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

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

		Unaudited	**Audited**
ASSETS	***Notes***	**31 March 2023**	**31 December 2022**
Current Assets			
Cash and cash equivalents	4	237.645.363	323.447.280
Financial investments	5	210.959.453	101.094.857
Trade receivables	6	52.155.697	69.430.482
- *Due from related parties*	*7*	--	--
- *Due from third parties*		52.155.697	*69.430.482*
Other receivables	8	12.558.949	6.576.172
- *Other receivables from related parties*	*7*	--	--
- *Other receivables from third parties*		12.558.949	*6.576.172*
Inventories	9	96.847.404	90.846.140
Prepaid expenses	10	3.412.702	3.529.603
Current tax assets		7.959.774	7.044.275
Other current assets	11	24.544.064	23.090.466
TOTAL CURRENT ASSETS		**646.083.406**	**625.059.275**
Non-current Assets			
Other receivables		364.225	572.916
- *Other receivables from third parties*	8	364.225	*572.916*
Tangible assets	12	180.306.693	176.189.120
Right use of assets	14	10.865.286	11.239.951
Intangible assets	13	50.026.269	43.392.865
- *Other intangible assets*		50.026.269	*43.392.865*
Prepaid expenses	10	423.213	357.065
Other current assets		--	104.309
TOTAL NON-CURRENT ASSETS		**241.985.686**	**231.856.226**
TOTAL ASSETS		**888.069.092**	**856.915.501**

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

LIABILITIES	***Notes***	**Unaudited 31 March 2023**	**Audited 31 December 2022**
Current Liabilities			
Short-term borrowings	16	681.774	337.292
Short-term portion of long-term borrowings	16	467.413	920.886
Lease liabilities	15	1.098.053	1.060.536
Trade payables	6	19.721.111	7.812.978
- *Due to related parties*	*7*	*318.047*	*340.525*
- *Due to third parties*		*19.403.064*	*7.472.453*
Payables within benefit to employees	19	5.498.892	2.058.388
Other Payables	8	181.385	1.978.936
- *Due to third parties*		*181.385*	*1.978.936*
Deferred income	10	409.020	599.546
Taxes payable on income	20	1.583.190	--
Provisions		1.600.806	1.674.946
- Provisions for employee benefits	*17*	*1.600.806*	*1.674.946*
Other current liabilities	11	1.150.788	1.974.119
TOTAL CURRENT LIABILITIES		**32.392.432**	**18.417.627**
Non-current liabilities			
Long-term borrowings	16	223.978	294.078
Lease liabilities	15	10.425.535	10.710.601
Long-term provisions		5.555.098	8.437.533
- Long-term provisions for employee benefits	*17*	5.555.098	*8.437.533*
Deferred tax liabilities	20	3.369.238	2.654.633
TOTAL NON-CURRENT LIABILITIES		**19.573.849**	**22.096.845**
EQUITY			
Equity attributable to owners of the Company		**836.102.811**	**816.401.029**
Share capital	21	110.000.000	110.000.000
Share premiums		218.843.895	218.843.895
Accumulated comprehensive income and expense		--	--
- *Expense not to be reclassified to profit or loss*		(57.653)	(2.103.485)
- *Expense to be reclassified to profit or loss*		37.929.012	32.189.833
Legal reserves		57.743.792	57.743.791
Retained earnings		399.726.995	69.337.180
Profit for the period		11.916.771	330.389.815
Non-controlling interests	**21**	--	--
TOTAL SHAREHOLDER'S EQUITY		**836.102.811**	**816.401.029**
TOTAL LIABILITIES		**888.069.092**	**856.915.501**

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

	Notes	**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

Anatolia Tanı ve Biyoteknoloji Ürünleri Ar-Ge Sanayi Ticaret A.Ş. and Group Companies

Consolidated Statement of Changes in Share Holder’s Equity as of 1 January - 31 March 2023 and 31 March 2022

(Amounts expressed in TL unless otherwise indicated.)

			Other comprehensive income							
	Share capital	**Premiums/ Discounts on Shares**	**Items that will never be reclassified to profit or loss**	**Items that will be reclassified to profit or loss**	**Legal reserve**	**Retained earnings**	**Profit for the period**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2022	**110.000.000**	**215.000.000**	**(167.170)**	**9.268.122**	**8.738.235**	**(9.433.313)**	**433.331.607**	**766.737.481**	**59.054.811**	**825.792.292**
Transfers	--	--	--	--	19.000.000	414.331.607	(433.331.607)	--	--	--
Total comprehensive income	--	--	403.833	3.117.688	--	--	163.405.926	166.927.447	12.344.595	179.272.042
Increase/ (decrease) due to other changes	--		--	--	--	138.809	--	138.809	--	138.809
As of 31 March 2022	**110.000.000**	**215.000.000**	**236.663**	**12.385.810**	**27.738.235**	**405.037.103**	**163.405.926**	**933.803.737**	**71.399.406**	**1.005.203.143**
Balance at 1 January 2023	**110.000.000**	**218.843.895**	**(2.103.485)**	**32.189.833**	**57.743.792**	**69.337.180**	**330.389.815**	**816.401.029**	**--**	**816.401.029**
Transfers	--	--	--	--	--	330.389.815	(330.389.815)	--	--	--
Total comprehensive income	--	--	2.045.832	5.739.179	--	--	11.916.771	19.701.782	--	19.701.782
Capital increase	--	--	--	--	--	--	--	--	--	--
Increase due to share basis transactions	--	--	--	--	--	--	--	--	--	--
Dividends	--	--	--	--	--	--	--	--	--	--
Increase/ (decrease) due to other changes	--	--	--	--	--	--	--	--	--	--
As of 31 March 2023	**110.000.000**	**218.843.895**	**(57.653)**	**37.929.012**	**57.743.792**	**399.726.995**	**11.916.771**	**836.102.811**	**--**	**836.102.811**

