030**	**1.043.843**	**410.109.510**
Cost of Sales (-)	(24.949.350)	(23.587.539)	(2.378.126)	(511.482)	(51.426.497)
Gross Profit	**254.144.042**	**101.897.706**	**2.108.904**	**532.361**	**358.683.013**
General administrative expenses (-)	(10.240.038)	(4.604.100)	(164.631)	(38.299)	(15.047.068)
Selling and marketing expense (-)	(18.106.550)	(8.141.020)	(291.102)	(67.721)	(26.606.393)
Research and development expenses (-)	(658.700)	(296.163)	(10.590)	(2.464)	(967.917)
Other operating income	31.279.436	14.063.778	502.884	116.989	45.963.087
Other operating expense (-)	(15.370.587)	(6.910.883)	(247.115)	(57.488)	(22.586.073)
Income from investment activities	293.956	132.168	4.726	1.099	431.949
Operating income before finance expense	**241.341.559**	**96.141.486**	**1.903.076**	**484.477**	**339.870.598**
Depreciation and Amortization	6.736.636	3.028.910	108.307	25.196	9.899.049
EBITDA (*)	**234.604.923**	**93.112.576**	**1.794.769**	**459.281**	**329.971.549**

(*) The Group has recalculated EBITDA due to the reclassifications made in the previous period, the details of which are explained in footnote 2.1.

4. SHARES IN OTHER BUSINESS

The details of the Group's shares in other businesses for the periods are as follows:

	31 December 2022	31 December 2021
	Alpha IVD S.p.A (Italy) Solo	**Alpha IVD S.p.A (Italy) Solo**
Current assets	90.102.530	85.225.624
Non-current assets	28.792.650	16.106.845
Total assets	**118.895.180**	**101.332.469**
Current liabilities	8.085.184	21.769.201
Non-current liabilities	795.921	422.838
Total debts	**8.881.105**	**22.192.039**
Net assets	**110.014.075**	**79.140.430**
Profit Loss for the period:		
Revenue	82.827.935	125.409.956
EBITDA	14.052.072	18.386.827
Profit / (Loss) for the period	4.231.005	11.325.854
Total comprehensive income / (loss)	**4.231.005**	**11.325.854**

	31 December 2022	31 December 2021
	Euronano (Pakistan) Solo	**Euronano (Pakistan) Solo**
Current assets	37.569.007	50.095.049
Non-current assets	4.573.486	4.541.615
Total assets	**42.142.493**	**54.636.664**
Current liabilities	55.413.972	49.773.722
Non-current liabilities	--	--
Total debts	**55.413.972**	**49.773.722**
Net assets	**(13.271.479)**	**4.862.942**
Revenue	17.306.666	37.986.703
EBITDA	(1.696.559)	3.762.552
Profit / (Loss) for the period	(17.691.393)	1.459.239
Total comprehensive income / (loss)	**(17.691.393)**	**1.459.239**

4. SHARES IN OTHER BUSINESS (continued)

	31 December 2022	31 December 2021
	RhineGene B.V. (Holland) Solo	RhineGene B.V. (Holland) Solo
Current assets	9.169.119	--
Non-current assets	7.702.208	--
Total assets	**16.871.327**	**--**
Current liabilities	88.498	--
Non-current liabilities	--	--
Total debts	**88.498**	**--**
Net assets	**16.782.829**	**--**
Profit Loss for the period:		
Revenue	--	**--**
EBITDA	(2.721.442)	--
Profit / (Loss) for the period	(2.749.838)	**--**
Total comprehensive income / (loss)	**(2.749.838)**	**--**

	31 December 2022	31 December 2021
	RhineGene Philippines Solo	RhineGene Philippines Solo
Current assets	4.198.373	--
Non-current assets	470.351	--
Total assets	**4.668.724**	**--**
Current liabilities	5.284.690	--
Non-current liabilities	--	--
Total debts	**5.284.690**	**--**
Net assets	**(615.966)**	**--**
Profit Loss for the period:		
Revenue	--	**--**
EBITDA	(3.636.768)	--
Profit / (Loss) for the period	(3.679.798)	**--**
Total comprehensive income / (loss)	**(3.679.798)**	**--**

4. SHARES IN OTHER BUSINESS (continued)

	31 December 2022	31 December 2021
	RhineGene Bulgaria Solo	RhineGene Bulgaria Solo
Current assets	5.402.169	--
Non-current assets	50.677	--
Total assets	**5.452.846**	**--**
Current liabilities	3.070.132	--
Non-current liabilities	--	--
Total debts	**3.070.132**	**--**
Net assets	**2.382.714**	**--**
Profit Loss for the period:		
Revenue	70.735	**--**
EBITDA	(963.770)	--
Profit / (Loss) for the period	(981.454)	**--**
Total comprehensive income / (loss)	**(981.454)**	**--**

	31 December 2022	31 December 2021
	RhineGene Poland Solo	RhineGene Poland Solo
Current assets	126.536	--
Non-current assets	345.392	--
Total assets	**471.928**	**--**
Current liabilities	1.119.304	--
Non-current liabilities	--	--
Total debts	**1.119.304**	**--**
Net assets	**(647.376)**	**--**
Profit Loss for the period:		
Revenue	--	**--**
EBITDA	(620.899)	--
Profit / (Loss) for the period	(625.431)	**--**
Total comprehensive income / (loss)	**(625.431)**	**--**

5. CASH AND CASH EQUIVALENTS

The details of the Group's cash and cash equivalents for the periods are as follows:

	31 December 2022	31 December 2021
Cash on hand	117.058	16.016
Cash at banks	323.330.222	462.396.495
- Demand deposit	155.837.578	*162.088.836*
- Time deposit less than 3 months	167.492.644	*300.307.659*
	323.447.280	**462.412.511**

Currency	Interest rate (%)	Maturity	31 December 2022
TL	14,00%-26,75%	January 2023	5.108.209
USD	1,25%-3,55%	January-March 2023	92.327.852
EURO	1,5%	January 2023	70.056.583
			167.492.644

Currency	Interest rate (%)	Maturity	31 December 2021
TL	6,50% - 25,50%	January 2022	23.308.001
USD	0,50% - 1,25%	January 2022	232.952.758
EURO	0,90%	January 2022	44.046.900
			300.307.659

6. FINANCIAL INVESTMENTS

The details of the Group's financial investments for the periods are as follows:

	31 December 2022	31 December 2021
Available-for sale financial investments	75.522.051	51.880.614
Financial assets at fair value through profit or loss	25.572.806	--
-Currency protected deposit	*25.572.806*	--
	101.094.857	**51.880.614**

As of 31.12.2022, the Group's financial investments consist of Eurobonds amounting to USD 3,997,736 with an average interest rate of 3,27%, with a maturity between December 2023 and October 2025 (31 December 2021: None).

