

Anatolia genetworks

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ AR-GE SANAYİ VE
TİCARET ANONİM ŞİRKETİ AND GROUP COMPANIES CONSOLIDATED

01 JANUARY - 31 MARCH 2023

ACTIVITY REPORT FOR THE INTERIM ACCOUNTING PERIOD

ANATOLIA TANI VE BİYOTEKNOLOJİ ÜRÜNLERİ AR-GE SANAYİ VE TİCARET ANONİM ŞİRKETİ
ACTIVITY REPORT FOR THE INTERIM ACCOUNTING PERIOD AS OF 31.03.2023**1-Title and Address Information**

Accounting period	01.01.2023 - 31.03.2023
Company Title	Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret A.Ş.
Year of foundation	11.06.2010
Company Headquarters	İstanbul
Address	Hasanpaşa Mah. Beydağı Sok. No: 1-9H Sultanbeyli / İstanbul / Türkiye
Telephone	+90 216 330 04 55
Registry	İstanbul Ticaret Sicil Müdürlüğü
Registry No	738589-0
Tax Administration	Sultanbeyli Vergi Dairesi
Tax No	0680797583
Mersis No	0068079758300025

2- Capital Structure

* Paid-in capital	110.000.000 TL
Authorized Capital Limit	500.000.000 TL

* At the board meeting dated March 14, 2023; Our company's application to increase the current issued capital of 110.000.000 TL to 220.000.000 TL by increasing 110.000.000 TL from the Emission Premium account of 110.000.000 TL, within the authorized capital limit of 500.000.000 TL was made to the Capital Markets Board on March 24, 2023.

As of 31 March 2023, the voting rights of our shareholders can be found in the table below.

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

Company shares are represented by two separate share groups, A and B group, and A group shares provide voting rights to the shareholder. Alper AKYÜZ, one of the founding partners of the company, has 20.000.000 Group A privileged shares.

3- Management Structure and Organization

Management and Distribution of Authority::

The management of the company is carried out by the Members of the Board of Directors.

Board of Directors

Chairman of the Board of Directors : Alper AKYÜZ
Vice Chairman of the Board of Directors : Elif AKYÜZ
Member of the Board of Directors : Kumru Ece Saran SELÇUK
Independent Member of the Board of Directors : Işıl KURNAZ
Independent Member of the Board of Directors : Duygun Erol BARKANA

CFO : Mehmet GÖKALP

Employees

Approximately 160

Competition Authority

The company has no any prohibited activity issued by competition authority

Committees :

In the meeting of our Board of Directors on “Division of Duties of the Board of Directors and Determination of Board Committee Memberships” dated April 12, 2023, within the framework of the provisions of the Capital Markets Board's Corporate Governance Communiqué no. II-17.1 (“Communiqué”);

- i) To appoint Duygun Erol BARKANA as the Chairman of the Corporate Governance Committee, Işıl KURNAZ as the Deputy, and Ali Rıza TÜZÜNGÜVEN as the member, and that the Corporate Governance Committee fulfill the duties of the Nomination Committee and Remuneration Committee as described in the Communiqué,
- ii) The appointment of Duygun Erol BARKANA as the Chairman of the Early Detection of Risk Committee and Işıl KURNAZ as a member,
- iii) It was unanimously decided by the participants to appoint Duygun Erol BARKANA as the Chairman of the Audit Committee established within the scope of the Capital Markets legislation and Işıl KURNAZ as a member.

Financial Rights Provided to Members of the Board of Directors and Senior Executives:

Financial rights are determined within the framework of the Company's Remuneration Policy, in which the remuneration principles of the Members of the Board of Directors and Senior Executives are determined. The Compensation Policy is also available on the Company's website, www.anatoliagenetworks.com.

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

The company cannot lend or extend credit to any member of the board of directors or executives with administrative responsibility.

Remuneration of the members of the Board of Directors is determined by the decision of the general assembly.

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

Total amounts paid to other members of the Board of Directors are included in the Independent Audit Report.

During the year, no credit was extended to any member of the board of directors on behalf of herself or a third party, and no guarantees such as surety were established in their favor.

4. RESEARCH AND DEVELOPMENT ACTIVITIES

The Company's R&D Center continued its R&D activities within the scope of **14** projects between January 1st and March 31st 2023 in 2023. During this period, the company completed the development of a total of **7** products and transferred them to production. **3** of these products are Real-Time PCR kits that detect and genotype various viruses and bacteria that cause different diseases in humans, **1** automatic DNA / RNA isolation robot, **2** rapid lateral flow test kits, **1** spin column based DNA / RNA isolation kit. It is a Real-Time PCR kit.