	Notes	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
A. Cash flow from Operating activities		**(75.540.461)**	**133.806.759**
Income for the period		**11.916.771**	**168.491.668**
Adjustments to reconcile cash flow generated from operating activities:		**12.080.192**	**976.591**
Depreciation and amortization	12,13,14	6.410.002	2.207.811
Provisions for doubtful trade receivables	6	--	66.043
Provisions for severance pay	17	(2.956.575)	241.580
Provisions for unused vacation	17	--	591.543
Provisions for inventories	9	--	2.946.030
Adjustments for interests		199.626	--
Unrealized foreign currency (income) / loss		6.129.344	(1.922.539)
Tax Income / Expense	20	2.297.795	1.823.714
Net financial expenses	28		(4.977.591)
Changes in working capital:		**(92.751.803)**	**(39.677.568)**
Change in trade and other receivables	6	17.274.785	(7.777.453)
Change in financial investments	5	(109.864.596)	--
Change in inventories	9	(6.001.264)	(22.033.556)
Change in other current and non-current asset		(7.123.375)	(4.112.815)
Change in trade payables	6	11.908.133	6.426.848
(Increase) decrease in prepaid expenses	10	50.753	(5.120.742)
Change in payables related to employee benefits	17	3.440.504	(777.195)
Change in other liabilities		(2.436.743)	(6.282.655)
Cash flows from operating activities:			
Tax Payment	20	(915.499)	4.016.068
Dividends paid		6.112.906	--
Interests paid		(242.784)	--
B. Cash flows from investing activities		**(15.505.312)**	**(23.557.156)**
Acquisition from procurement of property and equipment and intangible assets	12,13,14	(20.286.247)	(23.619.559)
Proceeds from sales of property and equipment and intangible assets		4.780.935	62.403
Interest received	28	--	--
Financial investments received	5	--	--
C. Cash flows from financing activities		**5.243.856**	**(135.638)**
Proceeds from loans		(626.266)	--
Acquisition on loan repayments	16	--	567.829
Change in other receivables from related parties		--	--
Acquisition on lease repayments	15	--	(310.918)
Cash inflows from the issuance of shares		--	--
Dividends paid		6.112.906	--
Interests paid	28	(242.784)	(392.549)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(85.801.917)**	**110.113.965**
D. Cash and cash equivalents at January 1		**323.447.280**	**462.412.511**
Cash and cash equivalents at December 31 (A+B+C+D)	**4**	**237.645.363**	**572.526.476**

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

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

As of the 31 March 2023 and 31 December 2022 the total number of employees of the Group is 150 and 165 respectively.

The company is registered with the Capital Markets Board ("CMB") and its shares are traded on Borsa Istanbul A.Ş. ("BIST") as of 2021. As of 31 March 2023, the Company has 29,44% of shares registered in BIST (Note 22).

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

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

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

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

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

Subsidiaries

As of 31 March 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

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

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

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

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

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of presentation

Accounting policies

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

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

Consolidated financial statements are presented in accordance with the "TFRS Taxonomy" published by POA dated on 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 March 2023 have been approved by the Board of Directors and authorized for publication on 08 May 2023. The General Assembly of the Company and the relevant regulatory authorities have the right to request the amendment of the consolidated financial statements after the publication of the consolidated financial statements.

Comparative Information and Correction of Prior Financial Statements

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

Preparation of Financial Statements in Hyperinflationary Economies

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

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2022 within the scope of TAS 29 "Financial Reporting in High Inflation Economies". In addition, a new announcement has been made by the KGK regarding the inflation accounting application and no inflation adjustment has been made in accordance with TAS 29 in the accompanying consolidated financial statements dated 31 March 2023.

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.

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

2.1. Basis of presentation (Continued)

Financial statements of subsidiaries operating in countries other than Turkey

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

Netting/Offsetting

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

2.2. Changes in Accounting Policies

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

2.3. Restatement and Errors in the Accounting Policies and Estimates

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

2.4. Going concern

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

2.5. New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/TFRS and IFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group’s Financial position and performance have been disclosed in the related paragraphs.

Standards, amendments and interpretations applicable as at 31 March 2023:

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

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

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

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

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

2.5 Changes in Turkish Financial Reporting Standarts (continued)

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

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

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

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

2.6. Summary of significant accounting policies

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

Consolidation Principles

Full Consolidation:

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

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

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

2.6. Summary of significant accounting policies (continued)

Consolidation Principles (continued)

As of 31 March 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 March 2023 and 2022:

Subsidiaries	31 March 2023	31 December 2022
Alpha IVD SRL (“Alpha”) (*)	%100	%100
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

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

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

Related Parties

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

Cash and Cash Equivalents

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

Trade Receivables and Allowance for Doubtful Receivables

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

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

2.6. Summary of significant accounting policies (continued)

Trade Receivables and Allowance for Doubtful Receivables

Impairment

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

Trade Payables

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

Inventories

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

Property, plant and equipment and related depreciation

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

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

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

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

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

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

2.6. Summary of significant accounting policies (continued)

Leases

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

As a lessee

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

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

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

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

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

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

– fixed payments, including in-substance fixed payments;

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

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

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

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

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

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

2.7. Summary of significant accounting policies (continued)

Intangible assets and related amortization

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

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

The useful lives of intangible assets are as follows:

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

Impairment of assets

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

Financial assets

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

Classification

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

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

Recognition and Measurement

a) Financial assets measured at amortized cost

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

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

2.6. Summary of significant accounting policies (continued)

Financial assets (continued)

b) Financial assets measured at fair value

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

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

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

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

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

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

Derecognition

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

Impairment

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

Provisions for losses are measured as below.

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

Provisions for losses are measured as below.

