

ANATOLIA
ANNUAL REPORT
2023

Anatolia
geneworks

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ANATOLIA AT A GLANCE

Anatolia
geneworks

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 m² R&D laboratory has evolved into a 15,000 m² 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.

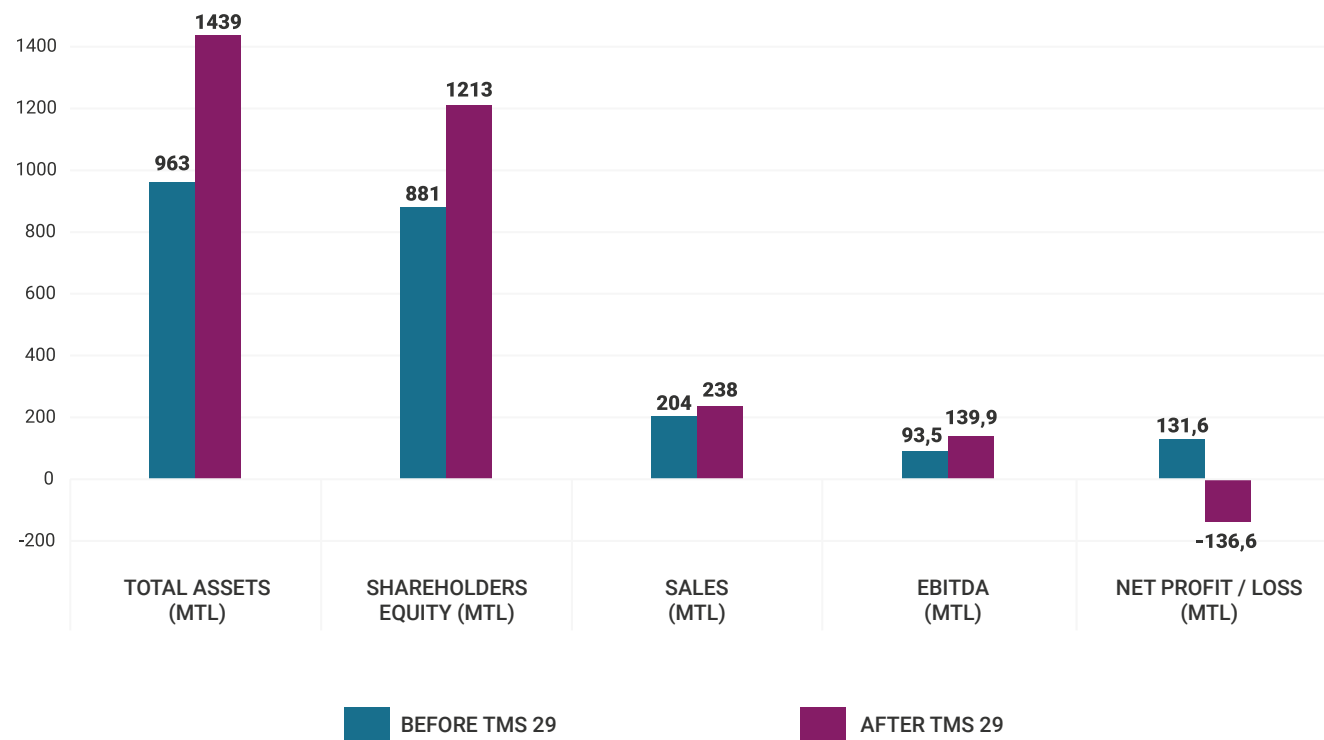
- + It is an international company with 100% Turkish capital,
- + Its expertise and focus is in the field of "Molecular Diagnostics", which is extremely important in the diagnosis and treatment of diseases,
- + Develops and manufactures kits, robotic devices and software that enable the use of techniques 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 m², including the export-oriented production center in the Istanbul Industrial Free Zone,

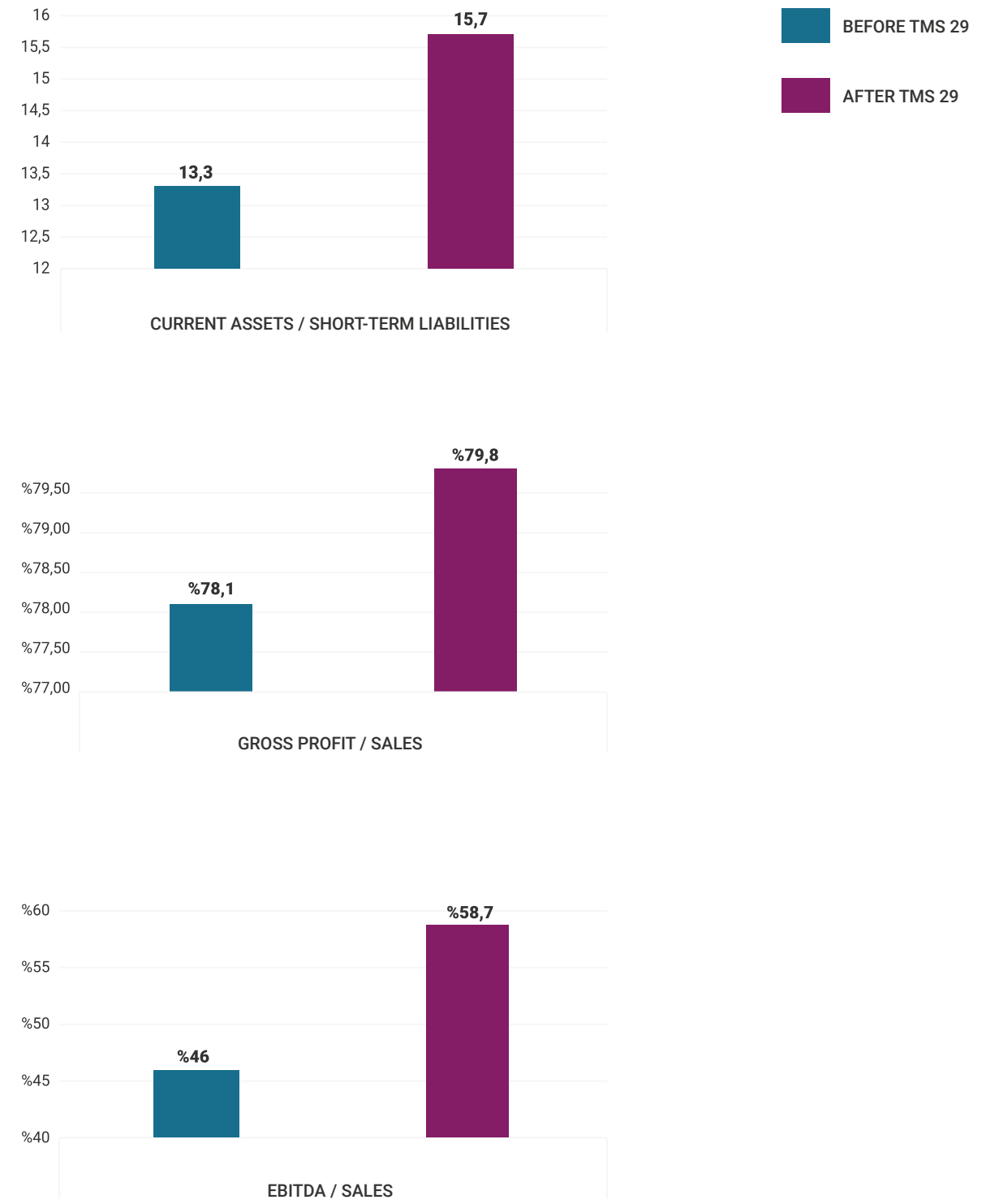
- + The 161-member multidisciplinary team is made up mostly of geneticists, biologists, engineers, and technical staff,
- + The Company's R&D Center is accredited by the Ministry of Industry and Technology and benefits from the relevant incentives,
- + The R&D Center employs 47 individuals, around half 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



Financial Ratios



Message from the Chairman of the Board of Directors



Dear Shareholders and Investors,

As Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi ve Ticaret A.Ş., we left behind another year fuelled with our enthusiasm for research and production.

In 2023, we successfully adapted to the new conditions that emerged after the pandemic and achieved a rising activity graph even though as a nation, we went through a difficult period full of disasters, economic difficulties, and uncertainties.

We have added strategic R&D initiatives to the technologies we are developing, such as enzyme synthesis and lateral flow applications. These new areas provide us with opportunities for novel operational grounds. We think that the added value created by our ability to design and manufacture robotic and optoelectronic devices, our competence in diagnostic tests and our sales network in various geographies will increase even more with these new technologies.

In 2023, our number of full-time R&D employees increased by nearly 70% compared to the previous year, while our R&D investments increased by nearly 90% and exceeded 34% of our total turnover. Anatolia continues its tradition of investing in science and technology to achieve its goal of becoming one of the leading manufacturers in its field.

In addition to our existing high-capacity production areas with a controlled environment, the project design of the areas with very low humidity required in some special productions was made in 2023. Manufacturing and equipment supply processes were started for these areas, and they are expected to be operational in the first half of 2024. Anatolia, highly regarded for its high-quality products, continues its leadership mission in the sector and the country by further developing our production infrastructure facilities.

Anatolia also diligently carries out compliance studies and large-scale revisions with the new IVDR certification programme established by the European Union Commission for all our IVD CE-certified products.

The first IVDR product certificates are expected to be received in the first half of 2024 after the completion of second-stage audits, following the successful first-stage audits completed in late 2023. With the work carried out per this new certification programme schedule, we aim to have a wide range of IVDR-certified products and to maintain our position as the leading company in our field in Türkiye.

Within the scope of overseas expansion activities, we expect our subsidiary established in Germany last year to strengthen our competitiveness in the European market. Compliant with this goal, processes are underway to strengthen the capital of our overseas companies.

With the implementation of TMS 29 inflation accounting in Türkiye this year, it is seen that the inflationary effects over the years are reflected on the balance sheets in a single period. This practice has a negative impact on the TL-denominated financial statements of companies with strong equity. TMS 92 accounting standards have had a negative impact of nearly 823 million TL on Anatolia's Balance Sheet due to its equities. This numerical effect, which has no relation with the cash flows, is expected to create tax advantages after 2023. In our operation report and information notes, the tables with and without the application of TMS 29 are presented for separate reviewing to make a more comfortable comparison with previous years.

We would like to thank all our employees and investors who share with us the enthusiasm of being a part of the development and progress in the world, and we wish 2024 to be a year in which our company contributes even more to human health in line with our goals.

Alper Akyüz
Chairman of the
Board of Directors

Milestones



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	Istanbul
Address	Hasanpaşa Mah. Beydağı Sok. No:1-9H Sultanbeyli/İstanbul/Türkiye
Phone Number	+90 216 330 04 55
Registry	Istanbul Trade Registry Directorate
Registration No	738589-0
Tax Office	Sultanbeyli Vergi Dairesi
Tax No	0680797583
Central Registration System Number	0068079758300025
Paid Capital	220.000.000 TL
Registered Capital Ceiling	500.000.000 TL

Shareholder Structure

Shareholder	Share in Capital (TL)	Capital Percentage (%)
Alper Akyüz	93.562.286	42,53
Elif Akyüz	45.603.000	20,73
Other	80.834.714	36,74
Total	220.000.000	100,00



Our Companies



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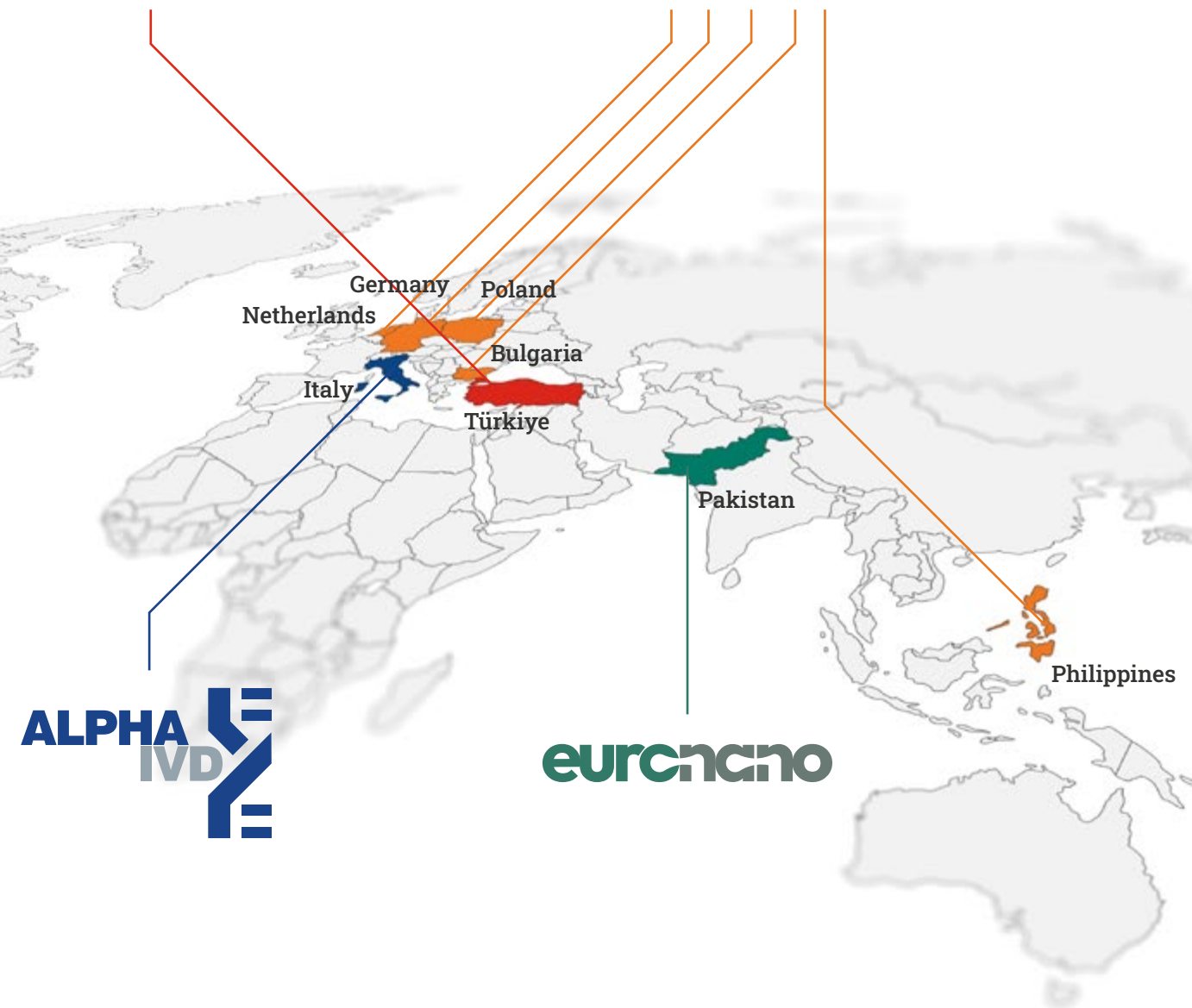
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More than 350 unique products manufactured in Türkiye are used in more than 70 countries with subsidiaries in 6 countries.



2023 OPERATIONS

2023 Research and Development Activities



In the period between 1 January-31 December 2023, R&D activities were carried out within the scope of 20 projects at the R&D Center.

During the period 1 January-31 December 2023, the Company continued its R&D activities within the scope of 20 projects at the R&D Center. 4 R&D projects were successfully completed in 2023 and development activities within the scope of 16 projects continued.

In this activity period, the development of a total of 45 products was completed, transferred to production, and commercialised. 22 of these products are Real-Time PCR kits that detect and genotype various viruses and bacteria

that cause different diseases in humans, 13 are food and veterinary Real-Time PCR Kits, 1 is a rapid cassette test kit, 3 are automatic DNA/RNA extraction device, 6 are DNA/RNA extraction kits integrated with the automatic extraction system.

The R&D project numbered 22AG009 'TR.AQUA: Innovative and Sustainable Applications in Aquatic Products within the Framework of Food Supply Security', which started in 2023, was supported by the Scientific and Technological Research Council of Türkiye

(TÜBİTAK) under the 1004 programme. We would like to thank TÜBİTAK for supporting this project. Our qPCR and DNA extraction products, which are used in the diagnosis of Sepsis, can work with automation systems from direct blood samples and provide results in a much shorter time (only in a few hours) compared to the conventional methods (in 2-3 days), have been introduced to the market. Positive results have been obtained in the first field tests.

In 2023, the R&D Center increased its know-how

considerably with the help of the projects carried forward; nucleic acid extraction kits, system integration of 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 with lateral flow-based rapid card test.