7. TRADE RECEIVABLES AND PAYABLES

The details of the Group's trade receivables for the periods are as follows:

Short-term trade receivables	31 December 2022	31 December 2021
Trade receivables	67.322.854	97.135.662
Notes receivables	1.966.058	1.586.774
Trade receivables from related parties (Note 7)	--	306.490
Income accruals	141.570	581.546
Doubtful receivables	591.084	578.861
Allowance for doubtful receivables (-) (*)	(591.084)	(578.861)
	69.430.482	**99.610.472**

As of 31 December 2022, the average maturity of the Group's trade receivables is 90 days. (31 December 2021: 78 days).

Explanations on the nature and level of risks in trade receivables are given in Note 32.

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7. TRADE RECEIVABLES AND PAYABLES (continued)

(*) The movement of the allowance for doubtful receivables is as follows:

	1 January-31 December 2022	1 January-31 December 2021
Balance at beginning of the period	578.861	4.396.595
Additions (Note 29)	70.348	163.875
Amounts recovered during the year (Note 29)	(131.099)	(4.050.522)
Foreign currency conversion difference	72.974	68.913
End of the period	**591.084**	**578.861**

The details of the trade payables are as follows:

Short-term trade payables	31 December 2022	31 December 2021
Trade payables	6.268.930	9.428.250
Receivables from related parties (Note 8)	340.525	863.735
Other trade payables	1.203.523	1.557.671
	7.812.978	**11.849.656**

As of 31 December 2022, the average maturity of the Group's trade receivables is 74 days. (31 December 2021: 52 day).

Explanations on the nature and level of risks in trade payables are given in Note 32.

8. RELATED PARTIES TRANSACTION

Trade receivables from related parties	31 December 2022	31 December 2021
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	--	306.490
	--	**306.490**

	31 December 2022	31 December 2021
Other receivables from related parties (Note 9)	--	--
	--	**--**

Trade payables to related parties	31 December 2022	31 December 2021
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	340.525	863.735
	340.525	**863.735**

The details of the Group's related party disclosures for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	7.800	6.000

	1 January-31 December 2022	1 January-31 December 2021
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	--	9.134.728

(*) Anatolia Makine Sanayi ve Ticaret Ltd Şti. sells imported instrument and provides labour services to the Company for instrument production.

Key management compensation:

The total amount of wages and similar benefits provided to the Group's President and Vice President of the Board of Directors and other key executives as of 31 December 2022 is TL 8.221.138 (31 December 2021:TL 3.969.410).

9. OTHER RECEIVABLES AND PAYABLES

The details of the Group's other receivables and payables for the periods are as follows:

Short term other receivables	**31 December 2022**	**31 December 2021**
Deposits and guarantees given	459.993	316.487
Other receivables from third parties (*)	6.116.179	1.743.687
	6.576.172	**2.060.174**

(*) Other receivables from third parties consist of VAT receivables.

Long term other receivables	**31 December 2022**	**31 December 2021**
Deposits and guarantees given	572.916	--
	572.916	**--**

Short term other payables	**31 December 2022**	**31 December 2021**
Free zone overdue deferred tax liabilities	840.987	--
Other payables	1.137.949	496.700
	1.978.936	**496.700**

10. INVENTORIES

The details of the Group's inventories for the periods are as follows:

	31 December 2022	**31 December 2021**
Raw materials	39.215.870	20.432.141
Finished goods	36.808.115	28.745.610
Semi-finished goods	10.803.098	10.561.416
Trade goods	5.854.766	3.659.779
Other Inventories (*)	2.753.154	2.626.624
Inventory impairment	(4.588.863)	(1.115.833)
	90.846.140	**64.909.737**

(*) Consist of kits and devices in free zone and central zone.

	1 January- 31 December 2022	**1 January- 31 December 2021**
Balance at beginning of the period	(1.115.833)	--
Additions	(2.681.724)	(793.485)
Foreign currency conversion difference	(791.306)	(322.348)
End of the period	**(4.588.863)**	**(1.115.833)**

11. PREPAID EXPENSES AND DEFERRED INCOME

The details of short and long-term prepaid expense for the periods are as follows:

Short-term prepaid expenses	**31 December 2022**	**31 December 2021**
Advances given to suppliers (*)	1.328.922	5.546.807
Prepaid expenses (**)	2.200.681	497.145
	3.529.603	**6.043.952**

(*) It consists of personnel expenses in the Center and Free Zone.
(**) Order advances given consist of advances given for building modernization and investment to move the Group's headquarters and R&D center.

11. PREPAID EXPENSES AND DEFERRED INCOME (continued)

Long-term prepaid expenses	**31 December 2022**	**31 December 2021**
Prepaid expenses	357.065	123.051
	357.065	**123.051**

Deferred income-short term	**31 December 2022**	**31 December 2021**
Advances received	599.546	3.616.933
	599.546	**3.616.933**

12. OTHER ASSETS AND LIABILITIES

The details of other assets and liabilities for the periods are as follows:

Other current assets	**31 December 2022**	**31 December 2021**
Deferred VAT	22.958.207	17.377.006
Other current assets	132.259	22.975
	23.090.466	**17.399.981**

Other short-term liabilities	**31 December 2022**	**31 December 2021**
Prepaid taxes and dues	1.974.119	4.971.475
Other	--	7.915
	1.974.119	**4.979.396**

13. PROPERTY, PLANT AND EQUIPMENTS

Movement of property, plant, and equipment for the period 01.01.-31.12.2022 is as follows:

	1 January 2022	Additions	Disposals (-)	Foreign currency conversion differences	31 December 2022
Cost					
Lands	22.500.000	--	--	--	22.500.000
Buildings	59.074.090	13.037.186	--	2.420.981	74.532.257
Machinery and equipment	47.647.923	27.924.264	(1.090.082)	7.046.337	81.528.442
Vehicles	5.468.165	3.869.685	--	246.546	9.584.396
Furniture and fixtures	8.534.216	11.650.110	(83.515)	130.426	20.231.237
Ongoing investments	--	288.549	--		288.549
Leasehold improvements	4.727.191	846.957	(961.128)	15.855	4.628.875
	147.951.585	**57.616.751**	**(2.134.725)**	**9.860.145**	**213.293.756**

	1 January 2022	Current year charge	Disposals (-)	Foreign currency conversion differences	31 December 2022
Accumulated depreciation					
Buildings	(168.616)	(2.736.034)	--	(29.999)	(2.934.649)
Machinery and equipment	(13.972.638)	(10.543.673)	387.222	(249.199)	(24.378.288)
Vehicles	(1.455.669)	(1.448.436)	--	(29.993)	(2.934.098)
Furniture and fixtures	(1.605.035)	(2.609.785)	33.308	(43.186)	(4.224.698)
Leasehold improvements	(2.022.043)	(707.139)	123.193	(26.914)	(2.632.903)
	(19.224.001)	**(18.045.067)**	**543.723**	**(379.291)**	**(37.104.636)**
Net book value	**128.727.584**				**176.189.120**

As of 31 December 2022, property, plant, and equipment are insured for TL 74.880.000 and there is no mortgage on it.

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13. PROPERTY, PLANT AND EQUIPMENTS (continued)

Movement of property, plant and equipment for the period 01.01.-31.12.2021 is as follows:

	1 January 2021	Additions	Disposals (-)	Foreign currency conversion differences	31 December 2021
Cost					
Lands	22.500.000	--	--	--	22.500.000
Buildings	20.000.000	37.119.132	--	1.954.958	59.074.090
Machinery and equipment	20.792.305	22.012.616	(288.596)	5.131.598	47.647.923
Vehicles	3.308.095	1.830.092	--	329.978	5.468.165
Furniture and fixtures	2.642.754	5.836.418	(15.932)	70.976	8.534.216
Leasehold improvements	4.300.231	391.321	--	35.639	4.727.191
	73.543.385	**67.189.579**	**(304.528)**	**7.523.149**	**147.951.585**

	1 January 2021	Current year charge	Disposals (-)	Foreign currency conversion differences	31 December 2021
Accumulated depreciation					
Buildings	--	(168.287)	--	(329)	(168.616)
Machinery and equipment	(7.400.731)	(5.519.428)	103.991	(1.156.470)	(13.972.638)
Vehicles	(427.156)	(919.852)	--	(108.661)	(1.455.669)
Furniture and fixtures	(929.710)	(569.858)	6.918	(112.385)	(1.605.035)
Leasehold improvements	(1.076.292)	(759.925)	--	(185.826)	(2.022.043)
	(9.833.889)	**(7.937.350)**	**110.909**	**(1.563.671)**	**(19.224.001)**
Net book value	**63.709.496**				**128.727.584**

As of 31.12.2021, property, plant and equipment are insured for TL 49.621.667.

Depreciation and amortization shown in expense accounts associated with tangible and intangible assets and right-of-use assets as of 31 December are in footnote 28.

14. INTANGIBLE ASSETS

Movement of intangible fixed asset for the period 01.01.-31.12.2022 is as follows:

	1 January 2022	Additions	Foreign currency conversion differences	31 December 2022
Cost				
Rights (*)	13.560.824	478.833	1.079	14.040.736
Research and development costs (**)	14.310.589	22.738.579	--	37.049.168
Other intangible fixed assets	326.523	186.557	21.463	534.543
	28.197.936	**23.403.969**	**22.542**	**51.624.447**

	1 January 2022	Current year charge	Foreign currency conversion differences	31 December 2022
Accumulated depreciation				
Rights	(5.148.317)	(2.782.548)	--	(7.930.865)
Other intangible fixed assets	(200.776)	(99.941)	--	(300.717)
	(5.349.093)	**(2.882.489)**	**--**	**(8.231.582)**
Net book value	**22.848.843**			**43.392.865**

Movement of intangible fixed assets for the period 01.01.-31.12.2021 is as follows:

	1 January 2021	Additions	Disposals (-)	Transfers	31 December 2021
Cost					
Rights (*)	9.695.114	7.327	3.855.958	2.425	13.560.824
Research and development costs (**)	7.929.954	10.236.593	(3.855.958)	--	14.310.589
Other intangible fixed assets	319.510	--	--	7.013	326.523
					--
	17.944.578	**10.243.920**	**--**	**9.438**	**28.197.936**

	1 January 2021	Current year charge	Disposals (-)	Transfers	31 December 2021
Accumulated depreciation					
Rights	(3.366.816)	(1.707.079)	--	(74.422)	(5.148.317)
Other intangible fixed assets	(111.812)	(87.408)	--	(1.556)	(200.776)
					--
	(3.478.628)	**(1.794.487)**	**--**	**(75.978)**	**(5.349.093)**
Net book value	**14.465.950**				**22.848.843**

(*) Rights mostly consist of R&D projects of the Group that are capitalized since the final product developed.

(**) Research and development costs consist of ongoing R&D projects of the Group.

15. RIGHTS OF USE ASSETS

Movement of rights of use assets for the period 01.01.-31.12.2022 is as follows:

	1 January 2022	Additions	Disposals (-)(*)	31 December 2022
Cost				
Buildings	1.133.150	12.738.610	(1.133.150)	12.738.610
	1.133.150	**12.738.610**	**(1.133.150)**	**12.738.610**

	1 January 2022	Current year charge	Disposals (-)	31 December 2022
Accumulated depreciation				
Buildings	(1.087.337)	(1.498.659)	1.087.339	(1.498.659)
	(1.087.337)	**(1.498.659)**	**1.087.339**	**(1.498.659)**
Net book value	**45.813**			**11.239.951**

(*) The Group has made account netting for right-of-use assets due to the expiration of the lease terms. Due to the expiry of the lease term, the Company has shown the leased building for its activities in the free zone as a new entry in its right-of-use assets.