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

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

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

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

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

2.6. Summary of significant accounting policies (continued)

Financial liabilities

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

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

a) Financial liabilities at fair value through profit and loss

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

b) Other financial liabilities

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

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

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

Borrowing Costs

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

Taxation and Deferred Income Taxes

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

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)

2.7. Summary of significant accounting policies (continued)

Transactions in foreign currency

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

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

	31 March 2023	31 December 2022
US Dollars	19,1532 TL	18,7029 TL
Euro	20,8450 TL	19,9806 TL
PKR	0,06714 TL	0,0820 TL
PLN (Zloti)	4,4588 TL	4,2641 TL
LEVA	10,5976 TL	10,1354 TL
PHP	0,35302 TL	0,3364 TL

Earnings per share

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

Government incentives and grants

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

Cash Flow statement

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

EBITDA

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

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:

	31 March 2023	**31 December 2022**
	Alpha IVD S.p.A (Italy) Solo	**Alpha IVD S.p.A (Italy) Solo**
Current assets	138.200.187	90.102.530
Non-current assets	28.097.977	28.792.650
Total assets	**166.298.164**	**118.895.180**
Current liabilities	55.048.033	8.085.184
Non-current liabilities	909.378	795.921
Total debts	**55.957.411**	**8.881.105**
Net assets	**110.340.753**	**110.014.075**
Profit Loss for the period:		
Revenue	5.005.107	82.827.935
EBITDA	(4.097.511)	14.052.072
Profit / (Loss) for the period	(4.254.380)	4.231.005
Total comprehensive income / (loss)	**(4.254.380)**	**4.231.005**

	31 March 2023	**31 December 2022**
	Euronano (Pakistan) Solo	**Euronano (Pakistan) Solo**
Current assets	30.601.668	37.569.007
Non-current assets	3.577.443	4.573.486
Total assets	**34.179.111**	**42.142.493**
Current liabilities	57.667.141	55.413.972
Non-current liabilities	--	--
Total debts	**57.667.141**	**55.413.972**
Net assets	**(23.488.030)**	**(13.271.479)**
Profit Loss for the period:	808.798	17.306.666
Revenue	(2.866.863)	(1.696.559)
EBITDA	(2.875.947)	(17.691.393)
Profit / (Loss) for the period	**(2.875.947)**	**(17.691.393)**

84. **SHARES IN OTHER BUSINESS (continued)**

	31 March 2023	31 December 2022
	RhineGene B.V. (Hollanda) Solo	**RhineGene B.V. (Hollanda) Solo**
Current assets	9.567.988	9.169.119
Non-current assets	--	7.702.208
Total assets	**9.567.988**	**16.871.327**
Current liabilities	92.340	88.498
Non-current liabilities	--	--
Total debts	**92.340**	**88.498**
Net assets	**9.475.648**	**16.782.829**
Profit Loss for the period:	--	--
Revenue	(791.324)	(2.721.442)
EBITDA	(799.577)	(2.749.838)
Profit / (Loss) for the period	**(799.577)**	**(2.749.838)**

	31 March 2023	31 December 2022
	RhineGene Philippines Solo	**RhineGene Philippines Solo**
Current assets	4.303.364	4.198.373
Non-current assets	492.773	470.351
Total assets	**4.796.137**	**4.668.724**
Current liabilities	6.361.595	5.284.690
Non-current liabilities	--	--
Total debts	**6.361.595**	**5.284.690**
Net assets	**(1.565.458)**	**(615.966)**
Profit Loss for the period:	--	--
Revenue	(898.048)	(3.636.768)
EBITDA	(898.048)	(3.679.798)
Profit / (Loss) for the period	**(898.048)**	**(3.679.798)**

3. SHARES IN OTHER BUSINESS (continued)

	31 March 2023 RhineGene Bulgaria Solo	31 December 2022 RhineGene Bulgaria Solo
Current assets	5.023.839	5.402.169
Non-current assets	63.459	50.677
Total assets	**5.087.298**	**5.452.846**
Current liabilities	3.385.908	3.070.132
Non-current liabilities	--	--
Total debts	**3.385.908**	**3.070.132**
Net assets	**1.701.390**	**2.382.714**
Profit Loss for the period:	215.969	70.735
Revenue	(761.035)	(963.770)
EBITDA	(761.035)	(981.454)
Profit / (Loss) for the period	**(761.035)**	**(981.454)**

	31 March 2023 RhineGene Poland Solo	31 December 2022 RhineGene Poland Solo
Current assets	7.480.252	126.536
Non-current assets	--	345.392
Total assets	**7.480.252**	**471.928**
Current liabilities	3.226.520	1.119.304
Non-current liabilities	--	--
Total debts	**3.226.520**	**1.119.304**
Net assets	**4.253.732**	**(647.376)**
Profit Loss for the period:	110.158	--
Revenue	(1.437.517)	(620.899)
EBITDA	(1.442.400)	(625.431)
Profit / (Loss) for the period	**(1.442.400)**	**(625.431)**

4. CASH AND CASH EQUIVALENTS

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

	31 March 2023	31 December 2022
Cash on hand	64.768	117.058
Cash at banks	237.580.595	323.330.222
- Demand deposit	182.429.354	155.837.578
- Time deposit less than 3 months	55.151.241	167.492.644
	237.645.363	**323.447.280**

Currency	Interest rate (%)	Maturity	31 March 2023
TL	%11,00-%30,00	Nis.24	20.675.222
USD	1,75%	May.24	34.476.019
EURO	--	--	--
			55.151.241

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

5. FINANCIAL INVESTMENTS

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

	31 March 2023	31 December 2022
Available-for sale financial investments	77.777.190	75.522.051
Financial assets at fair value through profit or loss	133.182.263	25.572.806
- Currency protected deposit	*133.182.263*	*25.572.806*
	210.959.453	**101.094.857**

As of 31.03.2023, the Group's financial investments consist of Eurobonds amounting to USD 3,997,736 with an average interest rate of 3,27%, with a maturity between December 2023 and October 2025 (31 December 2022: 3.997.736).