5- COMPANY'S ACTIVITIES AND DEVELOPMENTS REGARDING THE COMPANY'S IMPORTANT ACTIVITIES

Investments Made:

We have been informed as Anatolia Tanı ve Biyoteknoloji A.Ş that RhineGene POLAND Sp.z o.o's (Trade Registry No 7252323249) company has been registered by completing the process of increasing its capital from PLN 5,000 to PLN 1,500,000 as of 29.03.2023.

During the first three month's period, new personnel were recruited for the Italian, Polish and Bulgarian subsidiaries in line with their growth targets.

Subsidiaries and Affiliates:

As of March 31, 2023 the subsidiaries, the countries in which they operate, their share ratios and fields of activity are as follows:

Subsidiaries	Country	Share Ratio (%)	Fields of Activity
Alpha IVD SRL ("Alpha")	Italy	23,33%	Trading of test kits, devices and software in the field of molecular biology
Euronano Diagnostics (Private) Limited ("Euronano")	Pakistan	99,99%	Trading of test kits, devices and software in the field of molecular biology
RhineGene B.V.	Netherlands	100,00 %	To establish companies and businesses that develop, produce and sell products used in molecular diagnostics or R&D studies in the field of health, to purchase shares in these companies, to hold or dispose of these shares.
RhineGene Philipinnes Inc.	Philippines	100,00%	Various biotechnological devices, consumables import, advertise, market, wholesale and distribute materials, products and solutions to laboratories, hospitals and other related businesses in the Philippines.
RhineGene Bulgaria Ltd.	Bulgaria	100,00%	Diagnosis in Bulgaria and other countries To import, promote, advertise, market, distribute and sell various biotechnological devices, instruments, products, solutions to laboratories, hospitals and other related businesses, To provide assistance to public and private health service providers, institutions and organizations, clinicians and the like, to do usability research, to provide technical support for laboratory equipment and kits, to produce laboratory equipment and kits, to operate diagnostic laboratories, To carry out representation and brokerage, advertising and storage and other activities

not prohibited by law or other normative regulations in the country and abroad.

RhineGene POLAND Sp. z o.o	Poland	100,00%	Various biotechnological devices, consumables import, promote, advertise, market, wholesale and distribute materials, products and solutions to laboratories, hospitals and other related businesses in Poland.
----------------------------	--------	---------	---

Information on Own Shares Acquired by the Company:

The company has no share acquired by itself.

Cases:

As of 31 March 2023, the company does not have any lawsuits filed against it.

Administrative and Judicial Sanctions:

As of 31 March 2023, there are no administrative or judicial sanctions against the members of the management body of the company.

General Assemblies and Decisions Made During the Fiscal Year:

Our company will examine the activities of the 2022 operating period and prepare the written agenda Ordinary General Assembly Meeting to discuss and decide, on Monday, April 10, 2023 It was held at 11:00 at Hasanpaşa Mahallesi, Beydağı Sokak, No:1-9H Sultanbeyli/Istanbul.

Capital Markets Board's (CMB) Series: II 14.1. Prepared in accordance with International Financial Reporting Standards within the framework of the Communiqué No. According to our financial statements for the 01.01.2022- 31.12.2022 accounting period audited by the Company, the net distributable profit of 327,693,038.87 TL; Profit distribution proposal including the distribution of the gross amount of TL 131,077,215,35 to the shareholders as cash dividends, the distribution of the cash dividend to be distributed to the shareholders on 03 May 2023 in cash, and authorization to the Board of Directors in this regard. The decision was made by submitting it to the approval of the shareholders at the meeting.

Expenditures Made in the Scope of Donations, Aid and Social Responsibility:

None.

5-FINANCIAL SITUATION

a)Analysis and evaluation of the management body regarding the financial situation and operating results, the degree of realization of the planned activities, the status of the company against the determined strategic targets;

The annexes of the Group's financial statements that have not been audited as of 31.03.2023 and the independent audit report are as attached to this report.

