



DEVA HOLDİNG A.Ş.  
**ANNUAL REPORT 2021**



*Adding health to life...*



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## DEVA HOLDING IN BRIEF



### DEVA HOLDING IN BRIEF

Established in 1958, DEVA Holding is among the well-established pharmaceutical manufacturers in Turkey. With the main area of operations including manufacturing and marketing medicinal products for human use and raw materials, DEVA Holding also manufactures veterinary medicines, eau de Cologne, and medical ampoules.

The majority of shares in DEVA Holding was acquired in 2006 by funds managed by GEM Global Equities Management S.A., an international fund management company, and EastPharma Ltd. was established to assume management.

DEVA Holding is pacing rapidly toward its goal of being the first choice by offering innovative and unique products with a high-quality experience by creating giant pharmaceutical brands in areas where it competes, in order to make healthy living accessible to everyone around the world. With the new therapies it offers, DEVA Holding makes difference by expanding its product diversity every year.

Currently, DEVA Holding has approximately 600 products in its portfolio, including medical devices, spanning 14 therapy areas, ranging from oncology to cardiology and from the respiratory system to ophthalmology.

With progressively expanding regional growth and export operations, DEVA Holding is the holder of approximately 930 marketing authorizations in over 60 countries, including the USA, Switzerland and Germany. Founded under the brand name of Devatis in Germany and then in Switzerland, the company received registration approval in 2018 and having been established in the USA under the same name, accelerated its activities.

DEVA Holding focuses on research and development to improve access to medicines for patients who need them, and all of its manufacturing facilities are certified compliant with the European GMP (Good Manufacturing Practice). In addition, Kartepe manufacturing facility is certified compliant with the US FDA (Food and Drug Administration). DEVA Holding currently exports pharmaceuticals and pharmaceutical raw materials to more than 50 countries.

DEVA Holding develops high added value, innovative new forms and products with its highly-competent staff of experts trained in their areas and experienced in R&D in its full-fledged laboratories and manufacturing areas equipped with state-of-the-art technology at its award-winning DEVARGE Center.

With its manufacturing capabilities, DEVA Holding has become the domestic corporation with the most comprehensive production capabilities in Turkey. Undertaking manufacturing operations at facilities in Çerkezköy and Kartepe, DEVA Holding holds an annual output capacity of 578 million units of medicines. While producing for public health, DEVA Holding also adopts the understanding of sustainability for the effective and efficient use of resources, and considers environmental sensitivities in its activities. DEVA Holding manages human rights, occupational health and safety, energy efficiency and waste with great care, and continues its activities with the awareness of leaving a more livable world to future generations with its employees who possesses environmental awareness.

Continuing to work for a healthy and sustainable future, DEVA Holding also supports social responsibility projects, especially in the fields of education, public health and the environment.

# FINANCIAL INDICATORS

FINANCIAL INDICATORS		
Primary financial and operational indicators (TL)	31.12.2021	31.12.2020
Total assets	5.079.931.877	3.087.915.503
Total liabilities	2.352.155.032	1.453.532.949
Total equity capital	2.727.776.845	1.634.382.554
	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Sales revenue (net)	2.330.367.791	1.863.328.501
Real operating profit	1.353.282.819	756.522.986
Net kâr	1.170.087.476	651.448.684
Basic ratios (%)	31.12.2021	31.12.2020
Current ratio	2,07	1,97
Liquidity ratio	1,47	1,39
Precision ratio	0,80	0,62
Liabilities/Assets total (Financial leverage rate)	0,46	0,47
Equity/debt ratio	1,16	1,12
	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Gross profit margin	0,58	0,54
Net profit margin (sales profitability)	0,50	0,35
Equity profit margin (equity profitability)	0,43	0,40

## Total Domestic Pharmaceutical Sales (Million Cartons)

2018	163,8
2019	159,7
2020	156,8
2021	150,5

## Total Exports (Million TL)

2018	118,8
2019	158,5
2020	265,0
2021	370,4

## Total Domestic Pharmaceutical Sales (Million TL)

2018	910,6
2019	1.236,4
2020	1.546,8
2021	1.944,0

## CAPITAL AND SHAREHOLDING STRUCTURE

### The Company's:

Registered Capital Cap : 500.000.000 TL

Issued Capital : 200.019.288 TL

## DEVA HOLDİNG A.Ş. SHAREHOLDING STRUCTURE (31.12.2021)

Corporate Name	Holdings TL	Rate of Share %
EastPharma S.a.r.l	164.424.760	82,20
Other Shareholders	35.594.528	17,80
<b>TOTAL</b>	<b>200.019.288</b>	<b>100,00</b>

## MESSAGE FROM THE CEO



Dear Stakeholders,

2021 was a year with a main theme of supply and demand-driven inflation across the globe. Supply chain troubles and rising energy prices were key factors that drove upward inflationary pressure around the world. The Turkish economy was, however, impacted also by wild exchange rate fluctuations on top of rising inflation. The impact of growing costs and exchange rate volatility was massive on the pharmaceutical industry, as the inputs are mostly in foreign currency. Despite the challenging industry conditions, DEVA Holding was able to close 2021, ranking in 2nd place with a market share of 5.0% in terms of units, and in 6th place with a market share of 2.7% in terms of values, according to IQVIA data.

At DEVA, we have been working for more than 60 years to provide treatments in areas where a need exists, expanding our therapy areas by enhancing our portfolio with new products every year. In year 2021, we introduced several new products and pharmaceutical forms for use by the medical community across respiratory, cardiology, ophthalmology, hematology and oncology therapy areas. We launched a new reorganization initiative to focus more intensively on our therapy areas by reviewing our business models. As an indigenous pharmaceutical company, we continue working hard to make a positive contribution to the health economy with value-adding generic products which we offer cost-effective treatments in many therapy areas.

On this point, it is our priority to be able to offer affordable treatments not only in Turkey but across the globe. Exports are vital for sustainable growth; and in recognition of that fact, we further intensified our focus on exports in order to increase brand awareness of DEVA in international markets. As of year 2021, the number of our approved products neared 930 in over 60 countries across international markets. We launched new products in German and Swiss markets under our Devatis brand. As a result of our resolute efforts on this front, DEVA has been admitted to Turquality, a branding program sponsored by the Ministry of Economy. We are proud to be expanding our presence in international markets by the day and moving rapidly toward becoming a brand of choice on a global scale.