6. TRADE RECEIVABLES AND PAYABLES

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

Short-term trade receivables	31 March 2023	31 December 2022
Trade receivables	49.993.803	67.322.854
Notes receivables	1.834.575	1.966.058
Trade receivables from related parties (Note 8)	--	--
Income accruals	327.319	141.570
Doubtful receivables	675.699	591.084
Allowance for doubtful receivables (-) (*)	(675.699)	(591.084)
	52.155.697	**69.430.482**

As of 31 March 2023, the average maturity of the Group's trade receivables is 62 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 March 2023	1 January- 31 March 2022
Balance at beginning of the period	591.084	578.861
Additions (Note 29)	69.463	66.043
Amounts recovered during the year (Note 29)	--	--
Currency translation differences	15.152	
End of the period	**675.699**	**644.904**

The details of the trade payables are as follows:

	31 March 2023	31 December 2022
Short-term trade payables		
Trade payables	12.941.413	5.212.178
Expense Accruals	3.061.218	1.056.752
Receivables from related parties (Note 8)	318.047	340.525
Notes payables	3.400.433	1.203.523
	19.721.111	**7.812.978**

As of 31 March 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

Trade receivables from related parties	31 March 2023	31 December 2022
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	--	--
	--	**--**

Trade payables to related parties	31 March 2023	31 December 2022
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	318.047	340.525
	318.047	**340.525**

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

	1 January- 31 March 2023	1 January- 31 March 2022
Anatolia Makine Sanayi ve Ticaret Ltd. Şti.	2.100	1.500

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

(*) 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 March 2023 is TL 2.583.312 (31 March 2022: TL 1.345.905).

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 March 2023**	**31 December 2022**
Other receivables from third parties	12.117.771	6.116.179
Deposits and guarantees given	441.178	459.993
Other receivables from related parties (Note 8)	--	--
	12.558.949	**6.576.172**

Long term other receivables	**31 March 2023**	**31 December 2022**
Deposits and guarantees given	364.225	572.916
	364.225	**572.916**

Short term other payables	**31 March 2023**	**31 December 2022**
Deferred tax payables	112.750	840.987
Other payables	68.635	1.137.949
	181.385	**1.978.936**

9. INVENTORIES

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

	31 March 2023	**31 December 2022**
Raw materials	43.385.181	39.215.870
Finished goods	39.655.653	36.808.115
Semi-finished goods	11.013.379	10.803.098
Trade goods	6.125.003	5.854.766
Other Inventories	2.820.284	2.753.154
Provision for impairment in inventory	(6.152.096)	(4.588.863)
	96.847.404	**90.846.140**

10. PREPAID EXPENSES AND DEFERRED INCOME

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

Short-term prepaid expenses	**31 March 2023**	**31 December 2022**
Advances given to suppliers	684.680	1.328.922
Prepaid expenses	2.728.022	2.200.681
	3.412.702	**3.529.603**

Long-term prepaid expenses	**31 March 2023**	**31 December 2022**
Prepaid expenses for the following years	423.213	357.065
	423.213	**357.065**

10. PREPAID EXPENSES AND DEFERRED INCOME (continued)

Deferred income-short term	**31 March 2023**	**31 December 2022**
Advances received (*)	409.020	599.546
	409.020	**599.546**

(*) 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:

Other current assets	**31 March 2023**	**31 December 2022**
Deferred VAT	24.481.487	22.958.207
Accrued income	--	--
Deductible VAT	--	--
Advances given to personnel	--	--
Other current assets	62.577	132.259
	24.544.064	**23.090.466**

Other short-term liabilities	**31 March 2023**	**31 December 2022**
Accrued expenses	--	--
Prepaid taxes and dues	1.150.788	1.974.119
Personnel sales premiums payable	--	--
Other	--	--
	1.150.788	**1.974.119**

12. PROPERTY, PLANT AND EQUIPMENTS

Movement of property, plant, and equipment for the period 01.01.-31.03.2023 is as follows:

	1 January 2023	Additions	Disposals (-)	Transfers	Foreign currency translation differences	31 March 2023
Cost						
Land and land improvements	22.500.000	2.874.850	--	--	--	25.374.850
Buildings	74.532.257	--	(2.867.757)	--	399.481	72.063.981
Machinery and equipment	81.528.442	8.924.400	(2.305.767)	--	108.895	88.255.970
Vehicles	9.584.396	602.390	--	--	(707.295)	9.479.491
Furniture and fixtures	20.231.237	180.902	(439.218)	--	413.110	20.386.031
Construction in progress	288.549	--	(197.339)	--	--	91.210
Leasehold improvements	4.628.875	133.982	--	--	345.645	5.108.502
	213.293.756	**12.716.524**	**(5.810.081)**	**--**	**559.836**	**220.760.035**

	1 January 2023	Current year charge	Disposals (-)		Foreign currency translation differences	31 March 2023
Accumulated depreciation						
Buildings	(2.934.649)	(398.962)	528.041	--	70.146	(2.735.424)
Machinery and equipment	(24.378.288)	(3.165.860)	425.972	--	582.710	(26.535.466)
Vehicles	(2.934.098)	(641.659)	--	--	70.133	(3.505.624)
Furniture and fixtures	(4.224.698)	(885.401)	75.133	--	100.982	(4.933.984)
Leasehold improvements	(2.632.903)	(172.874)	--	--	62.935	(2.742.844)
	(37.104.636)	**(5.264.756)**	**1.029.146**	**--**	**886.906**	**(40.453.342)**
Net book value	**176.189.120**	**17.981.280**				**180.306.693**

As of 31 March 2023, property, plant, and equipment are insured for TL 64.248.204 and there is no mortgage on it.