With the new investments made this year, the Company has improved the protein synthesis and card test development infrastructure of its R&D Center and strengthened its staff of molecular biologists, bioengineers, and software

engineers. The Company continued to increase the number of R&D personnel in 2023 and increased the number of full-time personnel by 79%, from 47 to 84. In 2023, the Company's R&D Center also increased its cooperation with universities, and for the first time participated in a TÜBİTAK 1004 - Center of Excellence Support Programme as a Research Programme Executing Institution (APYK).

2023 Customer Relations and Sales Activities

In 2023, Anatolia Geneworks played an important role in meeting the needs of the healthcare sector and maintained its strong position in line with the expanding demand for healthcare services in the post-pandemic period, especially in the field of in vitro diagnostics with its wide product range.

The company's various diagnostic products provide healthcare professionals and patients with effective and reliable solutions.

As in the previous year, especially in the autumn and winter period, the Company's SARS-CoV-2/Flu/RSV Panel Kit (Multiplex), which provides panel diagnosis of Influenza A, Influenza B, RSV and COVID-19 pathogens, and Respiratory Pathogens Panels Kits were prominent in many countries, especially in France and South America.

Thanks to the expanding distribution network in previous years, the Company's sales of routine tests other than the COVID-19 test in different countries around the world increased in 2023. Particularly, sales in South America increased by 120% and the Company started to work with many different state universities and hospitals. In addition, the Company's sales in Europe and Balkan countries have also increased through various marketing activities and congress-fair participation. COVID-19 tests are no longer commonly performed with the

Real-Time PCR method, hence the adaptation of different tests with the equipment already installed in these hospitals and laboratories or by installing their own devices was provided and these laboratories were supported to return to routine analyses. It is worth noting that, sales of Multiplex Panel Kits for the diagnosis of syndromic infections such as respiratory tract infections, gastrointestinal tract infections and sexually transmitted infections increased by 110%. With the Sepsis and Antibiotic Resistance Screening Panel Kit, which has only a few competitors in the international Real-Time PCR-based diagnosis market, success has been achieved especially in the Italian market and positive feedback has been obtained from users about the product. Thanks to these kits, new studies have been initiated with many different universities and hospitals. In 2023, a successful penetration was achieved to the market of the countries in the American continent, where sales were minimal before. In addition to some countries where exports were made for the first time, active and effective sales were achieved in many countries such as Turkmenistan, Ukraine, Estonia, Azerbaijan, and Serbia, where sales were started in the previous period.

The Company's subsidiary in Germany was established in 2023. Promotional activities and congress/fair participation were carried out in Germany and Austria through the German subsidiary of the Company. Our existing subsidiaries in Italy,

Poland, Bulgaria, and Pakistan have also advanced their activities in different institutions with new product groups after the pandemic. During 2023, momentum was gained in the last quarter compared to the first quarter towards the end of the year and sales increased by 34%.

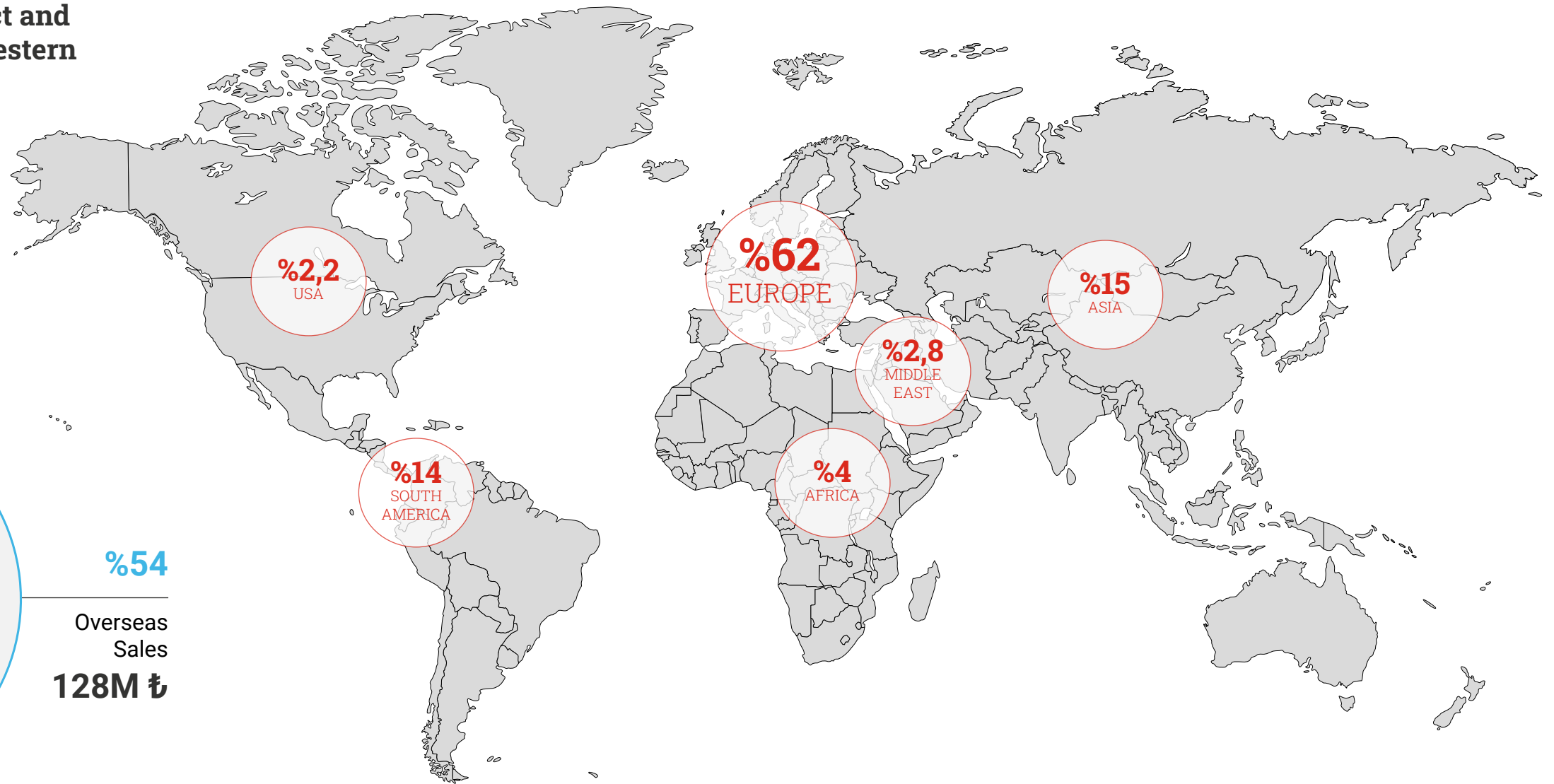
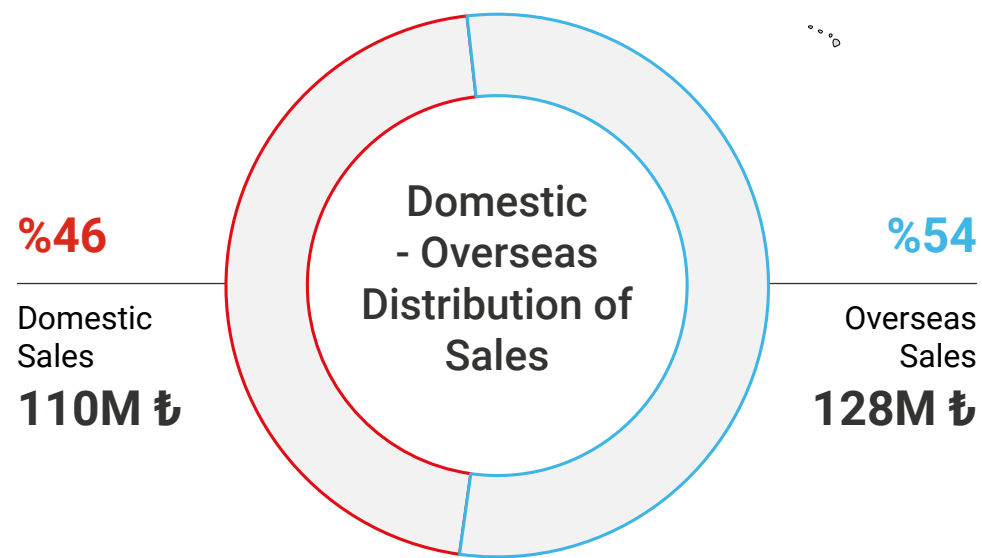
Although there was a 14% decrease in the number of the Company's customers in the domestic market in 2023 due to the suspension of the activities of healthcare institutions, which were mainly working on COVID-19 PCR tests during the pandemic, due to the decrease in the impact of the pandemic, other healthcare institutions returned to their pre-pandemic patient routines and as a result, the Company's official institution tender offers increased by approximately 25%, resulting in a 2.5-fold increase in the number of tests provided to the tenders compared to the previous year. In the previous year, 2022, tender procurement accounted for around 20% of total domestic turnover, while this share reached 57% in 2023.

Anatolia's UNIO extraction systems have been among the systems mainly installed in official institution tenders, contributing to the Company's pioneering role in reducing foreign dependency in our country in 2023. To further increase this momentum, in the last quarter of 2023, the Company started to install high-capacity extraction systems in domestic government tenders.



2023 Sales

Anatolia maintained its strong performance in 2023 with its product and service quality, its penetration in Western Europe and other prominent target markets.



Our Certificates

The transition process of the European Commission's IVD Directive 98/79/EC and EU Regulation 2017/746 (IVDR) is being carried out successfully.

In 2023, the Company carried out its activities in accordance with the IVD Directive 98/79/EC, EU Regulation 2017/746 (IVDR), ISO 9001:2015 and EN ISO 13485:2016 Quality Management Systems, ensuring that its products can be used safely in Turkey and abroad.

The EN ISO 13485:2016 audit conducted by the Polish Testing and Certification Center (PCBC) on 14/15.08.2023 was successfully completed. Likewise, the Surveillance Audit conducted by PCBC on 07.11.2023 in accordance with IVD Directive 98/79/EC was also successfully completed.

The robotic devices developed and manufactured by the company are certified in accordance with the 2006/42/AT Machinery Safety Regulation. Two more automatic extraction devices from different models of the UNIO robot family were certified with CE certificate in 2023.

The transition process of the European Commission's IVD Directive 98/79/EC and EU Regulation 2017/746 (IVDR) is also being carried out successfully.

Phase 1 of the Quality Management System (QMS) Audit of the certification process under EU Regulation 2017/746 (IVDR) was successfully completed on 27.11.2023. The second phase is planned to be completed in the first half of 2024.



Our HR 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, IVD Directive 98/79/EC and EU Regulation 2017/746 (IVDR) and contributes to implementing these quality systems. In 2023, Anatolia organised trainings for its employees mainly on quality management systems, technical issues related to molecular genetics and engineering applications, legal requirements, and occupational health and safety rules. The effectiveness of the trainings was measured, and additional training requirements were determined. A total of 2317 training effectiveness evaluations were completed. Training efficiency was measured, and additional training requirements were identified. Monitoring training efficiency is among the quality targets.

Anatolia and its subsidiaries increased the number of employees from 161 to 205 in 2023.

Anatolia cares about the satisfaction, health, and productivity of its employees. Lunch is provided for all employees, there is a wide network of routes, scheduled shuttle services and various transportation support opportunities. In addition to being covered by the Social Security Institution (SGK), all our employees are entitled to 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 outlined in the Labor Law; in addition, there are various excused leave practices.

To increase the quality of life and sense of belonging of the employees, there are various support practices (for instance birth, marriage, etc.) as well as fringe benefits.

Performance evaluation studies are conducted 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, and customer-supplier feedback are evaluated. As a result of performance evaluations, new trainings and new responsibilities are given to the personnel who can contribute in terms of leadership and management skills, and the personnel are motivated and guided in line with quality targets. Transfers between departments are allowed for personnel who would be better, effective, productive, and happy in a different role than their current one. Experienced staff enables new leaders to grow by mentoring the personnel who join the team and make a difference in performance evaluations.

Leadership is practised through effective leadership behaviour, not just hierarchical titles.

In 2023, Anatolia organised trainings for its employees mainly on quality management systems, technical issues related to molecular genetics and engineering applications, legal requirements, occupational health, and safety rules. The effectiveness of the trainings was measured, and additional training requirements were determined. A total of 2317 training effectiveness evaluations were completed.

Equality of Opportunity

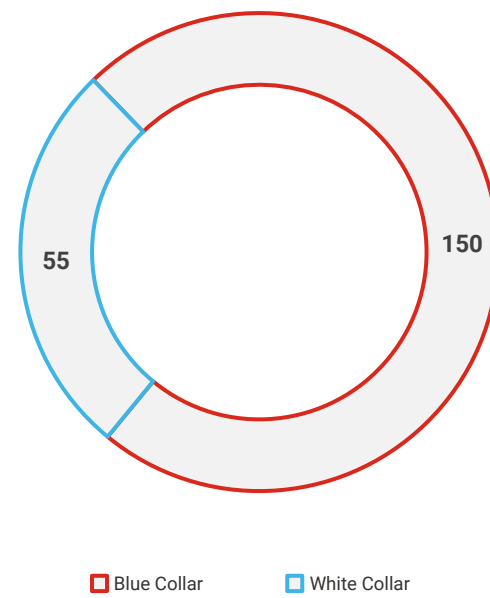
Anatolia Geneworks management attaches importance to equal opportunity and fairness in human resources practices.



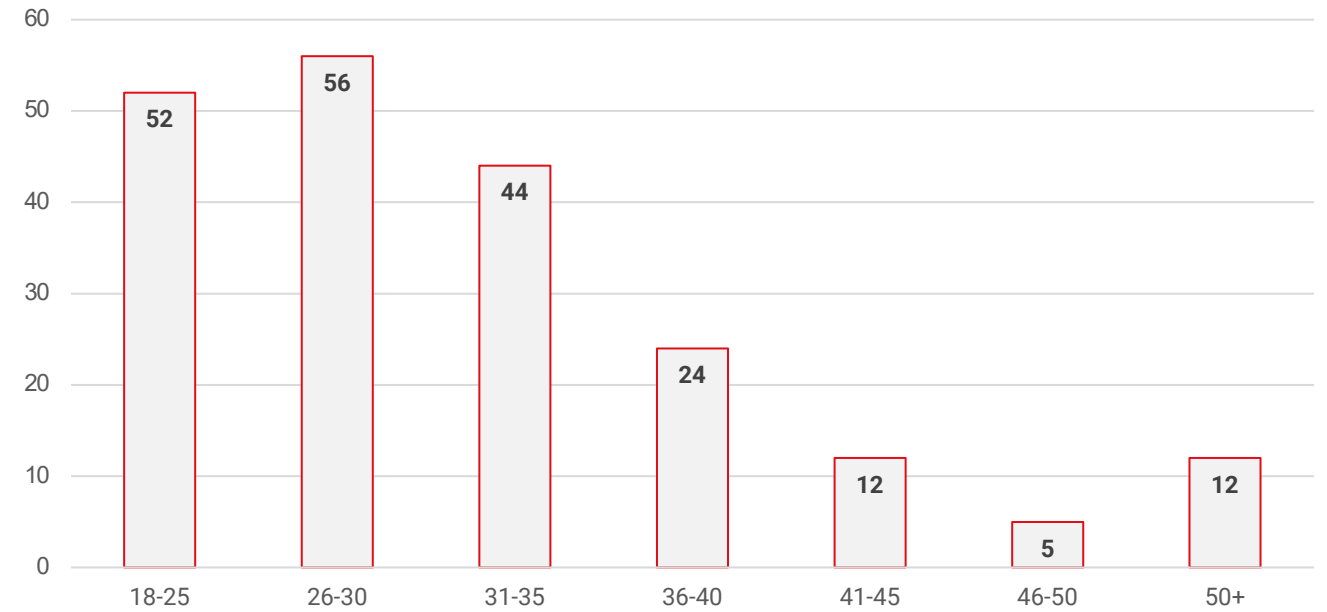
As of the end of 2023, information about our employees is as follows;

Anatolia increased the number of employees from 161 to 205 in 2023.