During this time of product supply troubles due to the pandemic, we have prioritized our manufacturing and supply operations to ensure uninterrupted access to our treatments for patients who need them. At this point, our vertical integration mindset has been a major strength, making us stand out from other pharmaceutical companies. We have been able to carry out our supply operation without interruption, thanks to some of our products which we manufacture at our own facilities across all stages of the manufacturing process, from raw material to finished product. As one of Turkey's most powerful manufacturers, we continue expanding our investment in our manufacturing capabilities. Our manufacturing facilities, which have an annual output capacity of 578 million units, are subject to inspection by national and international health authorities. We take utmost care in fulfilling the requirements that result from those inspections, which serve to certify in each case the safety and quality of our products.

R&D is crucially important to sustaining our success and competitive edge. We continue investing in this area to reinforce our portfolio and develop innovative products. Our R&D teams, who are experts in their respective fields, are developing innovative new forms and products at our state-of-the-art laboratories, and collaborating with reputable universities. Last year, we reinvested approximately 8% of our sales in R&D. As the year before, this year DEVA again ranked in the 1st place among top pharmaceutical investors in R&D (\*Ar-GE 250, 2020). We are confident that our R&D efforts will help us move even further.

At DEVA, we strive to use our resources in the most efficient manner possible, recognizing our responsibility to the environment, while working and manufacturing our products for a healthier future. We believe it is important to be able to sustainably pass on to future generations the value that we create today. And toward that end, we identify our sustainability priorities and continue focusing on them moving forward.

Dear Stakeholders,

In a rapidly changing and evolving world, we continue making a difference with our strong product portfolio, our competent work force of approximately 2500 professionals, our flexible way of working and our innovative projects. Guided by our vision to become a global pharmaceutical company, we work hard to excel across all areas, primarily R&D, exports and manufacturing. As we have been over the past 63 years, we will continue working with passion and devotion to offer solutions that meet the needs of patients and patient relatives, recognizing our responsibility as a pharmaceutical company.

A stylized, handwritten signature in blue ink, appearing to read 'R. Has'.

Yours Sincerely,







Board of Directors and Senior Executives

## BOARD OF DIRECTORS AND SENIOR EXECUTIVES

### Philipp Haas

Chairman of the Board of Directors and CEO of DEVA Holding, Philipp Haas took MBA degree in the specialty of banking at St. Gallen Economy, Law and Business Administration University. He speaks German, English, French, Spanish, Portuguese, Italian and Turkish fluently. Having served as investment consultant and director since 1992, Philipp Haas has a broad experience in markets of Eastern European Countries and particularly Turkish market. Having taken part in many restructuring projects in Ukraine and Turkey, Philipp Haas performed membership of many boards of directors on behalf of foreign corporate investors in 90s, among which are Rogan Brewery in Ukraine and Net Holding in Turkey. Having a broad experience in pharmaceutical industry, Philipp Haas served as consultant to funds in pharmaceutical industry in developing markets and oriented their investments to Eastern Europe. Among such firms is Slovakopharma named afterwards as Zentiva. Being the Chairman of the Board of Directors of Eastpharma Ltd and DEVA Holding, Haas also serves as the Chairman of Board of Directors in Saba İlaç Sanayi ve Ticaret A.Ş., New Life Yaşam Sigorta A.Ş., Eastpharma İlaç Üretim Pazarlama San. ve Tic. A.Ş., and member of Board of Directors in Eastpharma Sarl. He also serves as a director in Devatis Ltd, Devatis GmbH, Devatis A.G. and Devatis A.G, Devatis de Mexico, S.DE RL. DE C.V, Devatis Pty Ltd and as member of Board of Directors and CEO in Devatis Inc.



*Chairman of the Board of Directors and CEO*

### Mesut Çetin

The Deputy Chairman of the Board of Directors and CFO of DEVA Holding, Mesut Çetin started his professional career within GEM Global Equities Management S.A., a fund management company, in 1999, and has served in various positions as clearing, research assistant, trader and management. Within the same group, he served actively in several private equity projects, and assumed the duty of project supervision in some projects. Mesut Çetin is the member of the BOD in Eastpharma Ltd. Ltd and Saba İlaç Sanayi ve Ticaret A.Ş. He also performs the duty of CFO in various companies within the group. Mesut Çetin is the graduate of Mathematics Teaching at Boğaziçi University and completed his EMBA program at Koç University.



*Deputy Chairman of the Board of Directors and CFO*

## BOARD OF DIRECTORS AND SENIOR EXECUTIVES



*Member of the Board of Directors*

### Eşref Güneş Ufuk

Independent Member of the Board of Directors of DEVA Holding, Güneş Ufuk received his bachelor's degree in Business Administration from St. Gallen University, Switzerland, and then worked in sales and marketing departments of several companies there, and in Turkey, he held various senior management functions in Kemer Golf & Country Club, Superonline and YKS which is also a Cukurova Group company. After completing his professional career as the General Manager at Kemer Golf & Country Club, Ufuk stepped into consulting business, and worked as a Manager and Consultant for more than 6 years, and in 2010, established the consulting firm k2 and started to offer Management Consulting, Training and Spokesmen services in development and management topics in a variety of companies in Turkey.

Ufuk continues his training and consultancy activities at K2C Consulting company, which he founded in 2015 and focuses on digitalization, distance learning and blended learning, by providing services to more than 100 companies functioning in various sectors both in and out of Turkey. Güneş Ufuk specializes in "Sales & Marketing", "Leadership", "Strategy" and "Corporate Culture and Change".



*Member of the Board of Directors*

### Ayşecik Haas

The Non-Executive Member of the Board of Directors of DEVA Holding, Ayşecik Haas completed her license degree in Electrical-Electronic Engineering in Doğu Akdeniz University after graduating Ankara Private Yükseliş College in 1991, then took her master degree in Economics branch in Texas Tech University. Having commenced her work life at various positions relating to engineering at Emek Elektrik and Beko Elektronik in Turkey, Ayşecik Haas worked the finance sector in New York after taking Economy Master degree and upon her return, she worked as investment specialist at Hattat Holding for a short period of time and performed as the General Manager of NAR Group, from 2008 to 2015. Ayşecik Haas is currently a Member of the Board of Directors at New Life Yaşam Sigorta A.Ş.