12. PROPERTY, PLANT AND EQUIPMENTS (continued)

Movement of property, plant and equipment for the period 01.01.-31.03.2022 is as follows:

	1 January 2022	Additions	Disposals (-)	Transfers	Foreign currency translation differences	31 March 2022
Cost						
Land and land improvements	22.500.000	--	--	2.159.020	94.829	24.753.849
Buildings	59.074.090	--	--	(2.159.020)	654.756	57.569.826
Machinery and equipment	47.647.923	14.565.977	(59.746)	--	4.847.642	67.001.796
Vehicles	5.468.165	411.423	--	--	478.072	6.357.660
Furniture and fixtures	8.534.216	1.341.466	(25.750)	--	102.593	9.952.525
Leasehold improvements	4.727.191	19.290	--	--	19.368	4.765.849
	147.951.585	**16.338.156**	**(85.496)**	**--**	**6.197.260**	**170.401.505**

	1 January 2022	Current year charge	Disposals (-)	Transfers	Foreign currency translation differences	31 March 2022
Accumulated depreciation						
Buildings	(168.616)	(359.563)	--	--	(1.814)	(529.992)
Machinery and equipment	(13.972.638)	(552.118)	59.746	--	(150.286)	(14.615.296)
Vehicles	(1.455.669)	(298.814)	--	--	(15.657)	(1.770.140)
Furniture and fixtures	(1.605.035)	(106.579)	9.160	--	(17.263)	(1.719.717)
Leasehold improvements	(2.022.043)	(262.533)	--	--	(21.749)	(2.306.325)
	(19.224.001)	**(1.579.607)**	**68.906**		**(206.769)**	**(20.941.470)**
Net book value	**128.727.584**					**149.460.035**

As of 31.03.2022, property, plant and equipment are insured for TL 64.248.204 and there is no mortgage on it.

Depreciation and amortization shown in expense accounts associated with tangible and intangible assets and right-of-use assets as of 31 March are as follows:

	1 January-31 March 2023	1 January-31 March 2022
Cost		
Cost of sales (Note 24)	(2.891.142)	(798.471)
General administrative expenses (Note 26)	(2.181.876)	(602.587)
Research and development expenses (Note 27)	(392.442)	(545.891)
Selling and marketing expenses (Note 25)	(944.542)	(260.862)
	(6.410.002)	**(2.207.811)**

13. INTANGIBLE ASSETS

Movement of intangible fixed asset for the period 01.01.-31.03.2023 is as follows:

	1 January 2023	Additions	Transfers	Foreign currency conversion differences	31 March 2023
Cost					
Rights (*)	16.732.007	1.632.005	--	--	18.364.012
Research and development costs (**)	34.357.897	5.842.736	--	--	40.200.633
Other intangible fixed assets	534.543	94.982	--	(91.023)	538.502
	51.624.447	**7.569.723**	**--**	**(91.023)**	**59.103.147**

	1 January 2023	Current year charge	Transfers	Foreign currency conversion differences	31 March 2023
Accumulated depreciation					
Rights	(7.930.865)	(745.879)	--	--	(8.676.744)
Other intangible fixed assets	(300.717)	(24.702)	--	(74.715)	(400.134)
	(8.231.582)	**(770.581)**	**--**	**(74.715)**	**(9.076.878)**
Net book value	**43.392.865**				**50.026.269**

Movement of intangible fixed assets for the period 01.01.-31.03.2022 is as follows:

	1 January 2022	Additions	Transfers	Foreign currency conversion differences	31 March 2022
Cost					
Rights (*)	13.560.824	118.240	--	8.673	13.687.737
Research and development costs (**)	14.310.589	7.046.166	--	--	21.356.755
Other intangible fixed assets	326.523	116.997	--	--	443.520
	28.197.936	**7.281.403**	**--**	**8.673**	**35.488.012**

	1 January 2022	Current year charge	Transfers	Foreign currency conversion differences	31 March 2022
Accumulated depreciation					
Rights	(5.148.317)	(395.780)	--	(94.667)	(5.638.764)
Other intangible fixed assets	(200.776)	(24.895)	--	--	(225.671)
	(5.349.093)	**(420.675)**	**--**	**(94.667)**	**(5.864.435)**
Net book value	**22.848.843**				**29.623.577**

14. RIGHTS OF USE ASSETS

Movement of rights of use assets for the period 01.01.-31.03.2023 is as follows:

	1 January 2023	Additions	Disposals (-)	31 March 2023
Cost				
Buildings	**12.738.610**	--	--	**12.738.610**
	12.738.610	**--**	**--**	**12.738.610**

	1 January 2023	Current year charge	Disposals (-)	31 March 2023
Accumulated depreciation				
Buildings	**(1.498.659)**	(374.665)	--	**(1.873.324)**
	(1.498.659)	(374.665)	**--**	**(1.873.324)**
Net book value	**11.239.951**			**10.865.286**

Movement of rights of use assets for the period 01.01.-31.03.2022 is as follows:

	1 January 2022	Additions	Disposals (-)	31 March 2022
Cost				
Buildings	1.133.150	3.223.254	--	**4.356.404**
	1.133.150	**4.356.404**	**--**	**4.356.404**

	1 January 2022	Current year charge	Disposals (-)	31 March 2022
Accumulated depreciation				
Buildings	(1.087.337)	1.087.337	(207.529)	**(207.529)**
	(1.087.337)	**1.087.337**	**(207.529)**	**(207.529)**
Net book value	**4.148.875**			**4.148.875**

15. LEASE LIABILITIES

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

	31 March 2023	**31 December 2022**
Short-term lease liabilities	1.098.053	1.060.536
Long-term lease liabilities	10.425.535	10.710.601
	11.523.588	**11.771.137**

	1 January-31 March 2023	**1 January-31 March 2022**
Operating lease as of January 1	11.771.137	--
Current operating lease liability increase	--	4.356.404
Current operating lease liability payment	(460.161)	(310.918)
Current interest expense	212.612	27.795
Current foreign currency effects	--	152.595
Operating lease at the end of the periods	**11.523.588**	**4.225.876**

16. FINANCIAL BORROWINGS

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

	31 March 2023	31 December 2022
Short-term borrowings	--	--
Other financial borrowings (*)	681.774	337.292
Short-term borrowings	**681.774**	**337.292**
Short term portion of long term borrowings	467.413	920.886
Short-term portion of long-term borrowings	**467.413**	**920.886**
Long-term borrowings	223.978	294.078
Long-term borrowings	**223.978**	**294.078**
Total financial borrowings	**1.373.165**	**1.552.256**

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

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

	Interest rate	31 March 2023
TL bank borrowings	%7,50 - %16,80	691.391
USD bank borrowings	--	--
		691.391

	Interest rate	31 December 2022
TL bank borrowings	%7,50 - %16,80	1.214.964
USD bank borrowings	--	--
		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 10.849 over the 30-day salary as of 31 March 2023 (31 December 2022: TL 10.849). The provision for severance pay is calculated on a current basis and is reflected in the Consolidated financial statements. The provision is calculated according to the severance pay ceiling announced by the Government.