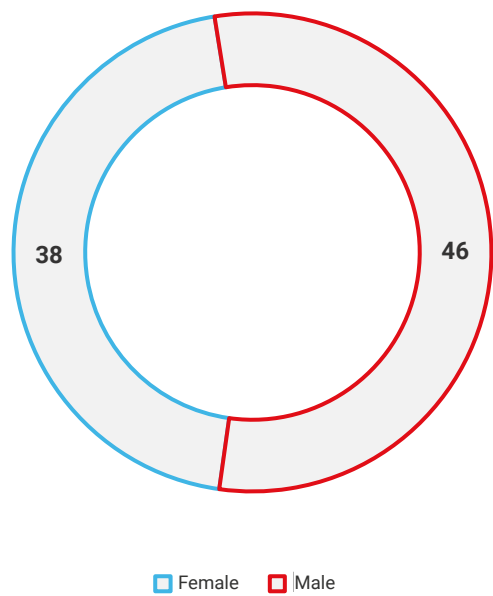
Employment Type



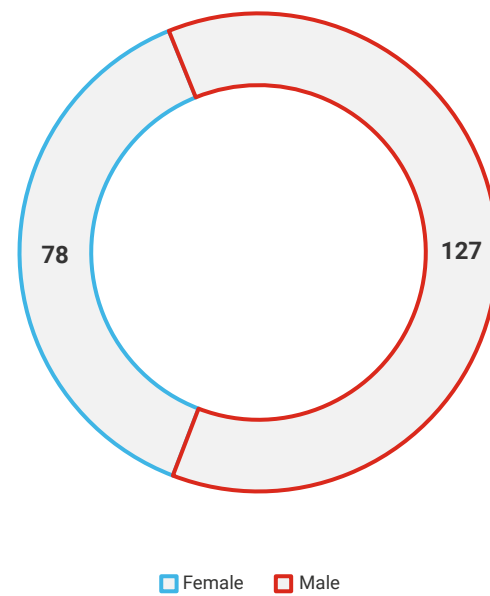
Age Groups



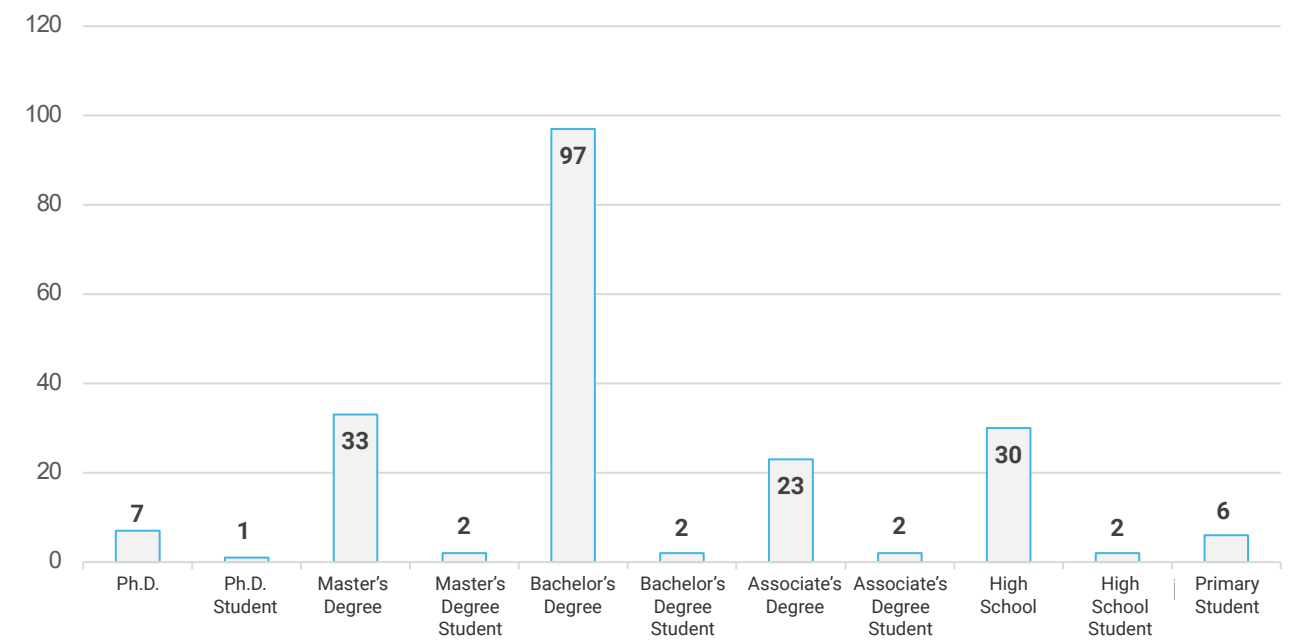
R&D



Gender



Educational Status



Growth Strategies

The Company continues to fulfil its growth strategies by maintaining its focus on molecular diagnostics.

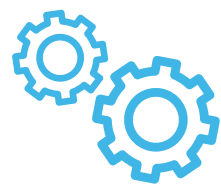
By maintaining its focus on molecular diagnostics, the Company continues to realise the growth strategies outlined below thanks to its specialised staff, R&D, and production structure.

This year, the Company participated in numerous fairs, congresses and events, organised workshops and meetings in many countries, established relationships with new dealers, started selling in countries where it was not active before or initiated the Ministry of Health registrations required for the sale of its products, established a new subsidiary in Germany, and continued its activities to differentiate itself from its competitors in the market by offering automated, unique solutions that meet user needs in a versatile and effective way with technologies such as multiplex testing and innovative nucleic acid purification methods.

The Company's other growth strategies include developing and manufacturing modular robotic laboratory diagnostic instruments with different capacities and automation levels that can meet the expectations of all kinds of laboratories; creating a long-term mutualistic product ecosystem that builds and grows a high level of demand for kits and consumption demand; providing the highest level of training and technical support to end users by creating a wide sales network in many countries in the international market through dealers and subsidiaries; increasing brand awareness and creating a growing user group with high satisfaction and loyalty.



Expansion of Product Portfolio



Robotics System Integration



Expansions in New Geographies



Fairs and Events

In 2023, the Company participated in a total of 7 congresses, 3 conferences, and 4 workshops in 7 countries as listed below, and represented our country in 3 medical fairs in 3 different countries.

On November 21-22, 2023, the Company organized the "Training on Extraction Methods in Difficult Matrices" workshop with the participation of various Provincial Food Control and Inspection Laboratories. Technical training was organized for the effective performance of extraction systems in difficult matrices, where institutions have difficulties in their work. In addition, on November 27, 2023, the Company organized a workshop with experienced and competent microbiologists from Türkiye and visiting physicians from Serbia, which provided a basis for the exchange of scientific data and ideas on the different applications of Multiplex kits in both countries.

Date	Name of the Event
27.03.2023	50 th Association of Italian Clinical Microbiologists Congress (AMCLI)
18.04.2023	33 rd European Congress of Clinical Microbiology and Infectious Diseases (ECCMID)
05.05.2023	1 st International Azerbaijan Laboratory Medicine Congress and LAB EXPO (AZLTK & LAB EXPO)
16.06.2023	Society for Clinical Microbiologists of Turkey (KLİMUD)- İzmir Regional Meeting
27.06.2023	7 th National Congress of the Italian Society for Virology (SIV-ISV 2023)
05.09.2023	1 st International Agricultural Technology Conference (IAFS-Jordan)
16.09.2023	Antimicrobial Management Course from Laboratory to Clinic- Society for Clinical Microbiologists of Turkey (KLİMUD) AYSEK Working Group
1.10.2023	15 th National Clinical Laboratory Conference
6.10.2023	"Advances in Sepsis and Systemic Inflammation" Conference
11.10.2023	8 th SIPMeL National Conference 2023
20.10.2023	Giresun University- "Management of Microbiological Tests with Cases; Gastrointestinal System" Meeting
21.10.2023	Istanbul Technical University Molecular Biology and Genetics Student Club Congress
05.11.2023	7 th National Clinical Microbiology Congress (KLİMUD)
16.11.2023	13 th MEDICA 2023 Trade Fair, the World Forum for Medicine- International Exhibition and Conference, Düsseldorf
25.11.2023	2 nd Van Health and Medical Fair



Our Future Goals



Increasing participation in congress and fairs organised abroad



Increasing customer visits to different countries and organizing workshops



Improving brand awareness by broadening international marketing activities



Making a difference in the market in terms of quality and reliability by making new investments in quality management and certification



Establishing new subsidiaries in Europe, Asia, and the Americas



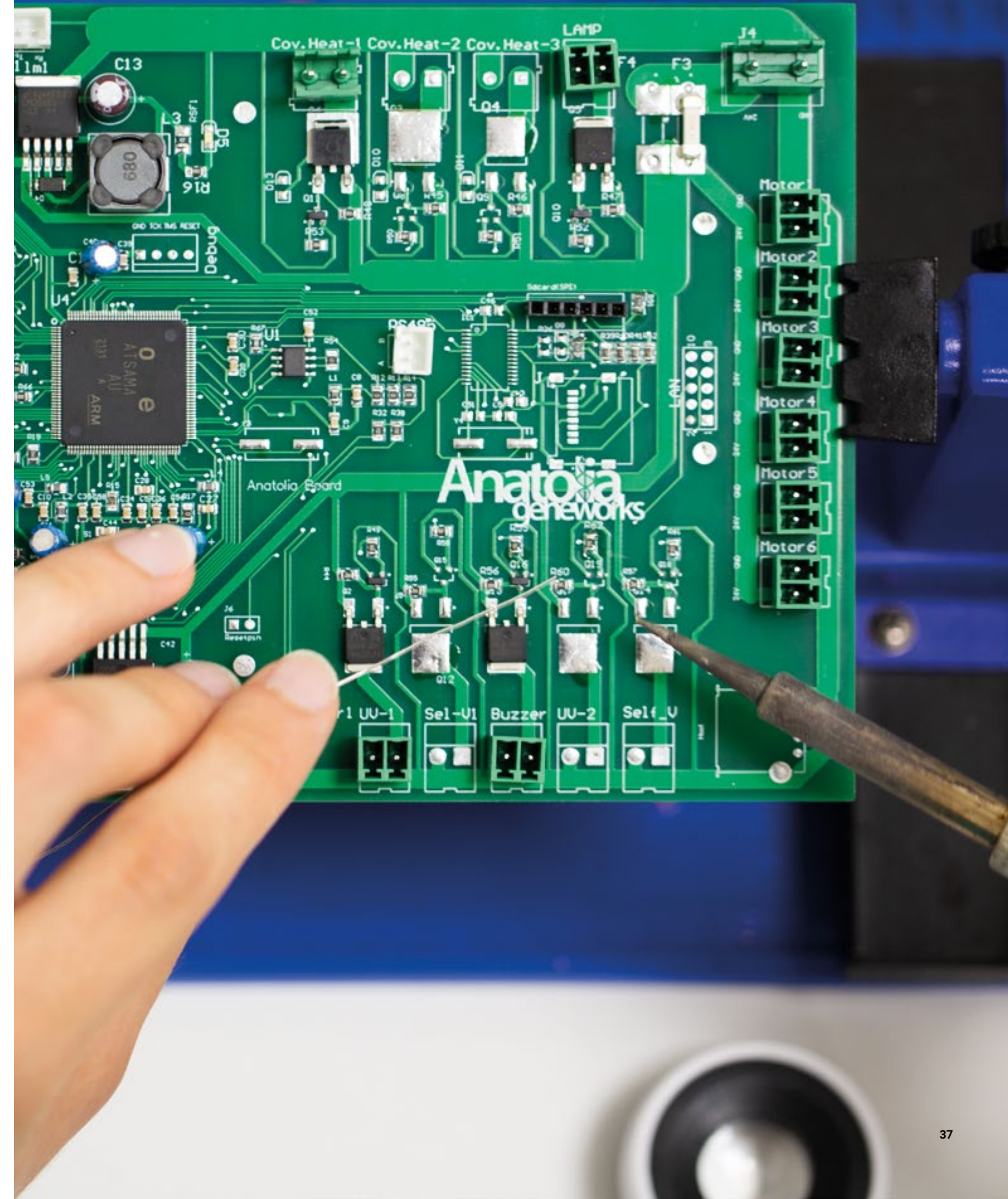
Extending the R&D Center team and increasing the number of projects and products developed




Maximizing international market share through new dealers



Developing new products for diagnostic areas in which the company has never been active





MANAGEMENT STRUCTURE AND ORGANIZATION

Board of Directors

The proportion of female board members reached 80% in 2023.



Alper Akyüz
Chairman of the Board of Directors

Alper AKYÜZ was born in 1970 in Kırkkale.

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.

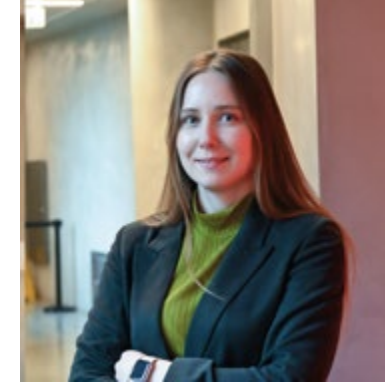


Elif Akyüz
Vice Chairman of the Board of Directors

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.



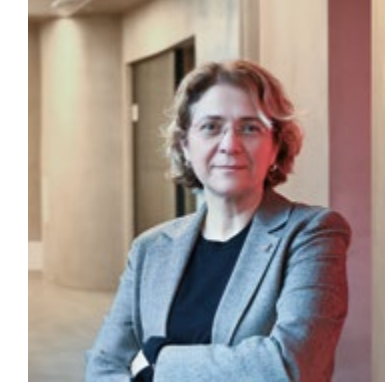
Kumru Ece Saran Selçuk
Member of the Board of Directors

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.

A modern office hallway with a prominent red-lit wall on the left, glass-walled offices on the right, and a potted plant in the center. The ceiling features recessed lighting and perforated acoustic panels.

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.

Manager Responsible for Investor Relations and Contact Information:

Name and Surname	Title	Phone	E-Mail	License Certificate Type	License Document No.
Mehmet Gökalp	Finance and Accounting Director	0216 330 04 55			
Ali Rıza Tüzüngüven	Investor Relations Manager	0216 336 10 66	yatirimci.iliskileri@anatoliagenetworks.com	SPF Level 3 License, Corporate Governance Rating License.	204194 -700904

According to the 11-17.1 numbered "Corporate Governance Communiqué" 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.

28 Material Event Disclosures were made through the Public Disclosure Platform (PDP) during the 2023 activity period.

During the 2023 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 İstanbul and the Central Registry Agency and the Company's communication with the Trade Registry were provided by the Investor Relations Department.

The 2022 Ordinary General Assembly Meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi was held on Wednesday, 10.04.2023 at 11.00 a.m. at Hasanpaşa Mahallesi, Beydağı Sokak, No:1- 9H Sultanbeyli/İSTANBUL under the supervision of Zafer KARAKOÇ, the Ministry Representative

assigned by the letter dated 07.04.2023 and numbered of the Provincial Directorate of Trade of the Governorship of İstanbul.

Our financial statements for the accounting period 01.01.2022 - 31.12.2022, which were prepared in accordance with International Financial Reporting Standards within the framework of the provisions of the Capital Markets Board (CMB) and audited by Eren Bağımsız Denetim A.Ş., a distributable net profit for the period amounting to TL 327,693,038.87- has been obtained, considering the situation the Dividend Communiqué numbered II-19.1 and the Dividend Guide announced in accordance with this communiqué and with our Dividend Distribution Policy corresponding to 40.00% of the company's net profit for the period, 131.077.215 TL gross, 117.969.493,82 TL of the net distributable profit calculated on dividend distribution to be distributed to shareholders as cash dividend, gross 1,191,611 TL and net 1,072,450 TL per each share has been distributed to shareholders on May 03, 2023. PDP entries and publication of "Interim and Annual Financial Statements" and "Annual Reports", which are published quarterly and annually via the Public Disclosure Platform (PDP), 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.

It was ensured that the Board of Directors' decisions taken during the year were duly kept.

Share Information

Traded on Stock Exchange:	Istanbul Stock Exchange (BIST)
Date Traded:	21.10.2021
Traded Market:	BIST STAR
Company Sector:	MANUFACTURING / CHEMICALS, PETROLEUM RUBBER AND PLASTIC PRODUCTS
Trade Code:	ANGEN
Reuters Code:	ANGEN.IS
Bloomberg Code:	ANGEN.TI

Committees and Working Principles

At the Board of Directors meeting dated April 11, 2023 held after the Ordinary General Assembly within the framework of the provisions of the Capital Markets Board's Corporate Governance Communiqué No. 11-17.1 ("Communiqué");

i) Duygun Erol BARKANA 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) Duygun Erol BARKANA 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 Duygun Erol BARKANA as the Chairman and Işıl KURNAZ as the member of the Audit Committee established within the scope of the Capital Markets legislation.

ANATOLIA 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 (11-17.1) ("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.

ANATOLIA 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 (11-17.1) ("Communiqué") and Borsa İstanbul 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.

ANATOLIA 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 (11-17.1) ("Communiqué") and Borsa İstanbul 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 11-17.1 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.