*Member of the Board of Directors*

### Sengül Soytaş

Independent Member of the Board of Directors of DEVA Holding, Sengül Soytaş, received her Bachelor's Degree in Business Administration at Middle East Technical University, and afterward completed a Master's Program in Business Administration with honors, at Indiana State University. She embarked on a professional career at Small Business Development Center, Indiana State University as a research fellow, and after repatriating to Turkey, she worked at Emek Elektrik A.Ş. as an Export Specialist for a brief period. Later she joined Vestel Ticaret A.Ş. and worked as a Marketing Specialist, Marketing Supervisor, and International Marketing Manager, overseeing several major marketing projects and project groups. Since June 2015, she has been working as a consultant on international marketing and business development, advising clients across industries on optimal ways of operating in international markets.

#### Changes in Memberships of the Board of Directors within the year

Members of the Board of Directors were elected in the Annual Ordinary General Assembly Meeting held on 15 May 2019 to hold office for a period of 3 years. The Independent Member of the of Board of Directors, Tuncay Cem Akkuş, left the board as of 31.03.2021, and was replaced by Sengül Soytaş who was appointed during the General Assembly Meeting of 01.04.2021 to serve as an Independent Member of the Board of Directors.

#### Senior Executives

Philipp Daniel Haas - (CEO)

Mesut Çetin - (CFO)

Doğan Varinlioğlu - Deputy General Manager of Turkey and International Markets

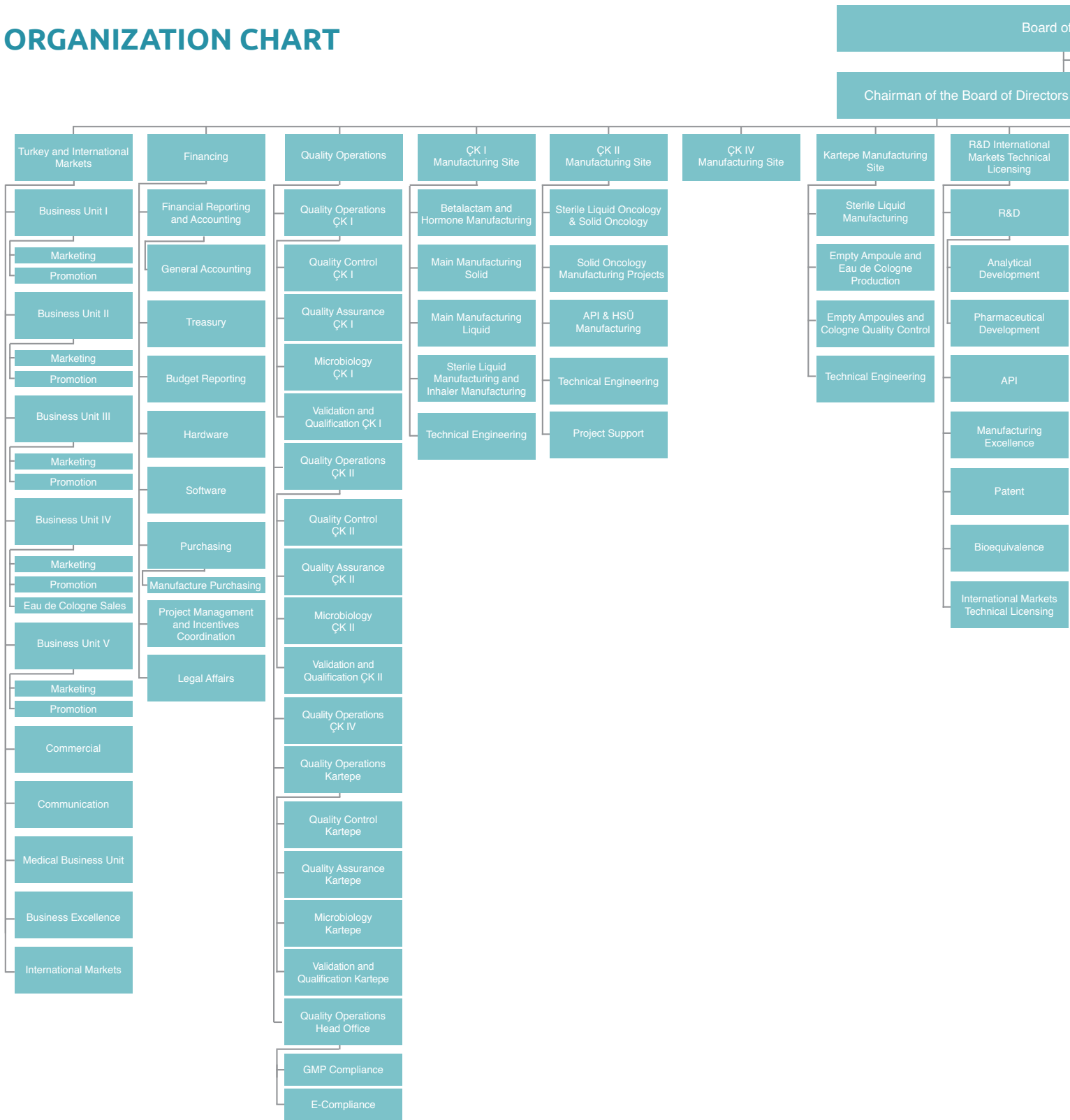
Rıza Yıldız - Financial Reporting and Accounting Director

Hartwig Andreas Steckel – R&D and International Markets Technical Licensing Director