Provision for termination benefits is made by calculating the present value of the possible liability to be paid in case of retirement of employees. To calculate the liabilities of the Group in accordance with TAS 19 (Employee Benefits), a calculation made with actuarial assumptions is required. Accordingly, the actuarial assumptions used in the calculation of total liabilities are given below. The basic assumption is that the maximum liability for each year of service will increase in line with inflation. Hence the discount rate applied represents the expected real interest rate after adjusting for the effects of future inflation. As a result, the liabilities in the accompanying Consolidated financial statements as of 31 March 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 March 2023	31 December 2022
Discount rate	1,79%	--
Estimated rate of salary increasing /inflation rate	12,00%	21,83%
The turnover ratio used to calculate the probability of retirement	100,00%	100,00%

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

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

Long-term provisions	31 March 2023	31 December 2022
Severance pays provisions	5.555.098	8.437.533
	5.555.098	**8.437.533**

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

	31 March 2023	31 March 2022
Balance at January 1	8.437.533	1.610.518
Service cost	159.982	305.054
Interest cost	68.564	(63.474)
Actuarial (Gain)/Loss	(2.557.290)	(504.791)
Payments	(553.691)	(122.779)
Balance at December 31	**5.555.098**	**1.224.528**

18. EMPLOYEE BENEFITS (continued)

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

Short-term provisions	**31 March 2023**	**31 December 2022**
Provision for vacation pay liability	1.600.806	1.674.946
	1.600.806	**1.674.946**

Movement of vacation pay provisions as follows:

	31 March 2023	**31 March 2022**
Balance at January 1	1.674.946	762.709
Current year provision expense (*)	(74.140)	591.543
Balance at the end of the periods	**1.600.806**	**1.354.252**

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

18. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Guarantees received

As of 31 March 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 March 2023 and 31 December 2022 are as follows:

CPMB's given by the Group	**31 March 2023**	**31 December 2022**
A. CPMB's given for Group's own legal personality	4.943.209	4.211.789
B. CPMB's given on behalf of fully consolidated companies	--	--
C. CPMB's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPMB's	**--**	**--**
i) Total amount of CPMB's given on behalf of the majority shareholder	--	--
ii) Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	--	--
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	--	--
	4.943.209	**4.211.789**

As of 31 March 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:

	31 March 2023	31 December 2022
Due to personnel	4.223.090	533.732
Payable to social security withholding	1.275.802	1.524.656
	5.498.892	**2.058.388**

20. INCOME TAX

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

Current period tax assets:	31 March 2023	31 December 2022
Current tax expense	(669.643)	(488.534)
Prepaid taxes and funds	2.252.833	488.534
	1.583.190	**--**

	31 March 2023	31 March 2022
Calculated corporate tax provision	(1.516.752)	(3.137.592)
Deferred tax assets / liabilities	(203.147)	1.313.878
	(1.719.899)	**(1.823.714)**

Corporation tax

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

As of 31 March 2023, the corporate tax rate is 20 % 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. In accordance with the regulation numbered 7316, published in Official Gazette numbered 31462 on 22 April 2021, corporate tax rate in Turkey for the year 2021 has been increased from 20% to 25%, for the year 2022 to 23%. 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. The company's corporate tax rate has been calculated 18%. Accordingly, in the Group's consolidated financial statements as of March 31, 2022, when calculating deferred tax assets and liabilities for its subsidiaries residing in Turkey, the tax rate is 20% for the parts of the temporary differences that will occur. Rate was taken into account as 20%.Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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

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

20. INCOME TAX (continued)

Corporation tax *(continued)*

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

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

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

Income tax withholding

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

Transfer pricing regulations

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

Deferred tax assets and liabilities:

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

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

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

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 March 2023		31 December 2022	
	Cumulative temporary differences	**Deferred tax**	**Cumulative temporary differences**	**Deferred tax**
Deferred tax assets				
Provisions for employee benefits	6.246.527	1.249.305	9.316.558	1.863.312
Expenses accruals	--	--	--	--
Lease liabilities	658.302	131.660	531.186	106.237
Financial liabilities	--	--	--	--
Trade receivables	283.887	56.777	283.888	56.777
Trade liabilities	--	--	--	--
Other	--	--	--	--
Deferred tax assets	**7.188.716**	**1.437.742**	**10.131.632**	**2.026.326**
Deferred tax liabilities				
Right of use assets	--	--	--	--
Financial liabilities	(77.785)	(15.556)	(66.057)	(13.211)
Trade receivables	--	--	--	--
Tangible and intangible assets	(23.957.120)	(4.791.424)	(23.338.738)	(4.667.748)
Deferred tax liabilities	**(24.034.905)**	**(4.806.980)**	**(23.404.795)**	**(4.680.959)**
Net deferred tax		**(3.369.238)**		**(2.654.633)**

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

	1 January-31 March 2023	**1 January-31 March 2022**
Profit/(loss) for before taxation	**13.636.670**	**170.315.382**
Corporation tax rate	18%	21%
Calculated tax using the Compnay's domestic tax rate	**2.454.601**	**35.766.230**
Non-deductible expenses	(211.480)	(6.149.304)
Free zone earnings	(1.386.922)	(23.496.863)
Exception of revaluation	--	(612.358)
Impact of foreign companies subject to different tax rates	8.031	225.957
R&D discount	(1.124.126)	(1.429.556)
Other, net	1.768.617	(2.480.392)
Tax expense	**1.508.721**	**1.823.714**

21. SHARE CAPITAL AND NON-CONTROLLING INTERESTS

Share Capital

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

Shareholders	31 March 2023 TL	Share %	31 December 2022 TL	Share %
Alper Akyüz	46.781.143	42,5	46.781.143	42,5
Elif Akyüz	22.801.500	20,7	22.801.500	20,7
Public Shares	32.382.014	29,4	32.375.971	29,4
Other (*)	8.035.343	7,3	8.041.386	7,31
Total paid-in capital	**110.000.000**	**100**	**110.000.000**	**100**

(*) The company is registered with the Capital Markets Board ("CMB") and its shares are traded on Borsa İstanbul A.Ş. ("BIST") as of 21.10.2021. As of 31 March 2023, the Company has 29,44% of shares registered in BIST.