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

1. ESTABLISHMENT

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 (11-17.1) ("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. 11-17.1 of the Capital Markets Board on Amendments to the Corporate Governance Communiqué (11-17.1.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.

Public Disclosure Platform - Sustainability Compliance Report

		COMPLIANCE STATUS				STATEMENT	LINKS TO PUBLICLY ANNOUNCED REPORTS
		YES	NO	PARTIALLY	N/A		
	GENERAL PRINCIPLES						
	A1. Strateji, Politika ve Hedefler						
A1.1	The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				The Board of Directors has identified the priority environmental, social, and governance (ESG) issues, risks, and opportunities. In 2023, our sustainability policy was developed and shared with all our stakeholders, and it has been published on our website. Environmental risks and opportunities are periodically reviewed by senior management.	
A1.1	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				The Board of Directors has published sustainability and Human Resources policies, sharing our views on human rights, employee policies, and environmental and sustainability issues with all our stakeholders through our website.	
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.			X		The Board of Directors has published human resources, environmental, and sustainability policies, setting our objectives in these areas.	
	A2 Implementation/Monitoring						
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				The responsible committee was established on January 16, 2023, and has been reported to the Public Disclosure Platform (KAP)."	
A2.1	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Although we have received an Environmental Impact Assessment (EIA) exemption for our activities, due to our commitment to sustainability and environmental sensitivity, we aim to align our operations as closely as possible with relevant laws and the highest level of sensitivity. However, measurable targets, such as KPIs (Key Performance Indicators), have not been set within the year 2023.	
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.			X		Gerçekleştirilen faaliyetlerimiz kapsamında ÇED muaf görüşü almış olmamıza rağmen sürdürülebilirlik ve çevre duyarlılığımız nedeni ile olabildiğince faaliyetlerimizi ilgili kanun ve maksimum duyarlılık seviyesine getirmek hedeflenmektedir, KPG göstergeleri gibi izlenebilir hedefler 2023 yılı içinde belirlenmemiştir.	
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.			X		Although we have received an Environmental Impact Assessment (EIA) exemption for our activities, due to our commitment to sustainability and environmental sensitivity, we aim to align our operations as closely as possible with relevant laws and the highest level of sensitivity. However, measurable targets, such as KPIs (Key Performance Indicators), have not been set within the year 2023.	
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Our activities aimed at improving the sustainability performance of our business processes, products, and services have been shared with our stakeholders through our website.	
	A3 Reporting						
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				The data related to our company's sustainability performance, objectives, and actions have been detailed in the 2023 Annual Activity Report.	

A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X					The data related to our company's sustainability performance, objectives, and actions have been detailed in the 2023 Annual Activity Report.
A3.3	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.				X		There are no lawsuits filed against our company.
A4	Verification						
A4.1	The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.		X				There is currently no ongoing work related to this issue in the company.
B	ENVIRONMENTAL PRINCIPLES						
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.			X			An environmental management policy has been prepared and published on the website in 2024. The development of implementation-action plans, documentation for the environmental management system, and preparation of reports are ongoing.
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.		X				Following audits and controls for the activities of both our facilities, the Ministry of Environment, Urbanization and Climate Change has shared the opinion that there is no harmful environmental impact. For our Free Zone Branch, we have a Zero Waste Certificate, and for both our facilities, recyclable wastes are processed, and all wastes are disposed of using appropriate disposal methods.
B4	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).		X				There is currently no ongoing work/procedure related to this issue in the company.
B5	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.		X				Efforts are ongoing to identify our priority environmental issues, integrate and manage them within our business objectives and strategies.
B7	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.		X				There is ongoing work within the scope of sustainability policies.
B8	Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.		X				Necessary collaborations are being planned for the upcoming periods.
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.		X				The company has not disclosed information about its environmental impacts to the public in a comparable manner on a periodic basis, based on environmental indicators.
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data has been disclosed.			X			The details of the standard, protocol, methodology, and base year used to collect and calculate the data have not been disclosed to the public. Despite not being publicly disclosed, we are implementing our policy within the institution to reduce energy consumption as much as possible and ensure complete processes for waste disposal and recycling.
B11	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.		X				Not disclosed.
B12	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.		X				Not disclosed.

B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.		X			These actions are planned to be shared with the public in the future.
B14	The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.		X			Our activities are continuing in compliance with regulatory requirements.
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		X			Not disclosed.
B15	The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.		X			Not disclosed.
B16	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.		X			Not disclosed.
B17	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.				X	Not disclosed.
B18	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.				X	Not disclosed.
B19	The renewable energy production and usage data has been publicly disclosed.				X	Not disclosed.
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.				X	Not disclosed.
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.				X	Not disclosed.
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				X	Not disclosed.
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				X	
B24	If carbon pricing is applied within the Company, the details have been disclosed.				X	
B25	The platforms where the Company discloses its environmental information have been disclosed.				X	
C	SOCIAL PRINCIPLES					
C1	Human Rights and Employee Rights					
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.			X		The Human Rights and Employee Rights Policy is included in the Management and Occupational Health and Safety Procedures. Additionally, personnel are employed in full compliance with current labor laws and regulations. The Human Resources policy has been published on the website.
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				It is included in our Human Resources Policy and HR Procedures.

C1.3	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				There are efforts in place to consider the rights and equal opportunities of groups sensitive to specific economic, environmental, and social factors (such as low-income groups, women, etc.) or minority rights. These efforts are included in our HR policy and activity report.
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				It is included in our Human Resources Policy and activity report.
C1.5	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Our internal policies have been provided to employees, and our Human Resources policy has been published on our website.
C1.6	The occupational health and safety policies have been established and disclosed.			X		Occupational health and safety policies have been created and shared with employees but have not been disclosed to the public. It is planned to be disclosed in future periods.
C1.6	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.			X		Measures to prevent workplace accidents and protect health have been established and shared with employees but have not been disclosed to the public.
C1.7	The personal data protection and data security policies have been established and disclosed.			X		Policies for the protection of personal data and data security have been established and shared with employees and relevant stakeholders, but they have not been disclosed to the public.
C1.8	The ethics policy have been established and disclosed.	X				An ethics policy has been established and published on the website in 2024.
C1.9	The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.		X			Not disclosed.
C1.10	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Informational meetings and training programs on ESG (Environmental, Social, and Governance) policies and practices are conducted for employees.
C2	Stakeholders, International Standards and Initiatives					
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.			X		Customer satisfaction policies for managing and resolving customer complaints have been established and shared with employees and relevant stakeholders but have not been disclosed to the public.
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				As part of investor relations efforts, meetings held with investors have been included in the activity report.
C2.3	The international reporting standards that adopted in reporting have been explained.		X			The international reporting standards adopted in the reports have not been disclosed.
C2.4	The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.				X	
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			After transforming the committee's activities into concrete steps, it is planned to take the necessary actions to be included in the sustainability index.
D	CORPORATE GOVERNANCE PRINCIPLES					
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.		X			No feedback has been received from stakeholders.
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				For both of our facilities, the training activities under the scope of environmental consulting, which started in 2023, are being continued periodically.

Policies

ANATOLIA 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 (11-15.1) ("Communiqué on Material Events"), Communiqué on Corporate Governance (11-17.1) ("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 İstanbul 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.anatoliagenetworks.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 ("PDP"),
- Financial statements and footnotes, independent audit report, declarations and annual report periodically disclosed to PDP,
- 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,
- Sermaye piyasası katılımcıları ile yüz yüze veya tele-konferans vasıtasıyla yapılan bilgilendirme görüşme ve toplantıları,
- Corporate website, (www.anatoliagenetworks.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 (PDP) 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.anatoliagenetworks.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 PDP.

The Company announces the material event disclosures on its website (www.anatoliagenetworks.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.anatoliagenetworks.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 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.anatoliagenetworks.com)

The Company's website at www.anatoliagenetworks.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.

ANATOLIA 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 (11-17.1) 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 (11-19.1) 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 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:

58.514,73 TL.

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A.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 (11-19.1), 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 (11-19.1) 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 İstanbul 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.

ANATOLIA 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 (11-17.1) 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

Şirket bu Politika'da belirtilen esaslar, 6362 sayılı Sermaye Piyasası Kanunu ve SPK'nın Kurumsal Yönetim Tebliği (II-17.1) ve diğer Sermaye Piyasası Mevzuatı çerçevesinde idari sorumluluğu bulunanlar kapsamındaki yönetim kurulu üyelerimiz ve üst düzey yöneticilerimizin ücretlendirme sistem ve uygulamalarını kapsamaktadır.

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, 2023, 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 6.626.824 TL.

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A. Ş. ENVIRONMENTAL POLICY

We, Anatolia Geneworks (Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge San. ve Tic. A.Ş.), are a company operating in the field of biotechnology, and we are committed to the sustainable use of natural resources and reducing our environmental impact. The fundamental principles of our environmental policy are as follows:

1. Legal Compliance

We strive to fully comply with relevant environmental legislation in all our activities. By considering the specific requirements of the biotechnology industry, we embrace standards that exceed legal requirements and promote best practices in environmental protection.

2. Resource Efficiency

We continuously review our processes and explore opportunities for improvement to ensure the efficient utilization of natural resources. In biotechnological processes, our focus is on reducing energy, water, and other resource consumption, thereby minimizing waste generation.

3. Waste Management

We are actively working on reducing, reusing, and recycling waste. We continuously develop waste management processes to minimize the waste generated in biotechnological processes and to manage hazardous waste appropriately.

4. Environmental Awareness and Education

We regularly organize training and awareness programs to educate and inform our employees about environmental issues. We encourage innovative practices in the field of biotechnology and the participation of our employees in efforts to reduce environmental impact. Whether mandatory or not, we ensure compliance with environmental laws by obtaining environmental consulting in all our branches.

5. Supply Chain Management

We expect our suppliers to promote nature-friendly practices and adhere to sustainability standards. We continuously assess our biotechnology supply chain and cooperate to reduce environmental impact.

6. Innovation and Technology

We encourage the adoption of nature-friendly technologies and focus on reducing our environmental impact by seeking innovative solutions. In the field of biotechnology, we invest in research and development to promote sustainable practices and contribute to the development of green technologies.

7. Stakeholder Collaboration

We collaborate with our stakeholders to jointly reduce our environmental impact. By cooperating with our suppliers, local governments, academic institutions, and the community, we strive to find joint solutions.

This policy reflects our commitments to our employees, customers, suppliers, and the community. We will continuously monitor and seek to improve our environmental performance. We will regularly review and update our environmental policy and maintain open and transparent communication with all our stakeholders. The implementation and effectiveness of this policy will play a critical role in achieving the environmental sustainability goals of Anatolia Geneworks.

ANATOLIA 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 (11-17.1) ("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.
- İşleme dayandığı sözleşmenin tarihi, konusu, ticari sır niteliğinde olmamak kaydıyla sözleşmedeki önemli unsurlar, daha önce izahname gibi dokümanlarda yer verilmiş ise buna ilişkin bilgi.
- İşlemin piyasa koşullarına uygunluğu değerlendirilirken esas alınan kriterler.
- İşlemin piyasa koşullarına uygun olup olmadığı hakkında değerlendirme.

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ ARAŞTIRMA GELİŞTİRME SANAYİ VE TİCARET A. Ş. ETHICAL RULES POLICY

Anatolia Geneworks (Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge San. ve Tic. A.Ş.) conducts all its professional activities within the framework of the fundamental principles specified below. It acts based on these principles in its relationships with national and international official institutions and authorities, as well as with customers, suppliers, shareholders, and stakeholders.

Honesty and Reliability

Anatolia Geneworks adopts the principle of integrity in all its activities, establishing trustworthy relationships with all stakeholders and relevant parties. By avoiding misleading statements and actions, it ensures a transparent working environment.

Transparency and Communication

Anatolia Geneworks operates with a transparent management approach and establishes open communication with all stakeholders. It shares clear, accurate, and timely information while considering confidentiality criteria.

Fair and Equal Treatment

Anatolia Geneworks treats all employees, customers, suppliers, and other stakeholders fairly and equally. It does not tolerate any discrimination or biased behavior.

Privacy and Protection of Data

Anatolia Geneworks keeps the personal data of its customers, employees, and other stakeholders confidential and protects it in accordance with the law. It does not use or disclose this information without permission.

Employee Rights and Human Resources

Anatolia Geneworks respects the rights of all its employees and shapes its human resource policies accordingly. It values the opinions and contributions of its employees.

Responsibility towards the Environment and Society

Anatolia Geneworks conducts its activities with an environmentally sensitive approach and fulfills its responsibilities towards the community. It adopts sustainability principles and aims to minimize environmental impact.

Compliance with Laws and Legislation

Anatolia Geneworks conducts its activities in accordance with applicable laws and regulations and takes necessary measures for compliance. It expects all its stakeholders to show the same diligence.

Fight Against Corruption and Bribery

The company adopts a zero-tolerance policy towards bribery and corruption and commits to complying with the legislation on bribery and corruption, universal legal norms, and ethical and professional principles in all countries where it operates and is represented. It takes necessary measures to ensure this compliance.

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, 2023, 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 11-17.1 with the decision of the Capital Markets Board dated 10.01.2019 and numbered 2/49.

	Compliance Status					Description
	Yes	Partially	No	Exempt	Irrelevant	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures that may affect the exercise of shareholders' rights are made available to investors on the corporate website.	X					
1.2. RIGHT TO INFORMATION AND INSPECTION						
1.2.1 - The Company's management has refrained from taking actions that make it difficult to conduct a special audit.		X				Although there is no provision in the Articles of Association for shareholders to request the appointment of a special auditor at the general assembly, the right of shareholders to obtain and review information is legally guaranteed by Article 438 of the TCC.
1.3. GENERAL ASSEMBLY						
1.3.2- The Company has ensured that the General Assembly agenda is clearly stated and that each proposal is given under a separate heading	X					
1.3.7 - Persons with privileged access to partnership information have informed the board of directors to be added to the agenda in order to ensure that the general shareholders' meeting is informed about the transactions conducted on their behalf within the scope of the partnership's field of activity.	X					
1.3.8 - The members of the board of directors, other related persons, authorized persons who are responsible for the preparation of the financial statements and auditors were present at the general shareholders' meeting.	X					
1.3.10 - In the agenda of the general assembly, the amounts of all donations and aids and the beneficiaries of these donations and aids are included in a separate item.	X					
1.3.11 - The General Assembly meeting was held open to the public, including stakeholders and media, without the right to speak.	X					

1.4. RIGHT TO VOTE						
1.4.1 - There are no restrictions and practices that make it difficult for shareholders to exercise their voting rights.	X					The Company avoids practices that make it difficult to exercise voting rights. Right holders who have the right to attend the General Assembly meetings of the Company may participate in these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code and exercise their voting rights.
1.4.2 - The Company has no shares with privileged voting rights.		X				Regarding the voting privileges mentioned in the related principle, there are regulations in the Articles of Association.
1.4.3 - The Company has not exercised its voting rights in the General Assembly of any corporation with which it has a cross-shareholding relationship that brings with it a relationship of dominance.	X					
1.5. MINORITY RIGHTS						
1.5.1- The Company has paid utmost attention to the exercise of minority rights.	X					
1.5.2 - Minority rights are also granted to holders of less than one-twentieth of the share capital and the scope of minority rights is expanded by the articles of association.		X				Rights are provided within the framework of general regulations in the legislation.
1.6. RIGHT TO DIVIDEND						
1.6.1 - The dividend distribution policy approved by the general shareholders' meeting is disclosed to the public on the corporate web site.	X					
1.6.2- The dividend distribution policy contains minimum information clear enough to enable shareholders to predict the procedures and principles of profit distribution for the future periods.	X					
1.6.3 - The reasons for not distributing dividends and the method of utilization of the undistributed profit are stated in the relevant agenda item.	X					
1.6.4 - The board of directors reviewed whether the dividend distribution policy strikes a balance between the interests of shareholders and those of the Company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions on the transfer of shares	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company's corporate website contains all the elements included in the corporate governance principle numbered 2.1.1.	X					
2.1.2 - Shareholding structure (names, privileges, number and ratio of shares held by real person shareholders holding more than 5% of the issued capital) is updated on the corporate 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 changes.
2.1.4 - The information on the Company's corporate website is also prepared in foreign languages selected according to need, with the same content as Turkish.	X					