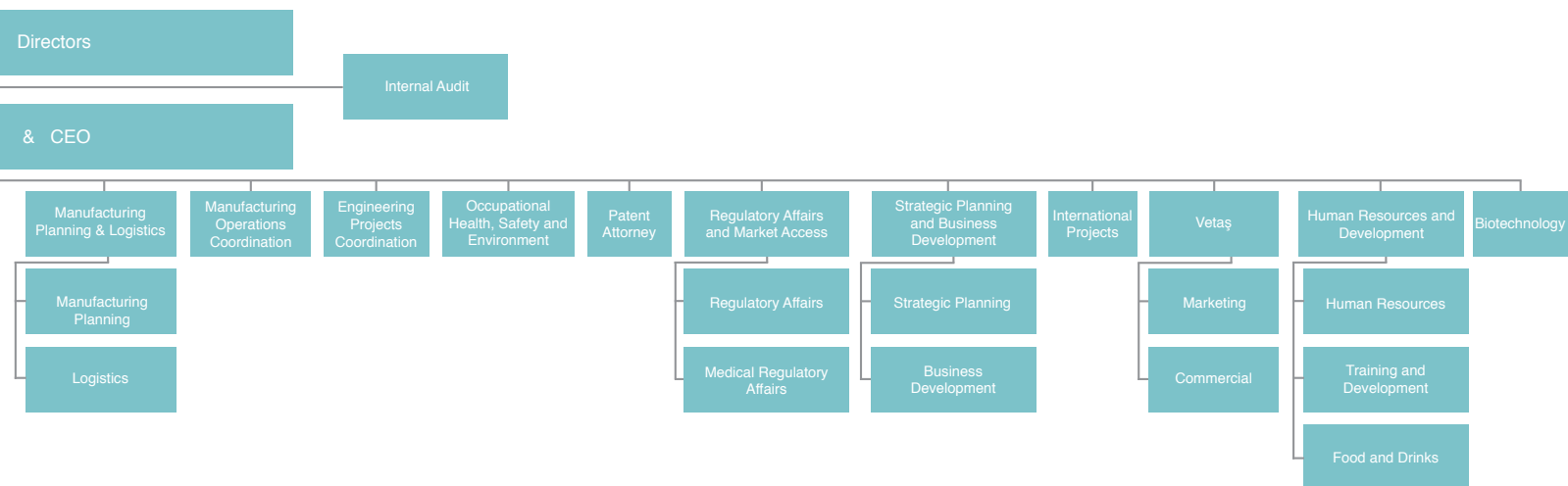
Tijen Kavlak – Business Unit Director

İrfan Çinkaya – Biotechnology Director

# ORGANIZATION CHART

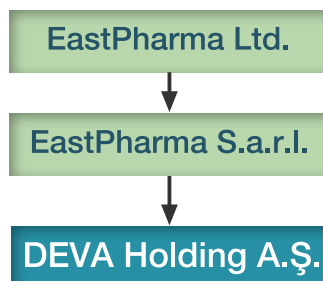






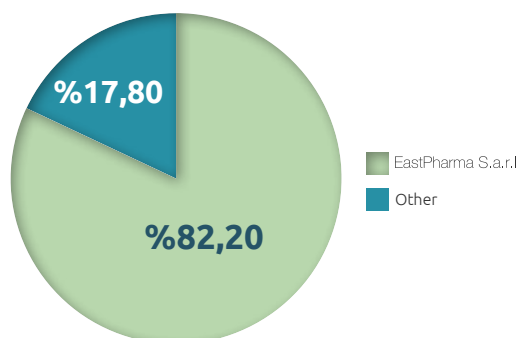
# SHAREHOLDING STRUCTURE AND SUBSIDIARIES

EastPharma Ltd. incorporates DEVA Holding and it holds A, B and C group shares.



<b>Group A</b>	
Direct Control	%74,00
<b>Group B</b>	
Direct Control	%72,00
<b>Group C</b>	
Direct Control	%82,20

**SHAREHOLDING STRUCTURE**  
(Shares of Group C)



DEVATIS Ltd	DEVATIS GmbH	DEVATIS Inc	DEVATIS AG	DEVATIS DE MEXICO S.DE RL DE C.V.	DEVATIS Pty Ltd	DEVATIS CANADA Inc
%100	%100	%100	%100	%99,99	%100	%100

## INFORMATION ON PREFERRED SHARES

Our company's capital contains 10 preferred shares in total of TL 0.10, consisting of 5 Group A Shares and 5 Group B Shares, each with a value of TL 0.01. The preferences for these shares are as follows:

### Preference in terms of Dividends

Group A Preferential Shares are entitled to receive 10% of the profit set aside from distributable profit according to the orders and principles referred to in the Articles of Association.

### Preference in terms of Right of Voting

Group A and B preferred shares have a voting right ten times the voting right of Group C shares in terms of right of voting.

### Preference in terms of Managerial Entitlement

Two members of the board of directors are elected by Group A and B preferential shareholders from amongst Group A preferential shareholders.

# MISSION, VISION AND MAIN PRINCIPLES

## Our Mission

We exist to offer innovative and diversified products with high quality experience with a view to everybody being able to reach healthy life at global scale.

## Our Vision

To be the first choice in fields in which we compete by creating giant pharmaceutical brands.

## Our Values

- Endurance in the face of challenges
- Taking on accountability
- Openness to change and development
- Dependability
- People-orientation
- Teamwork



# NOTES FROM THE PHARMACEUTICAL INDUSTRY

According to free market and hospital overall IQVIA data\*, 2.600 million units and TL 68.0 billion (\*) worth of medicines were sold in Turkish pharmaceutical market in 2021. The market grew 7.3% in number of units and 29% in TL compared to the same period of previous year.

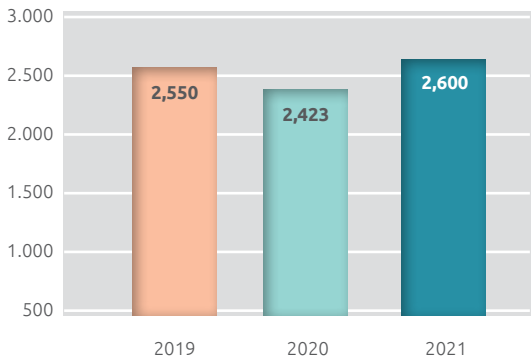
Rate of prescription drugs to total pharmaceutical market in Turkish market is 95.9% in number of units and 93.5% in TL.

Although drugs from many treatment groups are imported in our country, preparations requiring new and advanced technology, anti-cancer medicines, blood factors, nervous system drugs, insulin, and some controlled-release drugs are predominantly imported.