Movement of rights of use assets for the period 01.01.-31.12.2021 is as follows:

	1 January 2021	Additions	Disposals (-)	31 December 2021
Cost				
Buildings	1.729.197	--	(596.047)	1.133.150
	1.729.197	**--**	**(596.047)**	**1.133.150**

	1 January 2021	Current year charge	Disposals (-)	31 December 2021
Accumulated depreciation				
Buildings	(920.125)	(167.212)	--	(1.087.337)
	(920.125)	**(167.212)**	**--**	**(1.087.337)**
Net book value	**809.072**			**45.813**

16. LEASE LIABILITIES

The details of lease of liabilities for the periods are as follows:

	31 December 2022	31 December 2021
Short-term lease liabilities	1.060.536	--
Long-term lease liabilities	10.710.601	--
	11.771.137	**--**

	1 January- 31 December 2022	1 January- 31 December 2021
Operating lease as of January 1	--	835.910
Current operating lease liability increase	12.738.610	(880.506)
Current operating lease liability payment	(1.817.922)	(124.821)
Current interest expense	(850.449)	266.325
Current foreign currency effects	1.700.898	(96.908)
Operating lease at the end of the periods	**11.771.137**	--

17. FINANCIAL BORROWINGS

The details of financial borrowings for the periods are as follows:

	31 December 2022	31 December 2021
Short-term borrowings	--	450.459
Other financial borrowings (*)	337.292	599
Short-term borrowings	**337.292**	**451.058**
Short term portion of long term borrowings	920.886	2.024.805
Short-term portion of long-term borrowings	**920.886**	**2.024.805**
Long-term borrowings	294.078	1.275.174
Long-term borrowings	**294.078**	**1.275.174**
Total financial borrowings	**1.552.256**	**3.751.037**

(*) Other financial borrowings consist of credit card borrowings.

The details of currency-based financial liabilities are as follows:

	Interest rate	31 December 2022
TL bank borrowings	%7,50 - %16,80	1.214.963
USD bank borrowings	--	--
		1.214.963

	Interest rate	31 December 2021
TL bank borrowings	7,50% - 16,80%	3.691.036
USD bank borrowings	5,28%	59.402
		3.750.438

Bank Borrowings	31 December 2022	31 December 2021
0-3 month	230.221	618.816
3-12 month	690.664	1.856.448
1-5 year	294.078	1.275.174
Total	**1.214.963**	**3.750.438**

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(Amounts expressed in TL unless otherwise indicated.)

18. EMPLOYEE BENEFITS

Severance pay provision

Under the Turkish Legislations, the Company and its subsidiaries which located in Turkey, is required to pay termination benefits to each employee, who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies, who retires after completing 25 years for man and 20 years for women of service and reaches the retirement age (58 for women and 60 for men). Due to the amendment of the legislation as of 8 September 1999, there are certain transitional obligations regarding the length of service due to retirement.

These payments are calculated based on the rate on the day of retirement or termination per year worked, with a maximum of TL 19.983 over the 30-day salary as of 31 December 2022 (31 December 2021: TL 10.849). The provision for severance pay is calculated on a current basis and is reflected in the Consolidated financial statements. The provision is calculated according to the severance pay ceiling announced by the Government.

Provision for termination benefits is made by calculating the present value of the possible liability to be paid in case of retirement of employees. To calculate the liabilities of the Group in accordance with TAS 19 (Employee Benefits), a calculation made with actuarial assumptions is required. Accordingly, the actuarial assumptions used in the calculation of total liabilities are given below. The basic assumption is that the maximum liability for each year of service will increase in line with inflation. Hence the discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As a result, the liabilities in the accompanying Consolidated financial statements as of 31 December 2022 and 31 December 2021 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

	31 December 2022	31 December 2021
Discount rate	--	3,85%
Estimated rate of salary increasing /inflation rate	21,83%	17,00%
The turnover ratio used to calculate the probability of retirement	100,00%	100,00%

It is planned that the severance pay rights will be paid at the end of the concession agreement. Accordingly, the terms of the concession agreements are considered in calculating the present value of the liabilities to be paid in the future.

The details of long-term severance pay provisions for the periods are as follows:

Long-term provisions	31 December 2022	31 December 2021
Severance pays provisions	8.437.533	1.610.518
	8.437.533	**1.610.518**

Movement of severance pay provisions for the periods are as follows:

	31 December 2022	31 December 2021
Balance at January 1	1.187.680	359.146
Service cost	3.338.770	525.846
Interest cost	1.668.164	372.253
Indemnity payments	(177.475)	--
Actuarial (Gain)/Loss	2.420.395	353.273
Balance at December 31	**8.437.533**	**1.610.518**

18. EMPLOYEE BENEFITS (continued)

The details of short-term employee benefits provisions for the periods are as follows:

Short-term provisions	**31 December 2022**	**31 December 2021**
Provision for vacation pay liability	1.674.946	762.709
	1.674.946	**762.709**

Movement of vacation pay provisions as follows:

	31 December 2022	**31 December 2021**
Balance at January 1	762.709	421.363
Current year provision expense (*)	912.237	341.346
Balance at the end of the periods	**1.674.946**	**762.709**

(*) Leave provision expenses for the relevant periods are included in personnel expenses.

19. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Guarantees received

As of 31 December 2022, the Group has no guarantees received (31 December 2021: None).

b) Guarantees given

Collaterals/ pledges/ mortgages/bill of guarantees ("CPMB") position of the Group as of 31 December 2022 and 2021 are as follows:

CPMB's given by the Group	**31 December 2022**	**31 December 2021**
A. CPMB's given for Group's own legal personality	4.211.789	1.275.490
B. CPMB's given on behalf of fully consolidated companies	--	--
C. CPMB's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPMB's	--	--
i) Total amount of CPMB's given on behalf of the majority shareholder	--	--
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	--	--
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	--	--
	4.211.789	**1.275.490**

As of 31 December 2022, guarantees and mortgages given to the Ziraat Bank has been released.

As of 31 December 2022, the ratio of other CPMs given by the Group to the Group's equity is 0% (31 December 2021: 0%).