2.2. OPERATION REPORT						
2.2.1 - The board of directors ensures that the annual report fully and accurately reflects the company's activities.	X					
2.2.2 - The annual activity report includes all elements of principle 2.2.2.	X					
3.1. COMPANY POLICY ON STAKEHOLDERS						
3.1.1- Stakeholders' rights are protected within the framework of relevant regulations, contracts and goodwill rules.	X					
3.1.3 - Policies and procedures regarding the rights of stakeholders are published on the corporate website.	X					
3.1.4 - Necessary mechanisms have been established for stakeholders to report transactions that are contrary to legislation and unethical.	X					
3.1.5 - The Company oversees conflicts of interest between stakeholders in a balanced manner.	X					
3.2. SUPPORTING STAKEHOLDERS' PARTICIPATION IN COMPANY MANAGEMENT						
3.2.1 - Employee participation in management is regulated by the articles of association or internal regulations.	X					
3.2.2 - Methods such as surveys/consultations have been applied to obtain the opinions of stakeholders on important decisions that have consequences for stakeholders.			X			Not implemented.
3.3. COMPANY'S HUMAN RESOURCES POLICY						
3.3.1 - The Company has adopted an equal opportunity employment policy and succession planning for all key management positions.	X					
3.3.2- Criteria for staff recruitment are set in writing.	X					
3.3.3 - The Company has a Human Resources Development Policy and organizes trainings for employees within this scope.	X					
3.3.4- Meetings were organized to inform employees on issues such as the Company's financial position, remuneration, career planning, training and health.	X					
3.3.5- Decisions that may affect employees are communicated to them and employee representatives. The relevant trade unions were also consulted on these issues.		X				Necessary information is provided by the Human Resources Department, there is no union.
3.3.6- Job descriptions and performance criteria were prepared in detail for all employees, announced to employees and used in remuneration decisions.	X					
3.3.7- Measures such as procedures, trainings, awareness raising, targets, monitoring, complaint mechanisms have been taken to prevent discrimination among employees and to protect employees against physical, mental and emotional mistreatment within the company.	X					

3.3.8 - The Company supports freedom of association and the effective recognition of the right to collective bargaining.			X			There is no regulation on this issue.
3.3.9 - A safe working environment is provided for employees.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured customer satisfaction and operated with an understanding of unconditional customer satisfaction.	X					
3.4.2- When there is a delay in the processing of the customer's requests for the goods and services purchased, this situation is notified to the customers.	X					
3.4.3 - The Company is committed to quality standards for goods and services.	X					
3.4.4 - The Company has controls to protect the confidentiality of sensitive information of customers and suppliers within the scope of trade secrets.	X					
3.5. ETHICS AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of directors has determined the Code of Ethical Conduct and published it on the corporate website.	X					Work is ongoing to determine the code of ethical behavior.
3.5.2- The partnership is sensitive about social responsibility. It has taken measures to prevent corruption and bribery.	X					
4.1. FUNCTION OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors ensures that strategies and risks do not threaten the long-term interests of the company and that effective risk management is in place.	X					
4.1.2- Meeting agendas and minutes reveal that the board of directors discusses and approves the company's strategic goals, determines the resources needed and audits the performance of the management.	X					
4.2. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors has documented its activities and submitted them to the shareholders for information.	X					
4.2.2 - Duties and authorities of the members of the board of directors are explained in the annual report.	X					
4.2.3 - The board of directors has established a system of internal control appropriate to the scale of the company and the complexity of its operations.		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				The reports prepared by the Committees of the Board of Directors and the Financial Affairs Department on the Company's Risk Management and Internal Control were found to be adequate. The existing structure for Risk Management and Internal Control is maintained.
4.2.5 - The duties of the chairman of the board of directors and the chief executive officer (general manager) are separated and defined.			X			Since the knowledge, experience and expertise of the Chairman of the Board of Directors in the sector make a significant contribution to the management in decision-making processes, no distinction has been made.

4.2.7 - The board of directors ensures that the investor relations department and the corporate governance committee function effectively and has worked in close cooperation with the investor relations department and the corporate governance committee in resolving disputes between the company and shareholders and in communicating with shareholders.	X				
4.2.8 - The Company has taken out a directors and officers liability insurance with an amount exceeding 25% of the share capital for the damages that may be caused by the faults of the members of the board of directors during the execution of their duties.			X		There is no regulation on this issue.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS					
4.3.9- The Company has set a minimum target of 25% for the ratio of female members on the board of directors and established a policy to achieve this goal. The composition of the board of directors is reviewed annually and the nomination process is conducted in accordance with this policy.	X				
4.3.10- At least one of the members of the audit committee has 5 years of experience in audit/accounting and finance.			X		The members of the Committee consist of specialized lecturers with experience in genetics and electronics, which are the main fields of activity of the Company.
4.4. FORM OF BOARD OF DIRECTORS MEETINGS					
4.4.1 - All board members physically attended the majority of board meetings.	X				
4.4.2 - The board of directors has defined a minimum time period for the information and documents related to the agenda items to be sent to all members before the meeting.	X				
4.4.3 - The opinions of the members who could not attend the meeting but submitted their opinions in writing to the Board of Directors were submitted for the information of the other members.	X				
4.4.4 - Each member has one vote in the Board of Directors.	X				
4.4.5 - The conduct of the board meetings is documented in writing through internal regulations.	X				
4.4.6 - The minutes of the board of directors meeting show that all items on the agenda have been discussed and the minutes are prepared to include dissenting opinions.	X				
4.4.7 - Members of the board of directors are restricted from assuming other duties outside the company. The external duties of the members of the board of directors were submitted to the shareholders' information at the general shareholders' meeting.	X				
4.5. COMMITTEES ESTABLISHED UNDER THE BOARD OF DIRECTORS					
4.5.5 - Each board member serves on only one committee.			X		There are no board members other than independent board members serving on more than one committee.
4.5.6 - Committees invited the persons they deemed necessary to receive their views to the meetings and received their views.			X		In accordance with the Committee working principles, the committees may benefit from the opinions of experts in their fields when necessary. No such need has been raised by committee members in the past year.

4.5.7 - Information on the independence of the person/ organization that the Committee receives consultancy services from is included in the annual report.					X	No special work has been conducted at the Board of Directors level within the scope of performance evaluation.
4.5.8 - A report on the results of the committee meetings was prepared and presented to the members of the board of directors.	X					
4.6. FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The board of directors conducted a board performance evaluation to assess whether it fulfilled its responsibilities effectively.				X		No special work has been conducted at the Board of Directors level within the scope of performance evaluation.
4.6.4 - The Company has not extended any loans or credits to any of the members of the Board of Directors or executives with administrative responsibilities, or extended the term of the loan, improved the terms, extended loans under a personal loan title through third parties, or provided guarantees such as surety in favor of them.	X					
4.6.5- Remuneration of board members and executives with administrative responsibilities is disclosed on individual basis in the annual report.				X		Financial benefits provided to board members and senior executives are disclosed collectively in the annual report.

General Assembly

The 2022 Ordinary General Assembly Meeting of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret Anonim Şirketi was held on Wednesday, 10.04.2023 at 11.00 a.m. at Hasanpaşa Mahallesi, Beydağı Sokak, No:1- 9H Sultanbeyli/İSTANBUL under the supervision of Zafer KARAKOÇ, the Ministry Representative assigned by the letter dated 07.04.2023 and numbered 84394435 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 March 14, 2023 on the Public Disclosure Platform (PDP) and our company's www.anatoliagenetworks.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 March 17, 2023 and numbered 10792, 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, 69,985,102 shares in person and 365,686 shares by proxy, totalling 70,350,788 shares were represented at the meeting, and Emre SEVİNDİK, 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 2022 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

ADDITIONAL EXPLANATIONS MADE IN ACCORDANCE WITH THE LEGISLATION

Additional Explanations Made within the Scope of the Regulation Dated October 28, 2012 and Numbered 28395 on Determining the Minimum Content of the Annual Report of Companies

Legislative Changes

Pursuant to the CMB's decision dated December 28, 2023 and numbered 81/1820, Turkish Accounting / Financial Reporting Issuers subject to financial reporting regulations that apply standards and capital market institutions, It has been decided to apply inflation accounting by applying the provisions of TMS 29 to start from the annual financial reports for the accounting periods ended as of December 31, 2023.

Explanations regarding Privileged Shares and Voting Rights of Shares

In accordance with the articles of association 6, Group A shareholders has privilege rights in the election of members of the Board of Directors . Accordingly, Group A shares have the privilege of nomination to the board of directors and voting at the general assembly, while Group B shares do not have the privilege.

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, 2023, 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 2023 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 2023, 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 2023, 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 2022 activities held in April 2023 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.

The Number of Meetings of the Board of Directors during the Year and the Participation Status of the Members of the Board of Directors

The Board of Directors has met 19 times in 2023. The meetings were held in a physical environment. The majority of its members participated in the meetings on a largely regular basis and the members of the Board of Directors participation rate in the meetings were 85%.

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.

Amendments to the Articles of Association

Due to the increase of the issued capital from TL 110,000,000 to TL 220,000,000 in 2023, 6th of the articles of association entitled "The Company's Capital" has been amended.

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.

Significant Events During and After the Annual Report Period

Our material event disclosure dated 05.01.2023

*Carrying all the criteria of Independent Board Membership and presenting her consent with a declaration of independence Dear Prof.Dr.Duygun Erol BARKANA was elected to serve as an Independent Member of the Board of Directors until the end of the term of office of the departing member in accordance with the provision of Article 363 of the Turkish Commercial Code and submitted for the approval of shareholders at the first General Assembly Meeting to be held,

*Corporate Governance Committee Presidency, where the resigned independent board member is responsible, the newly appointed independent board member Dear Prof.Dr.Duygun Erol BARKANA is fulfilled Chairman of the Audit Committee and the Chairman of the Early Detection of Risk Committee was decided unanimously by the participants.

Our material event disclosure dated 16.01.2023

6362 Capital Markets Law (CMB) II-17.1 "Corporate Governance Communiqué" provisions have been amended on October 02, 2020 in order to ensure the "sustainability" of publicly traded partnerships 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 establish committees responsible for the implementation of policies by determining the issues they prioritize in these areas and creating their policies.

By evaluating these developments; Anatolia Diagnostics and Biotechnology Products Research and Development Industry and Ticaret Anonim Şirketi's sustainability strategy in the fields of environmental, social and corporate governance determination, implementation by creating policy, target and implementation plans in the field of sustainability, monitoring and to report to the Board of Directors in order to fulfill the tasks of improvement and development with supervision and supervision Establishment of the Sustainability Committee, acceptance of the duties and working principles of the Sustainability Committee with Annex, Duygun Erol BARKANA was appointed as the Chairman of the Sustainability Committee and Serra Ekin ŞEKERCI was appointed as a member, the decision was made unanimously by the participants.

#Our material event disclosure dated 19.01.2023

As Anatolia Tanı ve Biyoteknoloji A.Ş., its address and headquarters is in Amsterdam/Netherlands. RhineGene Bulgaria EOOD (Trade Registry Number 207028328), a subsidiary of our partnership RhineGene B.V. The procedures to increase its capital from 50,000 Leva to 350,000 Leva have been completed and as of 18.01.2023 We have been informed that it has been registered.

Our material event disclosure dated 19.01.2023

Capital Markets Board ("CMB") "Corporate Governance Communiqué" numbered II-17.1 and its annex Independent board of directors regulated in principle no. 4.3.6 of the Market Board Corporate Governance Principles within the framework of the criteria for membership; The report of the Corporate Governance Committee dated 18/01/2023 as a result of the discussion, the candidates who meet all the criteria for

Independent Board Membership and have independence Capital Markets Board for the candidacy of Prof. Dr. Işıl KURNAZ and Prof. Dr. Duygun Erol BARKANA, who submitted their statements as Independent Board Member is required to obtain a conformity opinion from the Board, and after a positive opinion is expressed to be submitted to the approval of the shareholders at the first General Assembly Meeting to be held to serve, it was decided unanimously by the participants.

**# Our material event disclosure dated 14.03.2023
By our company's board of directors;**

Capital Markets Board (CMB) Series: II 14.1. Within the framework of the provisions of the Communiqué No. prepared in accordance with Reporting Standards and prepared audited by Eren Bağımsız Denetim A.Ş. According to our financial statements for the accounting period 01.01.2022 - 31.12.2022, 327,693,038.87 TL distributable net profit for the period was obtained and the principles stated in our Profit Distribution Policy and Article 13 of our Articles of Association within the framework and in accordance with the attached profit distribution table

I. Regulations and decisions of the Turkish Commercial Code and the Capital Markets Board regarding profit distribution

The net distributable profit calculated within the framework of; gross 131,077,215.35 TL as cash dividends distribution to partners,

ii. The distribution of cash dividends to be distributed to shareholders will be made in cash on 03 May 2023, The profit distribution proposal, which includes authorizing the Board of Directors on this matter, will be submitted to the 2022 Ordinary General Assembly.

It was unanimously decided by those who attended the meeting to submit it to the approval of the shareholders.

Our material event disclosure dated 14.03.2023

i) Within the authorized capital of our company amounting to 500.000.000 TL, the current one is 110.000.000 TL a total of 110.000.000 TL of the issued capital will be covered from the Emission Premium account of 110.000.000 TL To increase by TL to 220.000.000 TL,

ii) A new one will be issued within the scope of increasing the company's capital by 100% free of charge, TL 20,000,000 Group (A) of 20,000,000 pieces with a nominal value of TL and group (B) of 90,000,000 pieces with a nominal value of TL 90,000,000

the shares shall be distributed to the shareholders free of charge in the ratio of their existing shares in the Company's capital and the Capital Market

Duly distributed within the framework of the regulations of the Legislation on the registration system,

iii) Within the scope of this decision, the Capital Markets Board, Borsa İstanbul A.Ş., Central Registry Agency A.Ş.

in particular, it is necessary to make the necessary applications before the relevant authorities and to obtain all the necessary documents for this was decided unanimously by those who participated in its preparation.

Our material event disclosure dated 14.03.2023

It was unanimously decided by our Board of Directors,

The company's partners will meet on Monday, 10.04.2023, to discuss the following agenda items, General Assembly for 2022 at 11:00 at Hasanpaşa Mahallesi, Beydağı Sokak, No:1-9H Sultanbeyli/İstanbul

Invitation to the General Assembly Meeting, the date, place and agenda of the Ordinary General Assembly Meeting are published in the Trade Registry Gazette, Public Disclosure Platform, announcement at the Central

Registry Agency and on the company website,
An application was made to the Istanbul Provincial Regional Directorate of the Ministry of Commerce of the Republic of Turkey and the Ministry Representative was present at the meeting.

Our material event disclosure dated 17.03.2023

The investor presentation regarding our company's 2022 financials is available for the information of our investors on our company website.

Our material event disclosure dated 24.03.2023

By the board of directors of our company;
Within the advanced capital of our company of 500,000,000 TL (five hundred million Turkish Liras), 110,000,000 TL (one hundred million Turkish Lira) of the issued shares representing the capital of 110,000,000 TL (one hundred million Turkish Lira) increased to 220,000,000 TL (two hundred million Turkish Lira) by increasing the issued capital of 110,000,000 TL (one hundred million Turkish Lira), in accordance with the procedures and principles specified in the registered capital system, by covering all of the issued capital in the amount of 110,000,000 TL (one hundred million Turkish Lira) by covering the emission premium account (free of charge since it was determined by the Certified Public Accountant's Report that it was transferred from the relevant accounts to the company capital account on March 23, 2023, to notify the Capital Markets Board of the conclusion of the transactions; 6 Of the Company's articles of association entitled "Capital" due to the capital increase to amend the article in accordance with the text of the amendment;

In order to obtain the necessary permits for the purpose of changing the Company's articles of association in the attached way to submit an application to the Board of Capital Markets;

In order to make amendments to the articles of association if the necessary permits are obtained, the relevant legislation and the Company are based on unanimous agreement of participants in the performance of all other actions that may be required in accordance with the provisions of the agreement the decision has been made with,

In accordance with the decision of the Board of Directors, the CMB application for capital increase and amendment of the articles of association was made on March 24, 2023

Our material event disclosure dated 29.03.2023

As Anatolia Tanı ve Biyoteknoloji A.Ş, its address and administrative center are affiliated with a resident in Amsterdam/The Netherlands, RhineGene POLAND Sp., a subsidiary of our partnership RhineGene B.V. z o.o (Trade Registry Number 7252323249) increasing the capital of the company from PLN 5,000 to PLN 1,500,000 on the date of 29.03.2023 by completing the procedures for increasing the capital of the company from PLN 5,000 to PLN 1,500,000 the information that it has been registered as of has been transmitted to us.

Our material event disclosure dated 10.04.2023

Ordinary General Assembly Meeting for the Year 2022 held on Monday, 10.04.2023 at 11:00 at the company headquarters has been carried out.

Our material event disclosure dated 17.04.2023

The 2022 Ordinary General Assembly Meeting was registered and announced in the trade registry gazette number 10813 and dated 17.04.2023 (today).