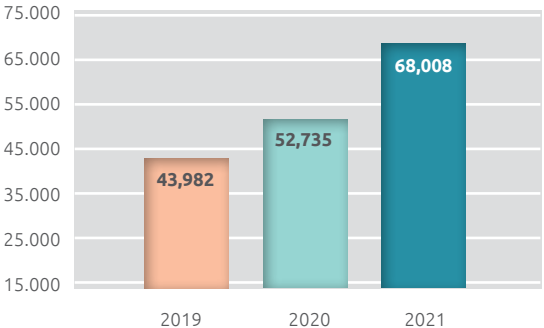
According to IQVIA data, the sector's import grew by 6.8% on a unit basis and increased by 3.6% on a USD basis, resulting in USD 396 billion in 2021. The domestic pharmaceutical market grew 7.4% on a unit basis and 2.2% on a USD basis, reaching 3.9 billion USD. The rate of imports in the total market is 17.6% on a unit basis and 50.4% on a USD basis.

According to IQVIA data, the sector grew 7.3% on a unit basis and 2.9% on a USD basis, resulting in USD 7.8 billion in 2021. The total pharmaceutical market reached TL 68 billion, representing 29% growth.

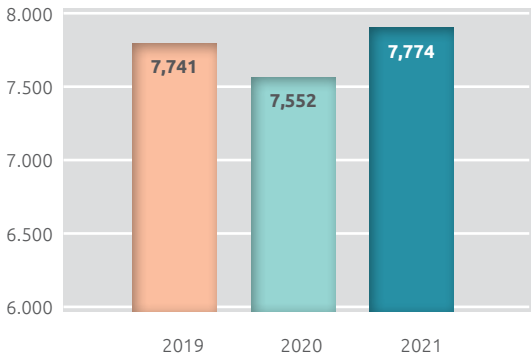
**Total Market (Million Units)**



**Total Market (Million TL)**



**Total Market (Million USD)**



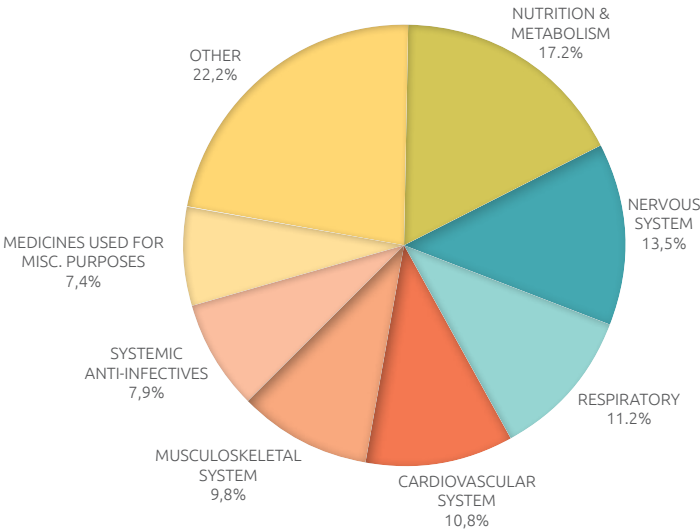
\* "Extras" are included in the value in units but not included in the value in TL based on the IQVIA calculation method change.  
Source: IQVIA Free + Hospital Data View



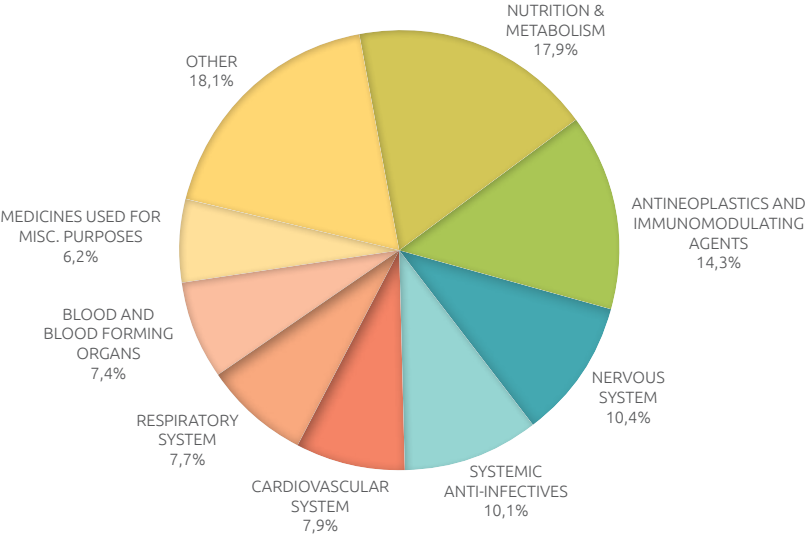
# NOTES FROM THE PHARMACEUTICAL INDUSTRY

Market distribution according to drug segments in our country in 2021 occurred on a unit and TL/USD basis as follows. On a both unit and TL/USD basis, Nutrition & Metabolism segment has the biggest share.