20. PAYABLES WITHIN BENEFIT TO EMPLOYEES

The details of employee benefits obligations for the periods are as follows:

	31 December 2022	**31 December 2021**
Due to personnel	533.732	1.963.353
Payable to social security withholding	1.524.656	1.858.373
	2.058.388	**3.821.726**

21. INCOME TAX

The details of current period tax assets for the periods are as follows:

Current period tax assets:	**31 December 2022**	**31 December 2021**
Current tax expense	(488.534)	(10.404.289)
Prepaid taxes and funds	488.534	10.404.289
	--	**--**

	31 December 2022	**31 December 2021**
Provision for corporate tax	(4.055.641)	(15.253.172)
Deferred tax assets / liabilities	(143.038)	(3.631.785)
	(4.198.679)	**(18.884.957)**

Corporation tax

The Group is subject to taxation in accordance with the tax regulation and the legislation effective in Turkey. Corporate tax returns are required to be filed until the end of the fourth month following the balance sheet date and paid in the same day.

As of 31 December 2022, the corporate tax rate is 23% in Turkey (31 December 2021: 25%,). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. In accordance with the regulation numbered 7316, published in Official Gazette numbered 31462 on 22 April 2021, corporate tax rate in Turkey for the year 2021 has been increased from 20% to 25%, for the year 2022 to 23%. The amendment is effective as of 1 January 2021. As the change has been announced after the reporting period, it is considered as a non-adjusting event according to IAS 10 and the Group continued to use 20% for the subsidiaries operating in Turkey as of the reporting date and related amendment will be applied in consolidated financial statements as of 1 July 2021. Since the tax rate change came into effect as of 22 April, 2021, 20% was used as the tax rate in the current tax and deferred tax calculations in the financial statements dated 31 December, 2022.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

21. INCOME TAX (continued)

Corporation tax *(continued)*

Dividend earnings of corporations from participation in the capital of another corporation subject to full obligation (Except for the dividends obtained from mutual funds participation certificate and the shares of investment trusts) are exempt from corporation tax. In addition, 75% of the profits arising from the sale of the participation shares in the assets of the corporations for at least two full years and the real estates, founder shares, usufruct shares and pre-emptive rights owned for the same period, are exempt from corporate tax as of 31 December 2017. However, with the amendment made with the Law No. 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018.

To benefit from the exemption, the said income must be kept in a passive fund account and not withdrawn from the business for a period of 5 years. The sales price must be collected until the end of the second calendar year following the year of sale.

There is no practice in Turkey to reach an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the end of the period. The tax inspection authorities may examine the tax returns and the accounting records underlying them for five years following the accounting period and make a reassessment because of their findings.

Income tax withholding

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to 15% withholding tax, excluding those made to non-resident companies that generate income through a workplace or their permanent representative in Turkey, and to companies residing in Turkey. In the application of withholding tax rates for profit distributions to non-resident companies and natural persons, the withholding tax rates in the relevant Double Taxation Agreements are also considered. The addition of retained earnings to the capital is not considered as profit distribution, so it is not subject to withholding tax.

Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Hidden income distribution through transfer pricing". The notified dated 18 November 2007 on hidden income distribution via transfer pricing regulates the details of the implementation.
If the taxpayer buys or sells goods or services with related parties at the price or price, they have determined in peer assessment, the profit is deemed to have been distributed through transfer pricing, in whole or in part. Hidden income distribution through is considered as a non-deductible expense for corporate tax.

Deferred tax assets and liabilities:

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the values of assets and liabilities shown in the Consolidated financial statements and the amounts considered in the legal tax base calculation. Deferred tax liability or assets are reflected in the accompanying Consolidated financial statements by considering the tax rates that are expected to be valid in the future periods when the temporary differences will disappear.

In reflecting the deferred tax asset to the consolidated financial statements, the developments in the sector in which it operates, taxable profit estimates in the future, it considers factors such as the general economic and political situation in Turkey and/or the international general economic and political situation that may affect the Group.

The Group considers factors such as developments in the sector in which it operates, taxable profit estimates in the future, general economic and political situation in Turkey and/or international general economic and political situation that may affect the Group while reflecting the deferred tax asset to the consolidated financial statements. The Group estimates that it will generate sufficient taxable profits in the future.

21. INCOME TAX (continued)

Recognized deferred tax assets and liabilities

The details of deferred tax assets and liabilities for the periods are as follows:

	31 December 2022		31 December 2021	
	Cumulative temporary differences	**Deferred tax**	**Cumulative temporary differences**	**Deferred tax**
Deferred tax assets				
Provisions for employee benefits	9.316.558	1.863.312	1.693.584	389.525
Expenses accruals	--	--	1.950.389	448.589
Lease liabilities	531.186	106.237	--	--
Financial liabilities	--	--	--	--
Trade receivables	283.888	56.777	--	--
Deferred tax assets	**10.131.632**	**2.026.326**	**3.643.973**	**838.114**
Deferred tax liabilities				
Right of use assets	--	--	(45.813)	(10.537)
Financial liabilities	(66.057)	(13.211)	(186.133)	(42.811)
Trade receivables	--	--	(3.519.282)	(809.435)
Tangible and intangible assets	(23.338.738)	(4.667.748)	(13.341.524)	(3.068.550)
Deferred tax liabilities	**(23.404.795)**	**(4.680.959)**	**(17.092.752)**	**(3.931.333)**
Net deferred tax		**(2.654.633)**		**(3.093.219)**

The reconciliation of the period tax expense with the profit for the period is as follows:

	1 January-31 December 2022	**1 January-31 December 2021**
Balance at beginning of the period	**(3.093.219)**	**467.911**
Associated with the profit or loss statement	(143.038)	(3.631.785)
Associated with comprehensive income (actuarial)	484.076	70.655
Foreign currency conversion difference	97.548	--
End of the period	**(2.654.633)**	**(3.093.219)**

	1 January-31 December 2022	**1 January-31 December 2021**
Profit/(loss) for before taxation	**340.317.879**	**462.259.165**
Corporation tax rate	21%	23%
Calculated tax using the Compnay's domestic tax rate	**71.466.755**	**106.319.608**
Non-tax deductible expenses	(602.085)	2.917.146
Free zone earnings	(40.933.980)	(82.115.990)
Exception of revaluation	(9.667.256)	(6.077.335)
Impact of foreign companies subject to different tax rates	2.456.304	834.257
R&D discount	(4.075.035)	(1.596.059)
Investment discount	(10.458.529)	--
Earnings from production activity	(3.276.657)	--
Other, net	(710.838)	(1.396.670)
Tax expense	**4.198.679**	**18.884.957**

22. SHARE CAPITAL AND NON-CONTROLLING INTERESTS

Share Capital

The paid capital structure of the Group for the periods are as follows:

Shareholders	31 December 2022 TL	Share %	31 December 2021 TL	Share %
Alper Akyüz	46.781.143	42,53	47.131.143	42,85
Elif Akyüz	22.801.500	20,73	22.801.500	20,73
Tankut İkizler	32.375.971	29,43	12.514.846	11,38
Other (*)	8.041.386	7,31	27.552.511	25,04
Total paid-in capital	**110.000.000**	**100**	**110.000.000**	**100**

(*) The company is registered with the Capital Markets Board ("CMB") and its shares are traded on Borsa İstanbul A.Ş. ("BIST") as of 21.10.2021. As of 31 December 2022, the Company has 20.90% of shares registered in BIST.