At the general assembly meeting of our company held on 10.04.2023, the accounting period 01.01.2023 - 31.12.2023 PKF Aday Independent Audit Inc. as an independent auditing company for the auditing of financial reports. The decision regarding the election was registered by the Istanbul Trade Registry Office on 17.04.2023 announced in the Trade Registry Gazette dated April 2023 and numbered 10813.

Our material event disclosure dated 17.04.2023

By our company's board of directors;
Our 100% subsidiary RhineGene B.V. with its address and headquarters in Amsterdam/Netherlands (Trade Registration N: 85448982) participated in the decision to increase the company capital from 1,000,000 EUR to 2,000,000 EUR It was unanimously decided by those who attended to the meeting.

Our material event disclosure dated 17.05.2023

Approval of the issue document of our company regarding the free capital increase and the articles of association of our company 6, titled "Capital." our application for the amendment of the article of the Capital Markets Board dated 05.05.2023 and approved by the decision numbered 25/531 and dated 12.05.2023 and E-29833736-105.01.01.01-37323 with a numbered inscription it has been forwarded to our side.

Our material event disclosure dated 26.10.2023

Announced with a material event disclosure on May 03, 2023., our 100% subsidiary RhineGene B.V's, (Trade Registry Number 85448982) regarding the increase of the company's capital from 1.000.000 EUR to 2.000.000 EUR we have received a letter stating that the process has been completed.

Our material event disclosure dated 07.11.2023

A subsidiary of our company under the roof RhineGene B.V . which was established to carry out sales and marketing activities in Germany, it has been notified to us that it has been completed and started its activities as of 03.11.2023 the establishment transactions of RhineGene Germany GmbH (Tax ID Number: 143/175/51763)

Our material event disclosure dated 15.11.2023

Our company submitted an offer to the request of the World Health Organization (WHO) Turkey Office for the purchase of Respiratory Tract PCR Kits, and the supply of the relevant item from our company was found appropriate. The delivery of these kits is planned as of the end of November 2023.

Our material event disclosure dated 17.11.2023

A contract worth TL 17.164.654,92 has been signed between our company and a public institution on Dec. 16.11.2023 for the purchase of various PCR kits



**INDEPENDENT
AUDITOR'S REPORT
AND FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**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 2023.

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 May 10, 2024 on the full set consolidated financial statements of the Group for the period of 1 January - 31 December 2023.

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 Communiqué 11-14.1 on the Principles of Financial Reporting In Capital Markets ("the Communiqué") of the Capital Market Board ("CMS"), the management of the Group is responsible for the following items:

- 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.
- 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.
- 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.

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 Communiqué, 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 Yunus Can Çarpatan

PKF Aday Bağımsız Denetim A.Ş.
(A Member Firm of PKF International)



Yunus Can Çarpatan

Partner

İstanbul, 10 May 2024

INDEPENDENT AUDITOR'S REPORT

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

Independent Audit of Consolidated Financial Statements**Opinion**

We have audited the financial statements of Anatolia Tanı Ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi Ve Ticaret Anonim Şirketi ("the Company" or "Anatolia") and its Subsidiary (together "the Group"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRSs).

Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards published by the Capital Markets Board (CMB) and the Independent Auditing Standards (ISAs), which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority (KGK). Our responsibilities under these standards are described in detail in the "Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements" section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by KGK and the ethical requirements in the regulations issued by KGK that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Within the scope of the "Announcement on Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation" dated 23 November 2023 published by the KGK, the financial statements dated 31 December 2023 were subject to inflation adjustment within the scope of TMS 29 "Financial Reporting in Economies with High Inflation" standard. In this context, we draw attention to footnote No. 2, which contains explanations regarding the transition to inflation accounting. This issue does not affect the opinion given by us.

**ANATOLIA TANI VE BİYOTEKNOLOJİ
ÜRÜNLERİ AR-GE SANAYİ VE TİCARET A.Ş.
AND GROUP COMPANIES CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 31 DECEMBER 2023**

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The matters described below have been identified as key audit matters and disclosed in our report:

Key Audit Matter	Key Audit Subject How it is Handled in Audit
Recognition of Revenue	
<p>The Group's revenue within the scope of its core business consists of revenue from the sales of diagnostic kits and devices that the Group manufactures and sells.</p> <p>Revenue has been identified as a key audit matter because it is an important measurement criterion in terms of evaluating the results of the strategy implemented during the year and monitoring performance, and because of its inherent risks of fraud and error.</p> <p>The Company recognizes revenue when it fulfills its performance obligation by transferring control of the products to its customers.</p> <p>As of December 31, 2023, the Group's sales revenue is TL 238.205.645 and the related accounting policies are disclosed in Note 2.</p>	<p>During our audit, we performed the following audit procedures related to revenue recognition.</p> <p>Evaluated the design, implementation and testing of internal controls over the revenue process. We tested the Group's internal controls over the sales process by using the sampling method to cover the IT processes.</p> <p>The substantive procedures focused on the assessment of instances where revenue was invoiced but not earned.</p> <p>In order to test the completeness, accuracy and correctness of the transactions selected by the sampling method, customer-based sales contracts, calculation tables for commission income and income records were compared with sales invoices.</p> <p>In addition, we assessed the adequacy of the disclosures in Note 23, Revenue, in accordance with TFRS 15.</p>

Other Matter

The Group's financial statements for the year ended 31 December 2022 have been audited by another auditor who expressed an unqualified opinion on March 10, 2023.

Management's and Senior Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with TFRSs and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an audit, we, the independent auditors, are responsible for the following: Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also consider:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements give a true and fair view of the underlying transactions and events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We are also solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have communicated to those charged with governance that we comply with relevant ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards

From the matters communicated to those charged with governance, we determine those matters that were of most significance in our audit of the financial statements of the current period, that is, key audit matters. We may decide not to disclose a matter in our auditor's report if the matter is not permitted by law or in very exceptional circumstances where the adverse consequences of disclosure could reasonably be expected to outweigh the public interest in disclosure.

Other Liabilities Arising from Legislation

1. In accordance with paragraph four of Article 402 of the Turkish Commercial Code ("TCC") No. 6102, nothing has come to our attention that may cause us to believe that the Company's bookkeeping activities and financial statements for the period 01.01.-31.12.2023 are not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
2. Pursuant to subparagraph 4 of Article 402 of the TCC, the Board of Directors provided us with the necessary explanations and requested documents within the scope of audit.
3. 6102 The Auditor's Report on the Early Detection of Risk System and Committee prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") has been submitted to the Company's Board of Directors on May 10, 2024. The Auditor's Report on the Early Detection of Risk System and Committee prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") was submitted to the Company's Board of Directors on May 10, 2024.

The engagement partner on the audit resulting in this independent audit is Yunus Can Çarpatan

PKF Aday Bağımsız Denetim A.Ş.
(A Member Firm of PKF International)



Yunus Can Çarpatan
Partner

İstanbul, 10.05.2024

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ASSETS	Notes	Audited 31 December 2023	Audited 31 December 2022
Current Assets			
Cash and cash equivalents	4	301.732.038	487.793.245
Financial investments	5	58.370.744	166.576.945
Trade receivables	6	77.924.261	87.248.839
- <i>Due from third parties</i>		77.924.261	87.248.839
Other receivables	8	17.646.875	10.483.030
- <i>Other receivables from third parties</i>		17.646.875	10.483.030
Inventories	9	226.095.596	294.568.862
Prepaid expenses	10	9.328.379	5.338.081
Current tax assets		13.289.876	7.044.284
Other current assets	11	25.337.481	34.077.015
TOTAL CURRENT ASSETS		729.725.250	1.093.130.301
Non-current Assets			
Financial investments		852.876	149.809
Other receivables		917.823	572.916
- <i>Other receivables from third parties</i>	8	917.823	572.916
Tangible assets	12	16.946.661	18.520.395
Right use of assets	14	444.906.886	429.334.766
Intangible assets	13	159.242.346	108.004.728
- <i>Other intangible assets</i>		159.242.346	108.004.728
Prepaid expenses	10	543.315	373.355
Deferred tax assets		--	--
Other current assets		--	104.314
TOTAL NON-CURRENT ASSETS		623.409.907	557.060.283
TOTAL ASSETS		1.353.135.157	1.650.190.584

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

Anatolia Tam ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Financial Position for The Years Ended 31 December 2023 and 31 December 2022
(Amounts expressed in TL unless otherwise indicated.)

LIABILITIES	Notes	Audited 31 December 2023	Audited 31 December 2022
Current Liabilities			
Lease liabilities	15	1.880.205	1.747.476
Short-term borrowings	16	280.763	1.517.371
Short-term portion of long-term borrowings	16	7.286.134	555.766
Trade payables	6	10.845.783	10.611.747
- Due to related parties	7	--	561.097
- Due to third parties		10.845.783	10.050.650
Employee benefit obligations	19	6.296.634	2.660.921
Other Payables	8	4.655.168	2.546.556
- Due to third parties		4.655.168	2.546.556
Deferred income	10	4.521.632	987.889
Provisions		--	--
- Provisions for employee benefits	17	4.944.929	2.759.856
Other current liabilities	11	4.944.929	2.759.856
Other short-term liabilities		5.773.111	2.696.743
TOTAL CURRENT LIABILITIES		46.484.359	26.084.325
Non-current liabilities			
Long-term borrowings	16	--	484.561
Lease liabilities	15	14.978.186	17.648.170
Deferred income		2.224.250	--
Long-term provisions		2.832.985	13.387.223
- Long-term provisions for employee benefits	17	2.832.985	13.387.223
Deferred tax liabilities	20	73.364.279	84.906.970
TOTAL NON-CURRENT LIABILITIES		93.399.700	116.426.924
EQUITY			
Equity attributable to owners of the Company		1.213.251.098	1.507.679.335
Share capital	21	220.000.000	110.000.000
Adjustment to share capital		332.390.082	281.309.712
Share premium		531.050.288	692.130.658
Other accumulated comprehensive income and expense not to be reclassified to profit or loss		1.616.482	(3.013.495)
- Gain/loss arising from defined benefit plans		1.616.482	(3.013.495)
Other accumulated comprehensive income and expense to be reclassified to profit or loss		54.131.603	32.189.833
- Currency translation reserve		54.131.603	32.189.833
- Other gains/ losses		--	--
Restricted reserves		157.448.797	120.252.025
Retained earnings		53.284.237	295.874.923
Profit for the period		(136.670.391)	(21.064.321)
Non-controlling interests	21	--	--
TOTAL SHAREHOLDER'S EQUITY		1.213.251.098	1.507.679.335
TOTAL LIABILITIES		1.353.135.157	1.650.190.584

The accompanying notes form an integral part of these consolidated financial statement.

Anatolia Tam 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 2023 and 2022
(Amounts expressed in TL unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2023	Audited 1 January - 31 December 2022
Revenue	23	238.205.645	468.380.164
Cost of sales (-)	23	(48.071.287)	(66.770.445)
GROSS PROFIT		190.134.358	401.609.719
General administrative expenses (-)	25	(117.977.243)	(98.151.780)
Marketing expenses (-)	24	(73.697.378)	(53.000.852)
Research and development expenses (-)	26	(8.999.290)	(5.884.955)
Other income from operating activities	27	148.116.827	158.456.861
Other expenses from operating activities (-)	27	(66.456.208)	(37.146.892)
OPERATING PROFIT		71.121.066	365.882.101
Other income from investing activities		16.684.513	71.477.445
Other income from investing activities (-)	28	(9.599.097)	--
OPERATING INCOME BEFORE FINANCIAL INCOME/(EXPENSE)		16.684.513	71.477.445
Finance expenses (-)	29	(21.765.537)	(21.038.803)
Finance income	29	121.906.062	222.910.190
Monetary position gain/(loss)		(324.456.624)	(593.409.364)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(146.109.617)	45.821.569
Tax income/(expense), continuing operations		9.439.226	(55.877.232)
Tax expenses		(1.359.984)	(5.093.802)
Deferred tax expense / incomes	20	10.799.210	(50.783.430)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		(136.670.391)	(10.055.663)
NET PROFIT FOR THE PERIOD		(136.670.391)	(10.055.663)
Attributable to:			
Non-controlling interests		--	11.008.658
Equity holders of the parent		(136.670.391)	(21.064.321)
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss		4.629.977	(3.013.495)
Gain/ loss arising from defined benefit plans		6.012.957	(3.814.551)
Not to be reclassified to profit or loss, tax effect		(1.382.980)	801.056
-Deferred tax income/(expense)		(1.382.980)	801.056
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		21.941.770	22.746.796
Foreign Currency Translation Differences		21.941.770	22.746.796
OTHER COMPREHENSIVE INCOME		26.571.747	19.733.301
TOTAL COMPREHENSIVE INCOME		(110.098.644)	9.677.638
Attributable to		(110.098.644)	55.206.328
Non-controlling interests		--	--
Equity holders of the parent		(110.098.644)	55.206.328

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

Anatolia Tam 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 2023 and 31 December 2022
(Amounts expressed in TL unless otherwise indicated.)

	Share capital (Note 21)	Share capital adjustments (Note 21)	Share premium/(discount) (Note 21)	Share (Note 21)	Other comprehensive income not to be reclassified under profit and loss (Note 21)	Other comprehensive income to be reclassified under profit and loss (Note 21)	Restricted reserves (Note 21)	Retained earnings (Note 21)	Net income/(loss) (Note 21)	Equity holders of the parent (Note 21)	Non-controlling interest (Note 21)	Total equity (Note 21)
Balance at January 1, 2022	110.000.000	281.309.712	684.157.140	--	9.443.037	22.830.402	977.868.001	--	2.085.608.292	63.089.350	2.148.697.642	
Transfers	--	--	--	--	--	97.421.623	(97.421.623)	--	--	--	--	--
Total comprehensive income	--	--	--	--	(3.013.495)	22.746.796	--	--	(21.064.321)	(1.331.020)	11.008.658	9.677.638
Dividends	--	--	--	--	--	--	--	--	--	(584.571.455)	--	(584.571.455)
Increase/(decrease) through-share based transactions	--	--	7.973.518	--	--	--	--	--	--	7.973.518	(74.098.008)	(66.124.490)
As of December 31, 2022	110.000.000	281.309.712	692.130.658	--	32.189.833	120.252.025	295.874.923	295.874.923	21.064.321	1.507.679.335	--	1.507.679.335
Balance at January 1, 2023	110.000.000	281.309.712	692.130.658	--	32.189.833	120.252.025	295.874.923	295.874.923	21.064.321	1.507.679.335	--	1.507.679.335
Transfers	--	--	--	--	--	37.196.772	(37.196.772)	--	21.064.321	--	--	--
Capital increase	110.000.000	51.080.370	(161.080.370)	--	--	--	--	--	--	--	--	--
Total comprehensive income	--	--	--	4.629.977	21.941.770	--	--	--	(136.670.391)	(110.098.644)	--	(110.098.644)
Dividends	--	--	--	--	--	--	--	--	--	(184.329.593)	--	(184.329.593)
Increase/(Decrease) from to Other Changes	--	--	--	--	--	--	--	--	--	--	--	--
As of December 31, 2023	220.000.000	332.390.082	531.050.288	1.616.482	54.131.603	157.448.797	53.284.237	53.284.237	(136.670.391)	1.213.251.098	--	1.213.251.098

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

Anatolia Tam ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies
Consolidated Statements of Cash Flows For The Periods Ended at 1 January – 31 December 2023 and 31 December 2022
(Amounts expressed in TL unless otherwise indicated.)