**Total Market Sales Distribution (%) (Units)**



**Total Market Sales Distribution (%) (TL/USD)**



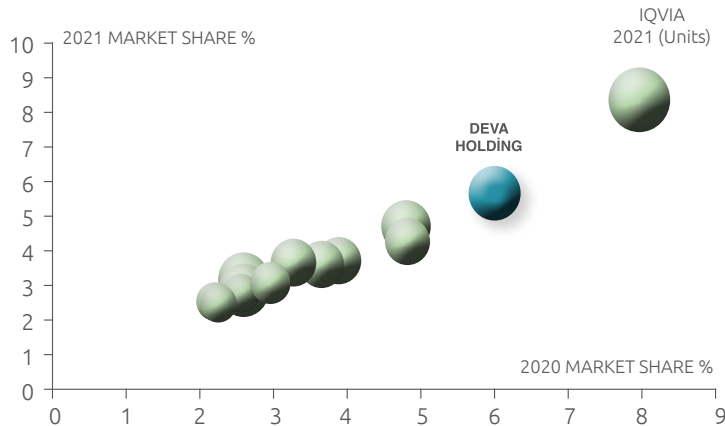
Source: IQVIA Free + Hospital Data View

# 2021 IN DEVA

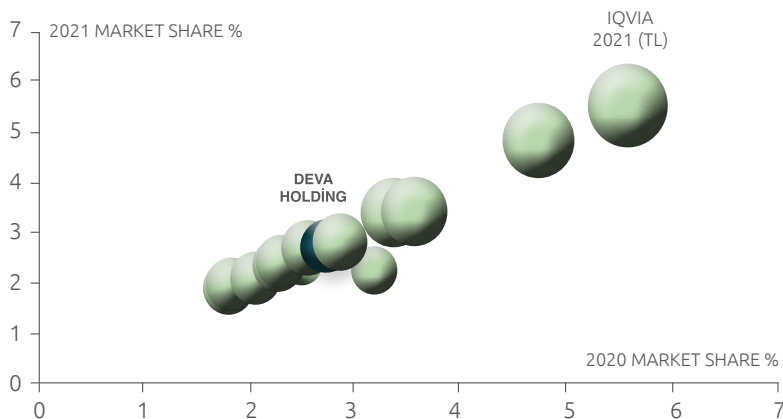
In 2021, DEVA Holding shrunk 5.9% on a unit basis with an IQVIA sale of 130 million (Free Market + Hospital) and grew 28.7% with an IQVIA sale of 1.844 million on a TL basis compared to 2020.

DEVA Holding maintained its second place on a unit basis in 2021 with a market share of 5.0%, and ranked in the 6th place with a market share of 2.7% on a TL basis.

Market Share of Top 15 Firms (Units)



Market Share of Top 15 Firms (TL)

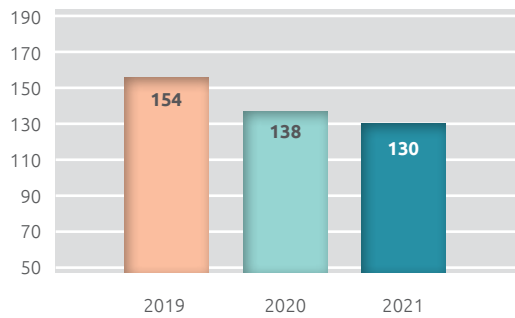


Source: IQVIA Free + Hospital Data View

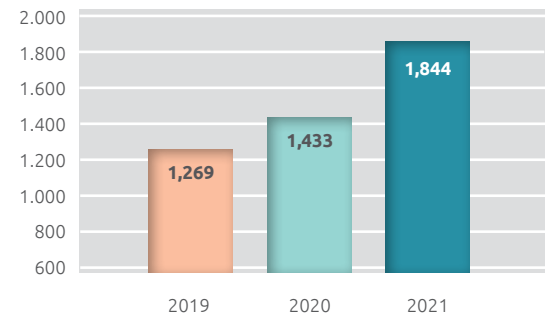
## 2021 IN DEVA

The progress for the last 3 years of the unit/TL/USD values of DEVA Holding are as follows:

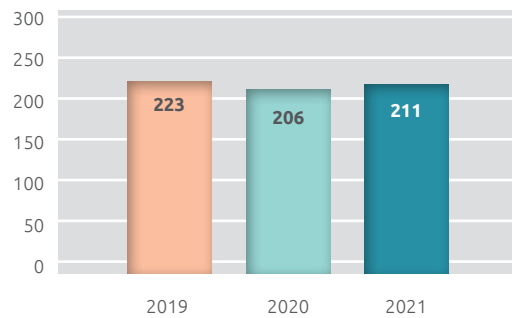
**DEVA Holding (Million Units)**



**DEVA Holding (Million TL)**



**DEVA Holding (Million USD)**



## 2021 IN DEVA

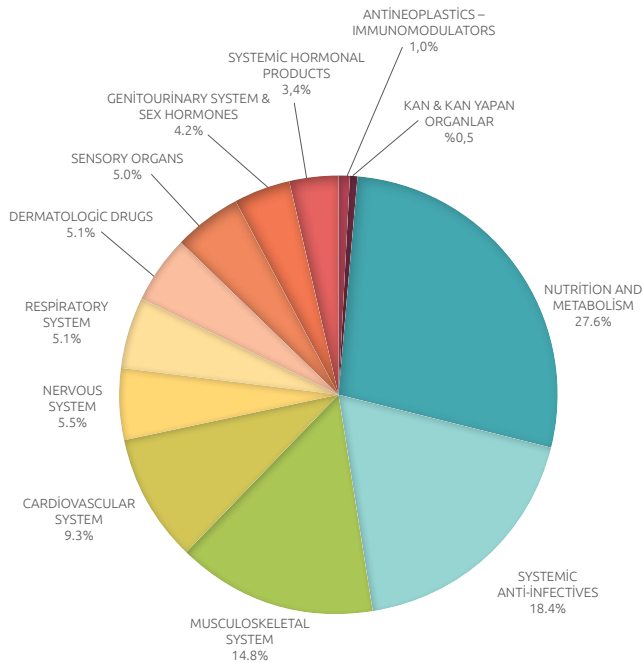
In 2021, DEVA Holding's Devit D3, Dikloron, Amoklavin and Pandev, respectively, were among the top 100 products of Turkish pharmaceutical market on a unit basis. Rivetime and Depores X ranked in the top 100 products of Turkish pharmaceutical market on a TL basis.

According to 2021 IQVIA data, 12 products accounted for 51% of the company's revenues. These products are Rivetime, Depores X, Depores, Devit D3, Amoklavin, Dikloron, Candexil Plus, Dilatrend, Madopar, Dodex, Novaqua and Cefaks, respectively.