	<i>Notes</i>	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
Revenue	23	27.138.367	124.908.245
Cost of sales (-)	23	(5.553.359)	(13.158.138)
GROSS PROFIT		21.585.008	111.750.107
General administrative expenses (-)	25	(17.262.555)	(8.593.784)
Selling and marketing expenses (-)	24	(12.461.408)	(7.351.478)
Research and development expenses (-)	26	(392.442)	(545.891)
Other operating income	27	15.199.317	7.001.556
Other operating expenses (-)	27	(6.400.356)	(3.116.320)
OPERATING PROFIT		267.564	99.144.190
Finance income	28	20.046.497	71.564.113
Finance expenses (-)	28	(6.677.391)	(392.921)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		13.636.670	170.315.382
Tax Income / (Expense) of Continuing Operations		(1.719.899)	(1.823.714)
Tax expenses		(1.516.752)	(3.137.592)
Deferred tax expense / incomes	20	(203.147)	1.313.878
PROFIT FROM CONTINUING OPERATIONS		11.916.771	168.491.668
NET PROFIT FOR THE PERIOD		11.916.771	168.491.668
Profit/(loss) attributable to:			
Non-controlling interests		--	5.085.742
Equity holders of the parent		11.916.771	163.405.926
		11.916.771	168.491.668
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss, before tax			
- Gain/loss arising from defined benefits plan		(2.557.290)	504.791
To be reclassified to profit or loss, before tax			
- Currency translation differences		5.739.179	10.376.541
Total other comprehensive income, before tax			
Other comprehensive income, total tax effect			
- Not to be reclassified to profit or loss other comprehensive income, tax effect			
- Deferred tax income/(expense)		511.458	(100.958)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3.693.347	10.780.374
TOTAL COMPREHENSIVE INCOME		15.610.118	179.272.042
Attributable to:			
Equity holders of the parent		15.610.118	166.927.447
Non-controlling interests		--	12.344.595
Earnings per share (Nominal value per TL 1)	22	0,1083	1,4855

a) Information regarding the sales, productivity, income generation capacity, profitability and debt/equity ratio of the sector during the year, compared to previous years, and other matters that will give an idea about the results of the company's activities, and future expectations,

Our company continues its efforts to achieve its profitability targets in the first quarter of 2023.

b) Detection and management body evaluations regarding whether the company's capital is unrequited or whether it is in debt,

Our company's shareholders' equity is 836.102.811 TL and its current ratio is 19,95. Our company continues its activities with a net profit of 11.916.771 TL. There is no risk of the Company being deeply in debt.

Ratios Related to Financial Structure;

The independent audit for the year 2023, our company signed a contract with PKF Aday Bağımsız Denetim A.Ş. agreement has been made with In addition, our company PwC Yeminli Mali Müşavirlik A.Ş. is covered by full certification.

In the calculation made by taking into consideration the article 376 of the Turkish Commercial Code, there is no case of unrequited capital. Our company has the power to pay its short-term commercial and financial debts. The Board of Directors monitors these financial values and takes the necessary measures to further strengthen the financial structure.

The information regarding the basic ratios of our company's financials as of 31 March 2023 is as follows.

Liquidity Ratios	2023/03	2022
Current Ratio (Current Assets / Current Liabilities)	19,95	33,94
Acid-Test Ratio ((Current Assets-Inventories) / Current Liabilities))	16,95	29,00
Cash Ratio (Cash and Cash Equivalents / Current Liabilities)	7,34	17,56
Financial Ratios	2023/03	2022
Leverage Ratio (Total Liabilities / Total Assets)	0,05	0,04
Financing Ratio (Equity / Total Liabilities)	16,08	20,15
Current Liabilities / Total Assets	0,04	0,02
Long-Term Liabilities / Total Assets	0,02	0,03
Equity / Total Assets	0,94	0,95
Profitability Ratios	2023/03	2022/03
Gross Profit / Net Sales	79,53%	89,46%
EBITDA Margin (EBITDA/Net Sales)	24,61%	81,14%

6. RISKS AND ASSESSMENT OF THE BOARD

a) Information on the risk management policy that the company will implement against the foreseen risks, if any,

The Company has a risk management policy that is updated regularly.

b) Information on the work and reports of the early detection and management of risk committee, if any,

At the Board of Directors meeting dated 05/07/2021 and numbered 17 of Anatolia Tanı ve Biyoteknoloji Ürünleri Araştırma Geliştirme Sanayi ve Ticaret A.Ş., the provisions of the Corporate Governance Principles in the Corporate Governance Communiqué (II-17.1) and Borsa İstanbul A.Ş. within the scope of the Early Detection of Risk Committee's Duties and Working Principles Directive, the Early Detection of Risk Committee has been established in order to detect risks early and to establish an effective risk management system and continues its activities.

7. OTHER SUBJECTS

None.