	Dipnot	Audited 1 January- 31 December 2023	Audited 1 January- 31 December 2022
A. Cash flow from Operating activities		66.874.291	596.434.982
Income for the period		(136.670.391)	(10.055.663)
<i>Adjustments to reconcile net profit (loss) for the period to cash flows from operating activities</i>			
Adjustments Related to Depreciation and Amortization Expenses		61.708.918	59.638.775
Provision for employment termination benefit		101.589	5.838.603
Provision for unused vacation		1.641.384	912.237
Adjustments for Interest (Income) and Expenses		(39.931.490)	(81.791.307)
Provision for impairment of inventories		(532.474)	2.681.708
Adjustments related to unrealized foreign currency translation differences		3.375.192	16.990.254
Adjustments Related to Tax (Income) Expense		(9.439.226)	55.877.232
Monetary (Gain) / Loss		84.856.253	587.078.670
Changes in working capital		(34.890.245)	637.170.509
Adjustments for Decrease (Increase) in Trade Receivables		11.318.296	108.217.133
Adjustments for Decrease (Increase) in Other Receivables Related to Operations		1.620.557	(1.175.641)
Other cash inflows/(outflows)		(1.188.016)	(34.517.458)
Adjustments for Decrease (Increase) in Inventories		80.371.824	(84.186.715)
Decrease (Increase) in Prepaid Expenses		(5.049.776)	17.205.354
Adjustments related to increase (decrease) in trade payables		284.076	(15.161.473)
Increase (Decrease) in Employee Benefit Payables		4.413.076	(3.326.471)
Adjustments Related to Increase (Decrease) in Other Payables Related to Operations		6.293.597	(13.810.913)
Increase (Decrease) in Deferred Income		6.989.128	(13.283.860)
Total Adjustments		70.162.517	597.130.471
Cash Flows from Operating Activities			
Payments made within the scope of provisions for employee benefits		(1.076.160)	(206.955)
Tax Refunds (Payments)		(2.212.066)	(488.534)
Total		66.874.291	596.434.982
B. Cash flows used in investing activities		66.301.275	(211.988.293)
Cash outflows related to acquisition of additional shares in subsidiaries (-)	12,13,14	--	(109.574.190)
Cash inflows from sale of property, plant and equipment and intangible assets		8.251.595	3.077.640
Cash outflows from the acquisition of property, plant and equipment and intangible assets	12,13,14	(62.418.102)	(141.337.233)
Adjustments related to (increase)/decrease in financial investments		107.503.134	(26.300.557)
Interest Received	5	12.964.649	62.146.046
C. Cash flows from financing activities		(154.890.808)	(545.487.469)
Cash inflows and (outflows) related to debt payments, net		3.920.524	12.697.844
Cash outflows related to debt payments arising from finance lease agreements		(1.448.580)	(1.401.310)
Dividends Paid		(184.329.593)	(584.571.455)
Interest Paid		(3.374.565)	(3.485.720)
Interest Received		30.341.406	31.273.172
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)		(21.715.242)	(161.040.780)
D. Inflation Effect on Cash		(164.345.965)	(731.861.637)
Net increase (decrease) in cash and cash equivalents (A+B+C+D)		(186.061.207)	(892.902.417)
E. Cash and Cash Equivalents at the Beginning of the Period		487.793.245	1.194.274.148
Cash and cash equivalents at the end of the period (A+B+C+D)	4	301.732.038	301.371.731

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

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

The main field of Anatolia Tam 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 2023 the total number of employees of the Group is 257.

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 2023, the Company has 32,45% of shares registered in BIST (Note 21).

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 / İstanbul.

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

Subsidiaries

As of 31 December 2023, 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	Establishing or acquiring companies and businesses 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
RhineGene Germany ("RhineGene GE") (*****)	Germany	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.

(*) Within the scope of its growth strategy in international markets, the company established and registered its RhineGene B.V subsidiary, located in the Netherlands, with a capital of 2,000,000 Euros, in which it fully participates, on 09.02.2022.

(**) 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.

(***** RhineGene Germany was established on 03.11.2023, 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 4 October 2022 and Financial Statement Examples and User Guide published by CMB.

Approval of consolidated financial statements

Consolidated financial statements as of 1 January - 31 December 2023 have been approved by the Board of Directors and authorized for publication on 10 May 2024 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.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023. Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Indeks	Conversion Factor	Three Year Inflation Rate
31 December 2023	1.859.38	1.0000	268%
31 December 2022	1.128.45	1.6477	156%
31 December 2021	686.95	2.7067	74%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.

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

2.1. Basis of presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

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.

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.

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. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1
Amendments to TAS 8
Amendments to TAS 12

Disclosure of Accounting Policies
Definition of Accounting Estimates
Deferred Tax related to Assets and Liabilities arising from a Single Transaction
International tax reform - pillar two model rules

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 International Tax Reform - Pillar two model rules

These amendments provide a temporary exception to the requirements for deferred tax assets and liabilities related to Pillar two model income tax.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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

2.5. New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Agreements</i>
IFRS S1	<i>General Requirements for Disclosure of Sustainability-Related Financial Information</i>
IFRS S2	<i>Climate-related Disclosures</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

Amendments to TFRS 17 Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information

Amendments have been made to TFRS 17 to reduce implementation costs, improve disclosure of results and ease transition.

The amendment also permits entities that are first-time adopters of TFRS 7 and TFRS 9 to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset.

These amendments will be applied when TFRS 17 is first adopted.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

2.5. New and Amended Turkish Financial Reporting Standards (cont'd)

Amendments to TFRS 16 Lease Liability in a Sale and Leaseback

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 Non-current Liabilities with Covenants

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 on Supplier Finance Arrangements

Amendments to IAS 7 and IFRS 7 on Supplier Finance Arrangements; effective from annual periods beginning on or after 1 January 2024.

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

IFRS 1, 'General requirements for disclosure of sustainability-related financial information;

IFRS 1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions.

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

IFRS 2, 'Climate-related disclosures';

IFRS 2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024.

This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

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.

As of 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022:

Subsidiaries	31 December 2023	31 December 2022
Alpha IVD SRL ("Alpha") (*)	100.00%	100.00%
Euronano Diagnostics (Private) Limited ("Euronano")	99.99%	99.99%
RhineGene B.V. ("RhineGene")	100%	100%
RhineGene Philippines ("RhineGene PH")	100%	100%
RhineGene Bulgaria ("RhineGene BG")	100%	100%
RhineGene Poland ("RhineGene PL")	100%	100%
RhineGene Germany ("RhineGene GE")	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.

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

2.6. Summary of significant accounting policies (Continued)

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 insignificant.

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:

	<u>Year</u>
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)

2.6. 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:

	<u>Year</u>
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 or 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 life 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.

Current tax: The tax currently payable is based on taxable profit for the year.

Deferred tax: 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.

Equipment rental revenue

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)

2.6. 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 2023	31 December 2022
US Dollars	29,4382 TRY	18.7029 TRY
Euro	32,5739 TRY	19.9806 TRY
PKR	0,1050 TRY	0.0820 TRY
PLN (Zloti)	7,5187 TRY	4.2641 TRY
LEVA	16,5611 TRY	10.1354 TRY
PHP	0,5312 TRY	0.3364 TRY

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. SHARES IN OTHER BUSINESS

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

	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>Alpha IVD S.p.A</u>	<u>Alpha IVD S.p.A</u>
	<u>(Italy)</u>	<u>(Italy)</u>
	<u>Solo</u>	<u>Solo</u>
Current assets	119.633.407	90.102.530
Non-current assets	37.125.463	28.792.650
Total assets	156.758.870	118.895.180
Current liabilities	6.982.068	8.085.184
Non-current liabilities	1.654.825	795.921
Total debts	8.636.893	8.881.105
Net assets	148.121.977	110.014.075
Profit Loss for the period:		
Revenue	24.674.814	61.733.940
Profit / (Loss) for the period	(23.569.531)	8.511.355
Profit Loss for the period:	(23.569.531)	8.511.355
	<u>31 December 2023</u>	<u>31 December 2022</u>
	<u>Euronano</u>	<u>Euronano</u>
	<u>(Pakistan)</u>	<u>(Pakistan)</u>
	<u>Solo</u>	<u>Solo</u>
Current assets	33.247.309	37.569.007
Non-current assets	5.464.842	4.573.486
Total assets	38.712.151	42.142.493
Current liabilities	80.893.207	55.413.972
Total debts	80.893.207	55.413.972
Net assets	(42.181.056)	(13.271.479)
Profit Loss for the period:		
Revenue	4.891.386	9.122.749
Profit / (Loss) for the period	(20.092.027)	(8.319.562)
Profit Loss for the period:	(20.092.027)	(8.319.562)

3. SHARES IN OTHER BUSINESS (continued)

	31 December 2023	31 December 2022
	RhineGene B.V. (Hollanda) Solo	RhineGene B.V. (Hollanda) Solo
Current assets	31.397.853	9.169.119
Non-current assets	15.482.004	7.702.208
Total assets	46.879.857	16.871.327
Current liabilities	672.312	88.498
Total debts	672.312	88.498
Net assets	46.207.545	16.782.829
Profit Loss for the period:		
Profit / (Loss) for the period	(4.967.165)	(905.935)
Profit Loss for the period:	(4.967.165)	(905.935)

	31 December 2023	31 December 2022
	RhineGene Philippines Solo	RhineGene Philippines Solo
Current assets	1.805.490	4.198.373
Non-current assets	1.452.455	470.351
Total assets	3.257.945	4.668.724
Current liabilities	9.919.204	5.284.690
Total debts	9.919.204	5.284.690
Net assets	(6.661.259)	(615.966)
Profit Loss for the period:		
Revenue	--	--
Profit / (Loss) for the period	(4.715.636)	--
Profit Loss for the period:	(4.715.636)	--

3. SHARES IN OTHER BUSINESS (continued)

	31 December 2023	31 December 2022
	RhineGene Bulgaria Solo	RhineGene Bulgaria Solo
Current assets	5.775.408	5.402.169
Non-current assets	481.284	50.677
Total assets	6.256.692	5.452.846
Current liabilities	7.498.687	3.070.132
Non-current liabilities	7.498.687	3.070.132
Total debts	(1.241.995)	2.382.714
Net assets		
Profit Loss for the period:		
Revenue	1.762.160	--
Profit / (Loss) for the period	(4.020.337)	--
Profit Loss for the period:	(4.020.337)	--

	31 December 2023	31 December 2022
	RhineGene Poland Solo	RhineGene Poland Solo
Current assets	22.307.156	126.536
Non-current assets	--	345.392
Total assets	22.307.156	471.928
Current liabilities	19.697.096	1.119.304
Total debts	19.697.096	1.119.304
Net assets	2.610.060	(647.376)
Profit Loss for the period:		
Revenue	9.727.193	--
Profit / (Loss) for the period	(4.660.508)	--
Profit Loss for the period:	(4.660.508)	--

	31 December 2023	31 December 2022
	RhineGene Germany Solo	RhineGene Germany Solo
Current assets	2.079.123	--
Non-current assets	2.034.202	--
Total assets	4.113.325	--
Current liabilities	7.071.679	--
Total debts	7.071.679	--
Net assets	(2.958.354)	--
Profit Loss for the period:		
EBITDA		
Profit / (Loss) for the period	(2.955.142)	--
Profit Loss for the period:	(2.955.142)	--

4. CASH AND CASH EQUIVALENTS

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

	31 December 2023	31 December 2022
Cash in hand	1.761	188.858
Cash at banks	301.649.538	487.604.400
- Demand deposit	180.416.497	320.111.743
- Time deposit less than 3 months	121.233.041	167.492.644
Other cash and cash equivalents	80.739	--
	301.732.038	487.793.245

Currency	Interest rate	Maturity	31 December 2023
TRY	29.98%-38.97%	January 2024	5.727.199
USD	5%	January 2024	43.439.261
EUR	2.21%	January 2024	72.066.581
			121.233.041

Currency	Interest rate	Maturity	31 December 2022
TRY	14.00%-26.75%	January 2023	5.108.209
USD	1.25%-3.55%	January -March 2023	92.327.852
EUR	2%	January 2023	70.056.583
			167.492.644

5. FINANCIAL INVESTMENTS

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

	31 December 2023	31 December 2022
Fair value through	58.370.744	124.439.887
Financial assets at fair value through profit or loss	--	42.137.058
-Currency-protected deposits	--	42.137.058
	58.370.744	166.576.945

6. TRADE RECEIVABLES AND PAYABLES

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

	31 December 2023	31 December 2022
Short-term trade receivables		
Trade receivables	74.584.742	83.752.704
Trade receivables from related parties	--	--
Trade receivables from third parties	74.584.742	83.752.704
Notes receivable	3.339.519	3.354.561
Income accruals	--	141.580
Doubtful trade receivables (*)	910.567	777.590
Provision for doubtful trade receivables (-)	(910.567)	(777.596)
	77.924.261	87.248.839

As of 31 December 2023, the average maturity of the Group's trade receivables is 90 days. (31 December 2022: 90 days).

Explanations on the nature and level of risks in trade receivables are given in Note 31.

6. **TRADE RECEIVABLES AND PAYABLES (continued)**

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

	1 January- 31 December 2023	1 January- 31 December 2022
Balance at beginning of the period	777.596	1.287.122
Current year additions (Note 29)	98.541	70.350
Provisions no longer required	--	(251.897)
Currency translation differences	220.948	72.974
Inflation adjustments	(186.518)	(400.959)
End of the period	910.567	777.590

The details of the trade payables are as follows:

	31 December 2023	31 December 2022
Short-term trade payables		
Trade payables	5.996.661	7.010.820
Expense Accruals	2.502.201	1.056.750
Trade payables to related parties (Note 8)	--	561.097
Other trade payables	2.346.921	1.983.080
	10.845.783	10.611.747

As of 31 December 2023, the average maturity of the Group's trade receivables is 90 days. (31 December 2022: 74 day).

Explanations on the nature and level of risks in trade payables are given in Note 30.

7. **RELATED PARTIES TRANSACTION**

	31 December 2023	31 December 2022
Trade payables to related parties		
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	--	561.097
	--	561.097

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

	1 January- 31 December 2023	1 January- 31 December 2022
Anatolia Makine Sanayi ve Ticaret Ltd. Şti. (*)	280.587	14.987
	280.587	14.987

(*) 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 2023 is TRY 6.626.824 (31 December 2022: TRY 8.221.138).

8. **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 2023	31 December 2022
Deposits and guarantees given	776.747	740.719
Other receivables(*)	16.870.128	9.742.311
	17.646.875	10.483.030

(*) Other receivables consist of VAT receivables.

Long term other receivables	31 December 2023	31 December 2022
Deposits and guarantees given	917.823	572.916
	917.823	572.916

Short term other payables	31 December 2023	31 December 2022
Free zone overdue deferred tax liabilities	1.596.695	1.392.889
Other payables	3.058.473	1.153.667
	4.655.168	2.546.556

9. **INVENTORIES**

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

	31 December 2023	31 December 2022
Raw materials	92.455.036	130.627.513
Work in Process	--	35.640.640
Finished goods	111.619.347	104.491.063
Trade goods	20.654.072	19.315.533
Other Inventories	8.214.935	9.082.968
Provision for impairment in inventory	(6.847.794)	(4.588.855)
	226.095.596	294.568.862

	31 December 2023	31 December 2022
Balance at beginning of the period	4.588.855	1.115.840
Current year additions (Note 29)	(532.474)	2.681.708
Currency translation differences	2.791.413	791.307
End of the period	6.847.794	4.588.855

10. PREPAID EXPENSES AND DEFERRED INCOME

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

<u>Short-term prepaid expenses</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Advances given to suppliers (*)	6.208.834	2.186.453
Prepaid expenses (**)	3.119.545	3.151.628
	9.328.379	5.338.081

(*) 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.

<u>Long-term prepaid expenses</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Prepaid expenses for the following years	178.203	373.355
Advances given	365.112	--
	543.315	373.355

(*) Advances given consist of prepayments for the modernization and investment of the Group's building in Sultanbeyli which the Group purchased in December 2020 to move its headquarters and R&D center.

<u>Deferred income-short term</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Advances received (*)	4.521.632	987.889
	4.521.632	987.889

(*) Advances received consist of advances received by the Group from customers regarding sales.

11. OTHER ASSETS AND LIABILITIES

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

<u>Other current assets</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Deferred VAT	23.780.321	33.872.206
Other current assets	1.557.160	204.809
	25.337.481	34.077.015
<u>Other short-term liabilities</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Prepaid taxes and dues	5.760.154	2.696.743
Other	12.957	--
	5.773.111	2.696.743

12. PROPERTY, PLANT AND EQUIPMENTS

Movement of property, plant, and equipment for the period 01.01.-31.12.2023 is as follows:

	<u>1 January 2023</u>	<u>Additions</u>	<u>Disposals (-)</u>	<u>Foreign currency translation differences</u>	<u>31 December 2023</u>
Cost					
Land and land improvements	73.311.691	--	--	--	73.311.691
Buildings	190.418.992	3.234.845	--	5.877.545	199.531.382
Machinery and equipment	189.638.170	34.722.321	(12.634.425)	19.564.086	231.290.152
Vehicles	25.875.762	8.176.739	(1.968.013)	1.590.626	33.675.114
Furniture and fixtures	51.393.607	6.633.706	(593.544)	374.520	57.808.289
Other tangible assets	733.584	63.571	--	409.737	1.206.892
Leasehold improvements	18.399.460	451.955	--	43.035	18.894.450
Construction in progress	475.451	--	(335.824)	--	139.627
	550.246.717	53.283.137	(15.531.806)	27.859.549	615.857.598
	<u>1 January 2023</u>	<u>Current year charge</u>	<u>Disposals (-)</u>	<u>Foreign currency translation differences</u>	<u>31 December 2023</u>
Accumulated depreciation					
Buildings	(6.808.462)	(4.046.430)	--	(2.081.938)	(12.936.830)
Machinery and equipment	(80.822.339)	(30.015.565)	6.426.162	(6.953.139)	(111.364.882)
Vehicles	(9.233.880)	(4.593.397)	1.166.301	(126.021)	(12.786.997)
Furniture and fixtures	(13.539.020)	(7.159.747)	105.011	(36.744)	(20.630.501)
Other tangible assets	(114.894)	(76.699)	--	(81.681)	(273.274)
Leasehold improvements	(10.393.356)	(2.551.424)	--	(13.447)	(12.958.227)
	(120.911.951)	(48.443.263)	7.697.473	(9.292.970)	(170.950.712)
Net book value	429.334.766				444.906.886

As of 31 December 2023, property, plant, and equipment are insured for TRY 273.075.000 and there is no mortgage on it (31.12.2022: 74.880.000 TRY).