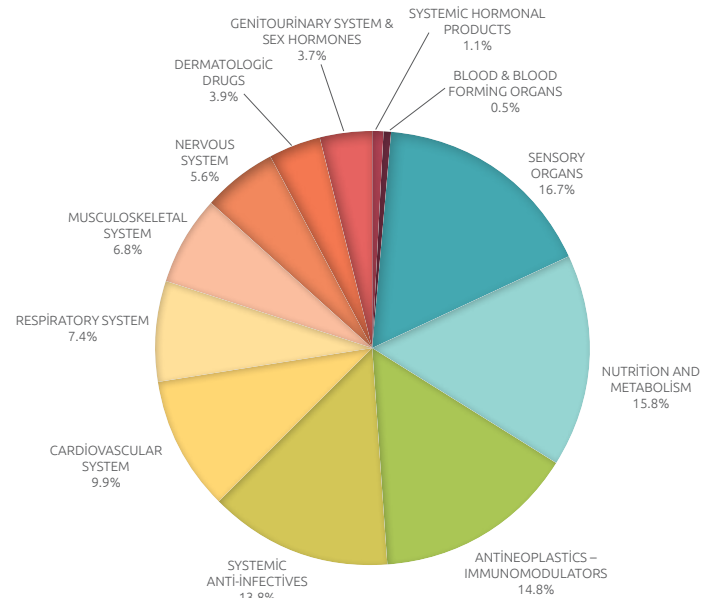
In 2021, product launches for 8 new products in 15 different forms were accomplished, with 10 different forms added to the existing products as well.

Nutrition and metabolism group of medicines comprise the majority of DEVA Holding's drug sales in 2021 on a unit basis. On a TL/USD basis, the largest segment was the Sensory Organs group. The distribution of sales by segment on a unit and TL/USD basis are as follows:

**DEVA Holding's Distribution of Sales % (Unit) 2021**



**DEVA Holding's Distribution of Sales % (TL/USD) 2021**



Source: IQVIA Free + Hospital Data View

DEVA Holding sold 13.0 million units of products worth 56.2 million TL to the State Supply Office in the relevant period, and these sales are not included in the IQVIA data.



## INTERNATIONAL MARKETS

### GMP Inspections

In 2021, the Çerkezköy-1 facility underwent GMP certificate renewal inspections by Kirgiz, New Zealand and Turkish authorities, and approvals for renewing the GMP Certificates were granted.

The Çerkezköy-2 facility successfully underwent GMP inspections by the Ethiopian and Turkish authorities, and approvals for renewing the GMP Certificates were granted.

The Kartepe facility underwent GMP inspections by Turkish, Kirgiz, Ukrainian and German authorities, and approvals for renewing the GMP Certificates were granted.

In addition, the quality certificate ISO 13485 for Medical Devices was audited in the Kartepe facility and the certificate was received.

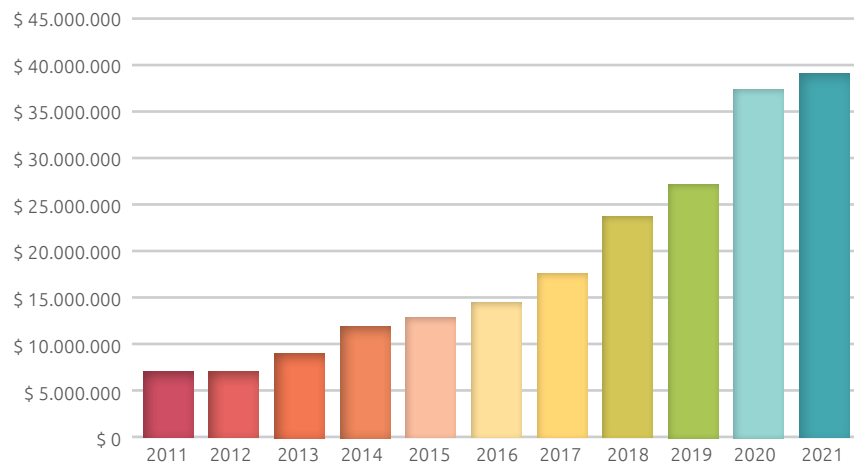
The ISO 9001: 2015 Quality Certification for Medical Devices for the Kartepe facility was maintained by a follow up inspection.

ISO 9001:2015 Quality Certification was maintained for all facilities, including the Holding, by a follow up audit conducted remotely. ISO 27001 Information Security Management System certification of Holding activities was maintained by a remote audit.

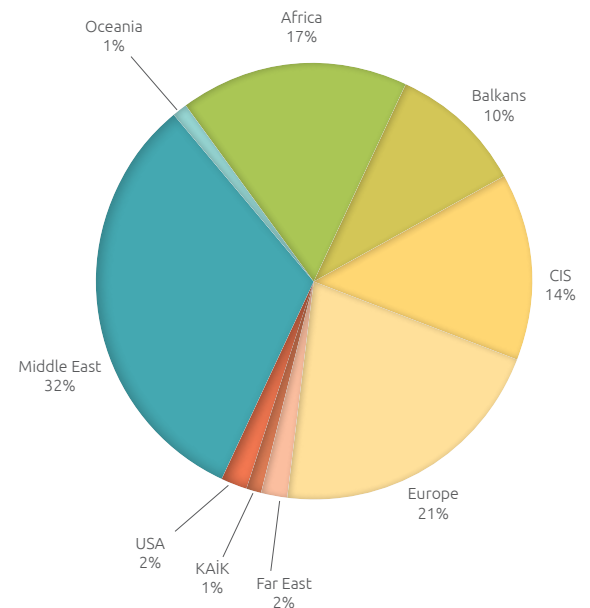
### Export of Medicinal Products for Human Use

Agreements with overseas pharmaceutical companies and distributors were continued to be made, and sale of the products to overseas markets with DEVA brand and license agreements continued as main business models in 2021 as well.

In 2021, in which new agreements and strategies continued producing results, DEVA's share from pharmaceutical products for human use, raw material exports and foreign contract projects increased by 6.5% compared to the previous year and reached 39.1 million USD.



### Distribution of Export in 2021 by region



## 2021 IN DEVA

The global growth strategy is executed using a dual-pronged approach, involving entering new markets and expanding footprint in existing markets with new launches.

In 2021, total of 148 approvals were received, bringing the grand total to 925 approvals in 63 countries.

In Germany, Devatis GmbH maintained positive growth with launches in respiratory and CNS therapy areas. In Switzerland, Devatis AG launched new products in various therapy areas, including cardiology, antibiotics, and antifungals, and attended major congresses in oncology/hematology and nephrology. Business development efforts in Europe continued, and antifungals were sold in the Italian market.