As of 31 December 2022, the capital of the Group consists of 110.000.000 shares. (31 December 2021: TL 110.000.000). The nominal value of the shares is TL 1 per share. (31 December 2021: per share TL 1). Company shares are represented by two separate share groups as A and B group, and A group shares provide voting rights to the shareholder. The Company's shares consist of 20.000.000 Group A shares and 90.000.000 Group B shares.

Non- controlling interests

The company take over 100% of the company by paying 66,501,299 TL for the remaining 76.67% of Alpha shares. The transfer and delivery procedures were completed on May 25, 2022. This take over is considered as a "business combination under common control" and the difference between Alpha's net equity at the acquisition date and the purchase price is classified under "Share Premiums" under equity.

As of 31 December 2022, there is no non-controlling interests (31 December 2021: TL 54.054.811). As of 31 December 2021 the said share consists of Alpha SRL's 76.67% shareholding, which does not belong to the Group itself.

Defined Benefit Plans Remeasurement Gains and Losses;

	31 December 2022	31 December 2021
Balance at beginning of the period	(167.170)	115.448
Additions	(2.420.394)	(353.273)
Deferred tax	484.079	70.655
	(2.103.485)	**(167.170)**

Reserves On Retained Earnings;

	31 December 2022	31 December 2021
Balance at beginning of the period	8.738.235	62.632
Additions	49.005.556	8.675.603
	57.743.791	**8.738.235**

Retained Earnings/Losses;

	31 December 2022	31 December 2021
Balance at beginning of the period	(9.433.313)	195.554
Prior year profit transfer	433.331.608	293.396.437
Transfers to reserves	(49.005.557)	--
Profit sharing	(305.555.558)	(234.380.723)
Transfer to capital	--	(69.294.880)
Additions	--	650.299
	69.337.180	**(9.433.313)**

23. EARNINGS PER SHARE

Earnings per share for the periods are as follows:

	31 December 2022	31 December 2021
Net profit for the period of the equity holders of the parent	330.389.815	433.331.607
Weighted average number of shares with nominal value of TL l each	110.000.000	75.714.286
Earnings per share (TL)	**3,0035**	**5,7232**

(*) Weighted average number of shares with nominal value is calculated according to the capital increase of TL 85.000.000 on 15.04.2022.

24. REVENUE AND COST OF SALES

Revenue for the periods are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Domestic Sales	51.210.177	40.816.768
Export Sales	219.044.637	368.412.930
Other Revenue	2.863.023	1.284.931
Gross Sales	**273.117.837**	**410.514.629**
Sales Returns (-)	(2.540.830)	(236.705)
Sales Discount (-)	(1.759.603)	(168.414)
Net Sales	**268.817.404**	**410.109.510**
Cost of goods sold (-)	(35.367.498)	(50.336.761)
Cost of trade goods sold (-)	(9.147.218)	(1.089.736)
Gross Profit	**224.302.688**	**358.683.013**

24. REVENUE AND COST OF SALES (continued)

The details of cost of sales for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Direct raw material and supplies expenses	(22.100.525)	(40.004.175)
Direct labour expenses	(13.290.631)	(5.649.721)
Depreciation and amortization expenses (Note 13)	(7.108.565)	(4.457.484)
Food expenses	(505.992)	(227.827)
In-direct labour expenses	(522.009)	(390.231)
Other	(986.994)	(697.059)
	(44.514.716)	**(51.426.497)**

25. MARKETING, SELLING AND DISTRIBUTION EXPENSES

The details of selling and marketing expenses for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Personnel expenses	(13.861.042)	(11.945.207)
Commission expenses	(3.813.074)	(5.335.933)
Export expenses	(4.221.920)	(2.646.835)
Logistic expenses	(1.073.749)	(2.220.617)
Depreciation and amortization expenses (Note 13)	(3.830.750)	(998.081)
Transportation expenses	(1.055.841)	(794.734)
Travel expenses	(1.488.793)	(555.003)
Outsourced benefits and services	(1.031.164)	(320.945)
Fair, exhibition expenses	(152.959)	(188.614)
Taxes and funds expenses	(169.689)	(65.003)
Representation expenses	(494.629)	(59.048)
Other	(2.848.474)	(1.476.373)
	(34.042.084)	**(26.606.393)**

26. GENERAL ADMINISTRATIVE EXPENSES

The details of general administrative expenses for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Personnel expenses	(17.236.973)	(5.051.434)
Outsourced benefits and services	(17.564.242)	(4.186.168)
Depreciation and amortization expenses (Note 13)	(8.700.448)	(3.475.567)
Taxes and funds expenses	(2.381.067)	(856.299)
Insurance expenses	(609.006)	(91.337)
Other	(4.775.214)	(1.386.263)
	(51.266.950)	**(15.047.068)**

26. GENERAL ADMINISTRATIVE EXPENSES (Continued)

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	2022	2021
Independent audit fee for the reporting period	250.000	239.500
	250.000	**239.500**

27. RESEARCH AND DEVELOPMENT EXPENSES

The details of research and development expenses for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Depreciation and amortization expenses (Note 13)	(2.786.452)	(967.917)
	(2.786.452)	**(967.917)**

28. EXPENSES BY NATURE

The details of expenses based on type for the periods are as follows:

	1 January-31 December 2022	1 January-31 December 2021
Personnel expenses	(31.098.015)	(16.996.640)
Direct raw material and supplies expense	(23.438.118)	(39.561.096)
Outsourced benefits and services	(18.595.406)	(4.507.113)
Depreciation and amortization expenses (Note 13)	(19.639.764)	(9.899.049)
Direct labour expenses	(13.290.631)	(5.649.721)
Export expenses	(4.221.920)	(964.691)
Commission expenses	(3.813.074)	(5.335.933)
Logistic expenses	(1.073.749)	(3.902.761)
Taxes and funds expenses	(2.550.756)	(921.302)
In-direct labour expenses	(522.009)	(227.827)
Other	(11.580.310)	(6.081.742)
	(129.823.752)	**(94.047.875)**

29. OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Other operating income		
Foreign exchange gain	67.009.725	39.690.581
Collection of doubtful receivables (Note 7)	131.099	3.981.609
Other	2.664.134	2.221.984
	69.804.958	**45.963.087**

	1 January- 31 December 2022	1 January- 31 December 2021
Other operating expenses		
Foreign exchange loss	(19.449.582)	(8.807.067)
Provisions for doubtful receivables (Note 7)	(70.348)	(163.875)
Public offering expenses	--	(10.045.411)
Motor vehicles purchase tax	--	(1.355.476)
Other	(2.547.623)	(2.214.244)
	(22.067.553)	**(22.586.073)**

30. INCOME FROM INVESTMENT ACTIVITIES

The details of the Group's income from investment activities by periods are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Itangible asset sales profit	4.042	365.032
Income from financial investments	4.849.841	66.917
Currency protected deposit income	32.343.765	--
Other	2.622	--
	37.200.270	**431.949**

31. FINANCIAL INCOME AND EXPENSES

The details of finance income and expenses for the periods are as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Finance income		
Foreign exchange gain	112.961.488	167.885.991
Interest income	18.979.558	9.626.717
Interest income from lease transactions	--	115.078
	131.941.046	**177.627.786**

	1 January- 31 December 2022	1 January- 31 December 2021
Finance expenses		
Interest expense on borrowings	(11.370.849)	(53.171.313)
Interest expense from lease transactions	(132.175)	--
Foreign exchange loss	(1.265.020)	(2.067.906)
	(12.768.044)	**(55.239.219)**

32. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS

Capital Risk Management

While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profits by using the debt and equity balance in the most efficient way. The Group's capital structure consists of equity items including issued capital, reserves and retained earnings.

The gearing ratios for the periods are as follows:

	31 December 2022	31 December 2021
Total financial liabilities	13.323.393	3.751.037
Less: Cash and cash equivalents	(323.447.280)	(462.412.517)
	--	
Net debt	**--**	**--**
Total equity	817.330.063	825.792.290
Net debt to equity ratio	**--**	**--**

Risk Management System

When calculating the Group's capital risk management, debts and equity items including cash and cash equivalents, paid-in capital, defined benefit plans remeasurement gains / losses, restricted reserves from profit and retained earnings / (losses) are considered, respectively.

The risks associated with each capital class, together with the group capital cost, are evaluated by the senior management. Based on senior management assessments, it is aimed to keep the capital structure in balance through the acquisition of new debt or repayment of existing debt, as well as through dividend payments.

Risk management disclosures

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Credit risk

Credit risk is the risk that a customer or a counterparty will not fulfil its contractual obligations and arises mainly from customer receivables.

	Receivables					
	Trade receivables		**Other receivables**			
31 December 2022	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash at Banks**	**Financial investments**
Maximum credit risk exposed as of balance sheet date, (A+B+C+D)	**--**	**69.430.482**	**--**	**7.149.088**	**323.330.220**	**101.094.857**
- Secured portion of the maximum credit risk by guarantees	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	--	69.430.482	--	7.149.088	323.330.220	101.094.857
B. Net book value of the impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	591.084	--	--	--	--
- Impairment (-)	--	(591.084)	--	--	--	--
- Secured portion of the net value by guarantees, etc.	--	--	--	--	--	--

32. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

	Receivables					
	Trade receivables		Other receivables			
31 December 2021	Related Party	Third Party	Related Party	Third Party	Cash at Banks	Financial Investments
Maximum credit risk exposed as of balance sheet date, (A+B+C+D)	**306.490**	**99.303.983**	**--**	**2.060.174**	**462.396.495**	**51.880.614**
- Secured portion of the maximum credit risk by guarantees	**--**	**--**	**--**	**--**	**--**	**--**
A. Net book value of financial assets that are neither past due nor impaired	306.490	99.303.983	--	2.060.174	462.396.495	51.880.614
B. Net book value of the impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	578.862	--	--	--	--
- Impairment (-)	--	(578.862)	--	--	--	--
- Secured portion of the net value by guarantees, etc.	--	--	--	--	--	--

The Group monitors the collectability of its trade receivables periodically and allocates provision for doubtful receivables for possible losses that may arise from doubtful receivables based on the collection rates of previous years. Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and associated with profit or loss.

Liquidity risk

The Group manages liquidity risk by maintaining adequate funds and available borrowing by regularly monitoring forecast and actual cash flows and matching the maturities of financial assets and liabilities. Prudent liquidity risk management expresses the ability to keep sufficient cash, the availability of sufficient credit transactions, the availability of fund resources and the ability to close market positions.

The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

The table below shows the maturity distribution of the Group's non-derivative financial liabilities:

	31 December 2022					
Contractual maturity	**Carrying Value**	**Contractual cash flows**	**Less than 3 months**	**3 - 12 month**	**1 - 5years**	**More than 5 years**
Non derivative financial liabilities	**23.115.306**	**23.804.891**	**10.653.790**	**1.573.752**	**6.299.657**	**5.277.692**
Loans and borrowings	1.552.255	1.612.465	582.566	735.822	294.077	--
Lease liabilities	11.771.137	12.400.512	279.310	837.930	6.005.580	5.277.692
Trade payables	7.812.978	7.812.978	7.812.978	--	--	--
Other payables	1.978.936	1.978.936	1.978.936	--	--	--

	31 December 2021					
Contractual maturity	**Carrying Value**	**Contractual cash flows**	**Less than 3 months**	**3 - 12 month**	**1 - 5years**	**More than 5 years**
Non derivative financial liabilities	**12.114.855**	**12.057.136**	**8.586.808**	**2.195.154**	**1.275.174**	**--**
Loans and borrowings	3.751.037	3.693.318	222.990	2.195.154	1.275.174	--
Trade payables	7.867.118	7.867.118	7.867.118	--	--	--
Other payables	496.700	496.700	496.700	--	--	--

32. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Foreign Currency Risk

For the periods, the Group's foreign currency position consists of foreign currency denominated assets and liabilities stated in the table below:

		31 December 2022			31 December 2021		
		TL Equivalent	**USD**	**EUR**	**TL Equivalent**	**USD**	**EUR**
1	Trade payables	94.706.464	3.494.824	1.468.581	79.694.094	4.060.439	1.838.932
2a.	Monetary financial assets	372.174.008	11.113.327	8.224.105	455.874.825	26.859.049	7.308.904
2b.	Non-Monetary financial assets	--	--	--	--	--	--
3	Other	--	--	--	--	--	--
4	**Current assets (1+2+3)**	**466.880.472**	**14.608.151**	**9.692.686**	**535.568.923**	**30.919.488**	**9.147.836**
5	Trade receivables	--	--	--	--	--	--
6a.	Monetary financial assets	--	--	--	--	--	--
6b.	Non-Monetary financial assets	--	--	--	--	--	--
7	Other	--	--	--	--	--	--
8	**Non- Current assets (5+6+7)**	**--**	**--**	**--**	**--**	**--**	**--**
9	**Total assets (4+8)**	**466.880.472**	**14.608.151**	**9.692.686**	**535.568.923**	**30.919.488**	**9.147.836**
10	Trade payables	5.825.859	34.464	259.316	4.570.309	218.416	118.225
11	Financial borrowings	--	--	--	59.402	4.577	--
12a.	Other Monetary financial liabilities	--	--	--	--	--	--
12b.	Other Non-Monetary financial liabilities	--	--	--	--	--	--
13	**Current liabilities (10+11+12)**	**5.825.859**	**34.464**	**259.316**	**4.629.711**	**222.993**	**118.225**
14	Trade payables	--	--	--	--		
15	Financial borrowings	--	--	--	--	--	--
16a.	Other Monetary financial liabilities	--	--	--	--	--	--
16b.	Other Non-Monetary financial liabilities	--	--	--	--	--	--
17	**Non-Current liabilities (14+15+16)**	--	--	--	--	--	--
18	**Total liabilities (13+17)**	**5.825.859**	**34.464**	**259.316**	**4.629.711**	**222.993**	**118.225**
19	**. Net asset / liability position of off-balance sheet derivatives (19a-19b)**	**--**	**--**	**--**	**--**	**--**	**--**
19a.	Total amount of assets hedged	--	--	--	--	--	--
19b.	Total amount of liabilities hedged	--	--	--	--	--	--
20	**Net foreign currency asset /(liability)position (9-18+19)**	**461.054.613**	**14.573.687**	**9.433.370**	**530.939.212**	**30.696.495**	**9.029.611**
21	**Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**461.054.613**	**14.573.687**	**9.433.370**	**530.939.212**	**30.696.495**	**9.029.611**

32. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Foreign currency risk(continued)

Sensibility analysis

The Group's currency risk consists of the value changes of TL against Euro and USD. The basis of the sensitivity analysis to measure the currency risk is to make the total currency statement made throughout the organization. Total foreign currency position includes all foreign currency based short-term and long-term purchase agreements and all assets and liabilities.

The exchange rate sensitivity analysis for the periods are as follows:

	2022		2021	
	Profit / (Loss)		Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of 10% appreciation of USD against TL			
1- USD net asset/liability	27.257.021	(27.257.021)	39.836.376	(39.836.376)
2- Amount hedged for USD risk (-)	--	--	--	--
3- USD net effect (1+2)	**27.257.021**	**(27.257.021)**	**39.836.376**	**(39.836.376)**
	In case of 10% appreciation of EUR against TL			
4- EUR net asset/liability	18.848.440	(18.848.440)	13.257.546	(13.257.546)
5- Amount hedged for EUR risk (-)	--	--	--	--
6- EUR net effect (4+5)	**18.848.440**	**(18.848.440)**	**13.257.546**	**(13.257.546)**
Total net effect (3+6)	**46.105.461**	**(46.105.461)**	**53.093.922**	**(53.093.922)**

33. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION)

For the periods, the book values and fair values of assets and liabilities are shown in the table below:

		31 December 2022		31 December 2021	
Financial assets	***Note***	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	*5*	323.447.280	323.447.280	462.412.511	462.412.511
Financial investments	*6*	101.094.857	101.094.857	51.880.614	51.880.614
Trade receivables	*6*	69.430.482	69.430.482	99.028.927	99.028.927
Other receivables	*8*	6.576.172	6.576.172	2.060.174	2.060.174
Total financial assets		**500.548.791**	**500.548.791**	**615.382.226**	**615.382.226**
Financial liabilities					
Financial borrowings	16	1.552.256	1.612.465	3.751.037	3.751.037
Lease borrowings		11.771.137	12.400.512	--	--
Trade payables	6	7.812.977	7.812.977	11.849.664	11.849.664
Other payables	8	1.978.936	1.978.936	496.699	496.699
Payables related to employment benefits	19	2.058.388	2.058.388	3.821.726	3.821.726
Total financial liabilities		**25.173.695**	**25.863.279**	**19.919.126**	**19.919.126**
Net		**475.375.096**	**474.685.512**	**596.044.651**	**596.044.651**

34. SUBSEQUENT EVENTS

On 06 February 2023, a state of emergency was declared, including 10 provinces in the region, due to the negativities caused by the earthquakes centered in Kahramanmaraş, affecting many of our provinces and shaking our entire country. The developments regarding the natural disaster in question are being closely monitored and studies are continuing to determine the situation. Since a significant part of the Company's commercial activities are located in regions not affected by the earthquake, it has been evaluated that this situation will not have a significant impact on the financial statements.

The Law No. 7438 on Social Security and General Health Insurance and the Law No. 375 on the Amendment of the Decree Law No. 375, which includes the regulation on Persons Aged at Retirement (EYT), entered into force after being published in the Official Gazette dated March 3, 2023 and numbered 32121.
Although, this issue is considered as a non-adjusting event after the reporting period within the scope of TAS 10 Events After the Reporting Period and the studies are continuing to measure its impact on the Group's operations and financial position.

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge San. ve Tic. A.Ş.

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