14. RIGHTS OF USE ASSETS

Movement of rights of use assets for the period 01.01.-31.12.2023 is as follows:

	Buildings	Total
1 January 2023	20.989.779	20.989.779
Additions	(939.320)	(939.320)
31 December 2023	20.050.459	20.050.459
	Buildings	Total
Accumulated depreciation		
1 January 2023	(2.469.384)	(2.469.384)
Effect of change in accounting policies	1.834.970	1.834.970
Period depreciation	(2.469.384)	(2.469.384)
31 December 2023	(3.103.798)	(3.103.798)
Net book value		
31 December 2023	16.946.661	16.946.661
	Buildings	Total
Cost		
1 January 2022	1.211.340	1.211.340
Additions	19.778.439	19.778.439
31 December 2022	20.989.779	20.989.779
	Buildings	Total
Accumulated depreciation		
1 January 2022	(1.087.337)	(1.087.337)
Effect of change in accounting policies	1.087.337	1.087.337
Period depreciation	(2.469.384)	(2.469.384)
31 December 2022	(2.469.384)	(2.469.384)
Net book value		
31 December 2022	18.520.395	18.520.395

15. LEASE LIABILITIES

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

	31 December 2023	31 December 2022
Short-term lease liabilities	1.880.205	1.747.476
Long-term lease liabilities	14.978.186	17.648.170
	16.858.391	19.395.646
	1 January- 31 December 2023	1 January- 31 December 2022
Operating lease as of January 1	19.395.646	--
Current operating lease liability increase	--	20.989.779
Current operating lease liability payment	(1.448.580)	(2.995.443)
Current interest expense	(669.300)	(1.401.310)
Current foreign currency effects	(419.375)	2.802.620
Operating lease at the end of the periods	16.858.391	19.395.646

16. FINANCIAL BORROWINGS

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

	31 December 2023	31 December 2022
Other financial borrowings (*)	7.286.134	555.766
Short-term borrowings	7.286.134	555.766
Short term portion of long term borrowings	280.763	1.517.371
Short-term portion of long-term borrowings	280.763	1.517.371
Long-term borrowings	--	484.561
Long-term borrowings	--	484.561
Total financial borrowings	7.566.897	2.557.698

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

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

	Interest rate	31 December 2023
TRY bank borrowings	10.27% - 23.95%	280.763
		280.763
	Interest rate	31 December 2022
TRY bank borrowings	7.50% - 16.80%	1.214.964
		1.214.964

17. 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 35.058,58 over the 30-day salary as of 31 December 2023 (31 December 2022: TL 19.982,83). 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 2023 and 31 December 2022 are calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

	31 December 2023	31 December 2022
Discount rate	4,69%	--
Estimated rate of salary increasing /inflation rate	22.01%	21.83%
The turnover ratio used to calculate the probability of retirement	95%	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 2023	31 December 2022
Provision for employment termination benefits	2.832.985	13.387.223
	2.832.985	13.387.223

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

	31 December 2023	31 December 2022
Balance at January 1	13.387.223	3.637.551
Provisions	(683.998)	3.893.351
Interest cost	785.587	1.945.252
Actuarial (gain)/ losses	(6.012.957)	3.814.551
Payments during the year	(1.076.160)	(206.955)
Inflation effect	(3.566.710)	303.473
Balance at December 31	2.832.985	13.387.223

17. EMPLOYEE BENEFITS (continued)

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

<u>Short-term provisions</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Provision for vacation pay liability	4.944.929	2.759.856
	4.944.929	2.759.856

Movement of vacation pay provisions as follows:

<u>Short-term provisions</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Balance at January 1	2.759.856	762.709
Current year provision expense (*)	1.641.384	912.237
Inflation effect	543.689	1.084.910
Balance at the end of the periods	4.944.929	2.759.856

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

18. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Guarantees received

As of 31 December 2023, the Group has no guarantees received (31 December 2022: None).

b) Guarantees given

Collaterals/ pledges/ mortgages/bill of guarantees ("CPMB") position of the Group as of 31 December 2023 and 31 December 2022 are as follows:

<u>CPMB's given by the Group</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
A. CPMB's given for Group's own legal personality	11.335.382	6.939.888
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	--	--
	11.335.382	6.939.888

As of 31 December 2023, the ratio of other CPMs given by the Group to the Group's equity is 0% (31 December 2022: 0%).

19. PAYABLES WITHIN BENEFIT TO EMPLOYEES

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

	<u>31 December 2023</u>	<u>31 December 2022</u>
Due to personnel	613.079	585.727
Social security premiums payable	5.683.555	2.075.194
	6.296.634	2.660.921

20. INCOME TAX

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

<u>Current period tax assets:</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Current tax expense	2.212.066	488.534
Prepaid taxes and funds	(2.212.066)	(488.534)
	--	--
	31 December 2023	31 December 2022
Deferred tax assets/liabilities	(1.359.984)	(5.093.802)
Deferred tax income/(expense)	10.799.210	(50.783.430)
	9.439.226	(55.877.232)

Corporation tax

As of 31 December 2023, the corporate tax rate is 25% in Turkey (31 December 2022: 23%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances. With the provision added to Article 35 of the Law No. 7256 and Article 32 If more than 20 percent of its shares are offered to the public for the first time in the Borsa Istanbul market, the Group pays corporate tax with a discount of 2 points for 5 years. As of April 22, 2021, the company's corporate tax rate has been calculated 18%. Accordingly, in the Group's consolidated financial statements as of December 31, 2023, when calculating deferred tax assets and liabilities for its subsidiaries residing in Turkey, the tax rate is 23% for the parts of the temporary differences that will occur. 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.

10% 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.

20. INCOME TAX (continued)

Corporation tax (continued)

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.

20. 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 2023		31 December 2022	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Deferred tax assets				
Provision for employment termination benefits	6.049.722	1.391.436	14.620.162	3.070.234
Other	(107.526)	(24.731)	--	--
Financial lease liabilities	(88.270)	(20.302)	833.571	175.050
Trade receivables provisions	283.887	65.294	445.490	93.553
Financial investments	(60.031.313)	(13.807.202)	(64.550.567)	(13.555.619)
Trade payables provisions	(16.426)	(3.778)	(103.657)	(21.768)
Inventories	(27.351.487)	(6.290.842)	(147.281.324)	(30.929.078)
Property, plant and equipment and intangible assets	(237.713.713)	(54.674.154)	(208.282.581)	(43.739.342)
Deferred tax assets	(318.975.126)	(73.364.279)	(404.318.906)	(84.906.970)
Net deferred tax		(73.364.279)		(84.906.970)

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

	1 January-31 December 2023	1 January-31 December 2023
Deferred tax at the beginning of the period	(84.906.970)	(36.090.519)
Deferred tax income / expense	10.799.210	(50.783.430)
Deferred tax income / (expense) recognized in other comprehensive income	(1.382.980)	801.056
Inflation impact	2.126.461	1.068.924
Foreign currency translation differences	--	96.999
Total	(73.364.279)	(84.906.970)

21. SHARE CAPITAL AND NON-CONTROLLING INTERESTS

Share Capital

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

Shareholders	31 December 2023		31 December 2022	
	TRY	Share %	TRY	Share %
Alper Akyüz	93.562.286	42,52	46.781.143	42.53
Elif Akyüz	45.603.000	20,72	22.801.500	20.73
Actual Shares Outstanding (*)	71.405.592	32,45	32.375.971	30.32
Other	9.429.122	4,28	8.041.386	6.42
Total paid-in capital	220.000.000	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 2023, the Company has 32,45% of shares registered in BIST.

As of 31 December 2023, the capital of the Group consists of 220.000.000 shares. (31 December 2022: TL 110.000.000). The nominal value of the shares is TL 1 per share. (31 December 2022: 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 40.000.000 Group A shares and 180.000.000 Group B shares.

Non-controlling interests

As of 31 December 2023, there is no non-controlling interests (31 December 2022: there is no non-controlling interests).

Other comprehensive income not to be reclassified under profit and loss

	31 December 2023	31 December 2022
Balance at January 1	(3.465.974)	(452.479)
Additions	6.012.957	(3.814.551)
Deferred tax	(1.382.980)	801.056
	1.164.003	(3.465.974)

Restricted reserves:

	31 December 2023	31 December 2022
Balance at January 1	120.252.025	22.830.402
Additions	37.196.772	97.421.623
	157.448.797	120.252.025

Retained earnings

	31 December 2023	31 December 2022
Balance at January 1	296.327.402	978.320.480
Transfers	(21.064.321)	--
Transferler to reserves	(37.196.772)	(97.421.623)
Dividends paid	(184.329.593)	(584.571.455)
Transfers to capital	--	--
Additions	--	--
	53.736.716	296.327.402

21. SHARE CAPITAL AND NON-CONTROLLING INTERESTS (continued)

The comparison of the equity items presented by the Company as adjusted for inflation in its financial statements as of December 31, 2023, according to CPI indexed legal records is as follows:

Equity items	PPI indexed legal records	TUFE indexed legal records	Amounts recognized in retained earnings
Capital Adjustment Differences	332.390.082	442.986.997	(110.596.915)
Share premium	531.050.288	287.180.250	243.870.038
Legal reserves	157.448.797	95.888.634	61.560.163

22. EARNINGS PER SHARE

Earnings per share for the periods are as follows:

	31 December 2023	31 December 2022
Net profit for the period of the equity holders of the parent	(127.342.153)	(21.064.321)
Weighted average number of ordinary shares with nominal value (kurus1 per value)	220.000.000	110.000.000
Earnings per share (TRY)	(0,6212)	(0,1915)

23. REVENUE AND COST OF SALES

Revenue for the periods are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Domestic Sales	115.138.477	107.876.922
Export Sales	122.694.520	365.544.157
Other Revenue	4.412.671	2.863.018
Gross Sales	242.245.668	476.284.097
Sales Returns (-)	(435.127)	(4.767.736)
Sales Discount (-)	(3.604.896)	(3.136.197)
Net Sales	238.205.645	468.380.164
Cost of goods sold (-)	(44.627.739)	(53.049.953)
Cost of merchandise sold (-)	(2.259.022)	(13.720.492)
Cost of services sold (-)	(1.184.526)	--
Gross Profit	190.134.358	401.609.719

24. MARKETING, SELLING AND DISTRIBUTION EXPENSES

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

	1 January-31 December 2023	1 January-31 December 2022
Personnel expenses	(38.073.700)	(20.580.554)
Depreciation and amortization expenses	(9.915.112)	(9.081.083)
Shipping costs	(7.962.725)	(5.573.198)
Material usage expenses	(3.264.859)	(2.082.527)
Travel expenses	(2.911.088)	(1.605.441)
Commission expenses	(2.741.603)	(4.936.657)
Transportation expenses	(2.257.311)	(1.643.862)
Fair and exhibition expenses	--	(770.099)
Benefits and services provided externally	(1.915.084)	(2.317.934)
Tax, duty and duty expenses	(1.167.572)	(264.192)
Export expenses	(806.671)	(1.554.839)
Representation and hosting expenses	(459.584)	(238.145)
Other	(2.222.068)	(2.352.321)
Total	(73.697.378)	(53.000.852)

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

	1 January- 31 December 2023	1 January- 31 December 2022
Direct raw material and material expense	(20.987.545)	(27.577.667)
Depreciation and amortization expenses (Note 13)	(15.102.838)	(16.234.899)
Direct labor expense	(8.877.098)	(19.935.460)
Indirect labor expenses	(695.317)	(782.994)
Food expenses	(550.414)	(758.969)
Other	(1.858.075)	(1.480.456)
	(48.071.287)	(66.770.445)

25. GENERAL ADMINISTRATIVE EXPENSES

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

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel expenses	(59.173.575)	(30.295.462)
Depreciation and amortization expenses	(27.691.678)	(25.362.337)
Externally provided benefits and services	(22.466.628)	(27.627.153)
Tax, duty and duty expenses	(5.078.427)	(4.558.609)
Insurance expenses	(1.806.922)	(1.165.956)
Other	(1.760.013)	(9.142.263)
	(117.977.243)	(98.151.780)

Fees for Services Received from Independent Auditor/Independent Audit Firm

The Group's disclosure regarding the fees for the services provided by the independent audit firms, which is prepared in accordance with the Board Decision of the POA published in the Official Gazette dated March 30, 2021 and based on the POA letter dated August 19, 2021, is as follows:

	31 December 2023	31 December 2022
Provision for vacation leave	425.000	250.000
	425.000	250.000

26. RESEARCH AND DEVELOPMENT EXPENSES

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

	1 January- 31 December 2023	1 January- 31 December 2022
Depreciation and amortization expenses (Note 12)	(8.999.290)	(5.884.955)
	(8.999.290)	(5.884.955)

The Group invested a total of 70,119,184 TL for R&D projects in the accounting period ending on 31 December 2023 (31 December 2022: 37,007,368 TL).

27. OTHER OPERATING INCOME AND EXPENSES

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

	1 January- 31 December 2023	1 January- 31 December 2022
Other operating income		
Exchange rate difference income on trade receivables and payables	138.658.252	147.725.716
Provisions no longer required	--	251.897
Other	9.458.575	10.479.248
	148.116.827	158.456.861
Other operating income loss		
Foreign exchange loss on trade receivables and payables	(23.249.519)	(27.562.462)
Provisions for doubtful receivables (Note 6)	(478.696)	(70.350)
Other (*)	(42.727.993)	(9.514.080)
	(66.456.208)	(37.146.892)

(*) Other expenses include 2022 Additional Earthquake Tax payment of 28,471,347 TRY.

28. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January- 31 December 2023	1 January- 31 December 2022
Other operating income		
Property, plant and equipment sales profits	3.002.250	7.766
Income from financial investments	717.614	9.318.595
Exchange rate protected deposit income	12.964.649	62.146.046
Other	--	5.038
	16.684.513	71.477.445
Other operating expenses		
Expenses from financial investments	(7.786.338)	--
Exchange rate protected deposit income	(1.812.759)	--
	(9.599.097)	--

29. **FINANCIAL INCOME AND EXPENSES**

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

	1 January- 31 December 2023	1 January- 31 December 2022
Finance income		
Foreign exchange gains	91.564.656	191.637.018
Interest income	30.341.406	31.273.172
Interest income from rental transactions	--	--
	121.906.062	222.910.190

	1 January- 31 December 2023	1 January- 31 December 2022
Finance expenses		
Foreign exchange losses	(18.390.972)	(17.553.083)
Loan interest expenses	(2.705.265)	(2.084.410)
Interest expense arising from rental transactions	(669.300)	(1.401.310)
	(21.765.537)	(21.038.803)

30. **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 2023	31 December 2022
Total financial liabilities	24.425.288	21.953.344
Less: Cash and cash equivalents	(301.732.038)	(487.793.245)
Net debt	(277.306.750)	(465.839.901)
Total equity	1.213.251.098	1.507.679.335
Debt/equity ratio	(0.23)	(0.31)

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.

31. **NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS**

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.

31 December 2023	Receivables				Bank deposits	Financial Investments
	Trade receivables		Other receivables			
	Related Party	Third Party	Related Party	Third Party		
Maximum credit risk exposed as of balance sheet date, (A+B+C+D)	--	77.924.261	--	18.564.698	301.649.538	59.223.620
- Secured portion of the maximum credit risk by guarantees	--		--			
A. Net book value of financial assets that are neither past due nor impaired	--	77.924.261	--	18.564.698	301.649.538	59.223.620
B. Net book value of the impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	910.567	--	--	--	--
- Impairment (-)	--	(910.567)	--	--	--	--
- Secured portion of the net value by guarantees, etc.	--	--	--	--	--	--

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

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