As of 31 March 2023, the capital of the Group consists of 110.000.000 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 20.000.000 Group A shares and 90.000.000 Group B shares.

Non- controlling interests

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

22. EARNINGS PER SHARE

Earnings per share for the periods are as follows:

	31 March 2023	31 March 2022
Net profit for the period of the equity holders of the parent	11.916.771	163.405.926
Weighted average number of shares with nominal value of TL l each	110.000.000	110.000.000
Earnings per share (TL)	**0,1083**	**1,4855**

23. REVENUE AND COST OF SALES

Revenue for the periods are as follows:

	1 January-31 March 2023	1 January-31 March 2022
Domestic Sales	3.686.884	13.998.891
Export Sales	22.033.892	110.637.204
Other Revenue	1.542.185	462.054
Gross Sales	**27.262.961**	**125.098.149**
Sales Returns (-)	(119.956)	(178.504)
Sales Discount (-)	(4.638)	(11.400)
Net Sales	**27.138.367**	**124.908.245**
Cost of goods sold (-)	(3.953.546)	(12.725.727)
Cost of trade goods sold (-)	(1.439.941)	(381.536)
Cost of service sold (-)	(159.872)	(50.875)
Gross Profit	**21.585.008**	**111.750.107**

24. MARKETING, SELLING AND DISTRIBUTION EXPENSES

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

	1 January- 31 March 2023	**1 January- 31 March 2022**
Personnel expenses	(6.844.886)	(2.647.978)
Freight expenses	(1.029.062)	(1.397.448)
Commission expenses	(1.063.162)	(1.316.633)
Material usage expenses	(264.634)	(385.690)
Export expenses	(247.072)	(327.422)
Travel expenses	(438.312)	(271.423)
Depreciation and amortization expenses (Note 11)	(944.542)	(260.862)
Transportation expenses	(232.043)	(249.532)
Outsourced benefits and services	(290.794)	(88.176)
Representation and hospitality expenses	(6.574)	(22.422)
Tax duties and fees	(63.231)	(18.556)
Other	(1.037.096)	(365.336)
	(12.461.408)	**(7.351.478)**

25. GENERAL ADMINISTRATIVE EXPENSES

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

	1 January- 31 March 2023	**1 January- 31 March 2022**
Personnel expenses	(6.905.458)	(3.118.546)
Outsourced benefits and services	(4.331.562)	(2.015.029)
Tax duties and fees	(585.182)	(732.081)
Depreciation and amortization expenses (Note 11)	(2.181.876)	(602.587)
Insurance expenses	(464.646)	(63.575)
Other	(2.793.831)	(2.061.966)
	(17.262.555)	**(8.593.784)**

26. RESEARCH AND DEVELOPMENT EXPENSES

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

	1 January-31 March 2023	1 January-31 March 2022
Depreciation and amortization expenses (Note 13)	(392.442)	(545.891)
	(392.442)	**(545.891)**

27. OTHER OPERATING INCOME AND EXPENSES

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

	1 January-31 March 2023	1 January-31 March 2022
Other operating income		
Foreign exchange gain on trade receivables and payables	13.387.695	6.520.130
Other	1.811.622	481.426
	15.199.317	**7.001.556**

	1 January-31 March 2023	1 January-31 March 2022
Other operating expenses		
Discount expenses	--	--
Foreign exchange loss on trade receivables and payables	(3.216.863)	(2.562.200)
Doubtful trade receivables expenses (Note 7)	(69.463)	(45.876)
Other	(3.114.030)	(508.244)
	(6.400.356)	**(3.116.320)**

28. FINANCIAL INCOME AND EXPENSES

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

	1 January-31 March 2023	1 January-31 March 2022
Finance income		
Foreign exchange gain	13.933.591	66.558.355
Interest income	6.112.906	5.005.758
Interest income from lease transactions	--	--
	20.046.497	**71.564.113**

	1 January-31 March 2023	1 January-31 March 2022
Finance expenses		
Loan interest expenses	(242.784)	(372)
Foreign exchange loss	(6.221.995)	(364.754)
Interest expenses from lease transactions	(212.612)	(27.795)
	(6.677.391)	**(392.921)**

29. 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 March 2023	31 December 2022
Total financial liabilities	12.896.753	13.323.393
Less: Cash and cash equivalents	(237.645.363)	(323.447.280)
Net debt	**--**	**--**
Total equity	836.102.811	817.330.063
Net debt to equity ratio	**--**	**--**

Risk Management System

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

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

30. 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.

	Receivables					
	Trade receivables		Other receivables			
31 March 2023	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash at Banks**	**Financial Investments**
Maximum credit risk exposed as of balance sheet date, (A+B+C+D)	**--**	**52.155.697**	**--**	**12.923.174**	**237.580.595**	**210.959.453**
- Secured portion of the maximum credit risk by guarantees	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	--	52.155.697	--	12.923.174	237.580.595	210.959.453
B. Net book value of the impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	675.699	--	--	--	--
- Impairment (-)	--	(675.699)	--	--	--	--
- Secured portion of the net value by guarantees, etc.	--	--	--	--	--	--

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

Credit risk (continued)

31 December 2022	Receivables					
	Trade receivables		Other receivables			
	Related Party	Third Party	Related Party	Third Party	Cash at Banks	Financial Investments
Maximum credit risk exposed as of balance sheet date, (A+B+C+D)	**--**	**69.430.482**	**--**	**7.149.088**	**323.330.222**	**101.094.857**
- Secured portion of the maximum credit risk by guarantees	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	--	69.430.482	--	7.149.088	323.330.222	101.094.857
B. Net book value of the impaired assets	--	--	--	--	--	--
- Past due (gross carrying amount)	--	591.084	--	--	--	--
- Impairment (-)	--	(591.084)	--	--	--	--
- Secured portion of the net value by guarantees, etc.	--	--	--	--	--	--

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

Liquidity risk

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

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

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

	31 March 2023					
Contractual maturity	**Carrying Value**	**Contractual cash flows**	**Less than 3 months**	**3 - 12 month**	**1 - 5years**	**More than 5 years**
Non derivative financial liabilities	**32.655.861**	**32.799.249**	**20.975.636**	**1.174.100**	**5.714.243**	**4.935.270**
Loans and borrowings	1.361.437	1.373.165	798.627	350.560	223.978	0
Lease payables	11.391.928	11.523.588	274.513	823.540	5.490.265	4.935.270
Trade payables	19.721.111	19.721.111	19.721.111	--	--	--
Other payables	181.385	181.385	181.385	--	--	--

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

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

Foreign Currency Risk

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

		31 March 2023			31 December 2022		
		TL Equivalent	USD	EUR	TL Equivalent	USD	EUR
1	Trade payables	108.609.317	4.721.617	871.923	94.706.464	3.494.824	1.468.581
2a.	Monetary financial assets	190.225.059	4.701.308	4.805.947	372.174.008	11.113.327	8.224.105
2b.	Non-Monetary financial assets	--	--	--	--	--	--
3	Other	4.441.782	--	213.086	--	--	--
4	**Current assets (1+2+3)**	**303.276.158**	**9.422.925**	**5.890.956**	**466.880.472**	**14.608.151**	**9.692.686**
5	Trade receivables	--	--	--	--	--	--
6a.	Monetary financial assets	--	--	--	--	--	--
6b.	Non-Monetary financial assets	--	--	--	--	--	--
7	Other	--	--	--	--	--	--
8	**Non- Current assets (5+6+7)**	**--**	**--**	**--**	**--**	**--**	**--**
9	**Total assets (4+8)**	**303.276.158**	**9.422.925**	**5.890.956**	**466.880.472**	**14.608.151**	**9.692.686**
10	Trade payables	6.134.337	26.645	269.801	5.825.859	34.464	259.316
11	Financial borrowings	608.199	2.946	26.470	--	--	--
12a.	Other Monetary financial liabilities	521.709	--	25.028	--	--	--
12b.	Other Non-Monetary financial liabilities	--	--	--	--	--	--
13	**Current liabilities (10+11+12)**	**7.264.245**	**29.591**	**321.299**	**5.825.859**	**34.464**	**259.316**
14	Trade payables	--	--	--	--	--	--
15	Financial borrowings	--	--	--	--	--	--
16a.	Other Monetary financial liabilities	--	--	--	--	--	--
16b.	Other Non-Monetary financial liabilities	--	--	--	--	--	--
17	**Non-Current liabilities (14+15+16)**	--	--	--	--	--	--
18	**Total liabilities (13+17)**	**7.264.245**	**29.591**	**321.299**	**5.825.859**	**34.464**	**259.316**
19	**. Net asset / liability position of off-balance sheet derivatives (19a-19b)**	--	--	--	**--**	**--**	**--**
19a.	Total amount of assets hedged	--	--	--	--	--	--
19b.	Total amount of liabilities hedged	--	--	--	--	--	--
20	**Net foreign currency asset /(liability)position (9-18+19)**	**296.011.913**	**9.393.334**	**5.569.657**	**461.054.613**	**14.573.687**	**9.433.370**
21	**Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**296.011.913**	**9.393.334**	**5.569.657**	**461.054.613**	**14.573.687**	**9.433.370**

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

Foreign currency risk(continued)

Sensibility analysis

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

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

	2023		**2022**	
	Profit / (Loss)		**Profit / (Loss)**	
	Appreciation of foreign currency	**Depreciation of foreign currency**	**Appreciation of foreign currency**	**Depreciation of foreign currency**
	In case of 10% appreciation of USD against TL			
1- USD net asset/liability	17.991.233	(17.991.233)	30.835.957	(30.835.957)
2- Amount hedged for USD risk (-)	--	--	--	--
3- USD net effect (1+2)	**17.991.233**	**(17.991.233)**	**30.835.957**	**(30.835.957)**
	In case of 10% appreciation of EUR against TL			
4- EUR net asset/liability	11.609.956	(11.609.956)	19.186.873	(19.186.873)
5- Amount hedged for EUR risk (-)			--	--
6- EUR net effect (4+5)	**11.609.956**	**(11.609.956)**	**19.186.873**	**(19.186.873)**
Total net effect (3+6)	**29.601.189**	**(29.601.189)**	**50.022.830**	**(50.022.830)**

31. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION)

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

		31 March 2023		**31 December 2022**	
Financial assets	***Note***	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	*5*	237.645.363	237.645.363	323.447.280	323.447.280
Financial investments	*6*	210.959.453	210.959.453	101.094.857	101.094.857
Trade receivables	*6*	52.155.697	52.155.697	69.430.482	69.430.482
Other receivables	*8*	12.923.174	12.923.174	6.576.172	6.576.172
Total financial assets		**513.683.687**	**513.683.687**	**500.548.791**	**500.548.791**
Financial liabilities					
Financial borrowings	16	1.361.437	1.373.165	1.552.256	1.612.465
Trade payables	6	19.721.111	19.721.111	11.771.137	12.400.512
Other payables	8	3.324.383	3.324.383	7.812.978	7.812.978
Payables related to employment benefits	19	5.498.892	5.498.892	1.978.936	1.978.936
Total financial liabilities		29.905.823	29.917.551	23.115.307	23.804.891
Net		**59.811.646**	**59.835.102**	**46.230.614**	**47.609.782**

32. SUBSEQUENT EVENTS

There is none (31.12.2022: there is none).