In the USA, Devatis Inc. obtained all state licenses required for selling products and launch preparations have picked up speed. Similarly, we strengthened our product portfolios in Canada and Australia, working on promising strategic products. We have been granted a contract in New Zealand, which reinforced our product portfolio.

In Balkan countries, we expanded our market share with new launches and marketing actions in respiratory and ophthalmology therapy areas.

In Azerbaijan, where we sell actively, we launched new products in cardiology and diversified our portfolio with new approvals. In Kazakhstan and Moldova, we have been granted government contracts and we placed new respiratory and cardiology products on the market; we also made sale to Belorussia.

In Africa, we maintained our growth drive with new collaborations and projects in Zimbabwe, Egypt, Sudan, Libya and Tanzania. In South Asia, we signed agreements for antibiotics in Nepal, and initiated launch efforts in Pakistan after obtaining new approvals in oncology, which is a key segment in that country.

In Latin America, we both grew our business and diversified our product portfolio working with existing and new partners, particularly in Venezuela, and in Panama and Dominican Republic.

In the key strategic market of Iraq, we entered the respiratory and ophthalmology segments, and bolstered our existing therapy areas with new product additions to grow our market share. We completed shipments of products to Lebanon; we continued growing in Qatar and in the Gulf states, particularly in the tender market.

In the Far East, we signed new collaboration agreements in Singapore and Taiwan, and made sales to Thailand. In Mongolia, we made non-authorized sales of antibiotics and consolidated our position in the market with new approvals in various therapy areas.

### Promotional Activities in the International Arena

While commercial activities on a global scale grew rapidly, new collaborations were evaluated in expositions. By participating in international organizations organized on the online platform due to the pandemic process during 2021, the communication network of DEVA Holding in this area was expanded, and agreements with new business partners were prepared.

In 2021, the product and sales trainings given to the sales and field teams of the existing partners in international markets were provided online given the pandemic process, and the DEVA corporate philosophy was delivered to the target audience with a common denominator in all markets where the DEVA brand is located.

### International Business Development Projects

In 2021, 3 new licensing and supply agreements were signed for central nervous system agents, anti-infectives, antineoplastics and immunomodulators, covering 3 countries in Europe and CIS.

## 2021 IN DEVA

In 2021, many therapeutic areas were examined in order to strengthen the portfolio, and as a result of the feasibility studies, many new products were pipelined in 12 different therapeutic areas, mainly respiratory, cardiovascular, antineoplastic and eye product groups.

### **International Congresses and Exhibitions Attended :**

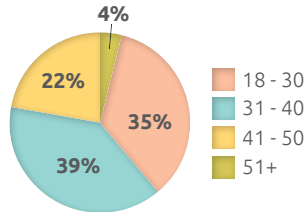
- Pharmasynergy (Digital)
- BIOEXPO (Digital)
- EuroPLX 75 – (Digital)
- EuroPLX 76 – (Digital)
- CPHI Digital
- CPHI World Wide
- Vitafoods (Digital)



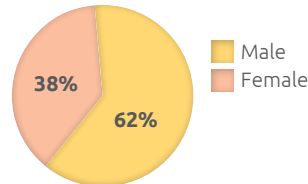
# HUMAN RESOURCES AND DEVELOPMENT

DEVA Holding, in view of the fact that it will gain more competitive power with a high-profile employees, continues to generate employment, primarily in R&D, field promotion and manufacturing facilities, in 2021, its 63rd anniversary, as well. Career opportunities are presented to the employees, and internal sources are prioritized, particularly in promotions. Through the employee evaluation center's practices and the evaluations of the Promotion Committee, implementation of systems for assignment of the employees to appropriate positions continued. The demographic structure of the company by the end of 2021 as a result of the above developments is as follows:

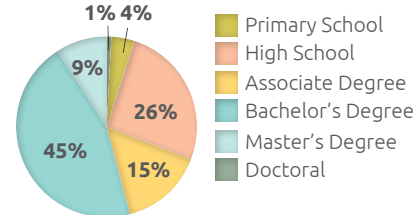
**Age Distribution**



**Gender Distribution**



**Educational Status**



In 2021, Internship Agreements were signed with leading universities in Turkey as part of DEVA Human Resources Policy. Internship opportunities were offered to university students in summer in various departments in DEVA Holding, thereby contributing to the improvement of the young people, introducing them to business life before they graduated.

In 2021, our collaboration with Istanbul University School of Pharmacy continued with a mentorship project and career planning seminars under our "360 Degree Training Program in the Pharmaceutical Sector". In this special education program, Pharmacy School seniors students participated in on-line lectures given by our R&D managers, taking part in scientific projects and gaining experience in the pharmaceutical industry. Within the scope of the "TÜBİTAK 2247-C Inter Researcher Scholarship Program", we continued providing pharmacy, chemistry and chemical engineering juniors and seniors internship opportunities in our various departments. In the universities determined by being included in the "TÜBİTAK 2244 - Industry Doctorate Program", students who continue their doctorate studies in molecular biology and genetics, pharmacy, chemistry, bioengineering, chemical engineering, biology, genetics and bioengineering departments have started to be employed as a "Doctoral Scholar" under the roof of R&D management. In this way, support was given to shape the business life of the students during their education.

As part of the R&D Management Trainee project, we provided employment opportunities to young talents, recently graduated from a pharmacy, chemistry or chemical engineering program, at our R&D department, and employees who start as a Management Trainee have begun working at their respective departments after a thorough orientation program.

In the digitalizing world, we continued collaborating with the "Youthall" platform in order to come together with young talents and increase the awareness of our employer brand by offering them internship and job opportunities, and we were able to reach out to many youths through the platform. Within the scope of digital transformation, the Digital Onboarding project was started.

As DEVA Family, many events were organized and celebrations, holidays, happy hours, etc were held, observing the measures of the COVID-19 pandemic, in order to increase the motivation, unity and solidarity feelings of the employees. Employees' creativity was supported, and new ideas and projects were evaluated and rewarded. With our "refer-win" initiative, our employees were given the opportunity to refer candidates who are suitable for DEVA's corporate culture and values to open positions, and our employees who made such suggestions were rewarded when the referred individuals are hired.

To support success, scholarships were made available to the successful children of DEVA family who are attending to medicine, pharmacy, chemistry, chemistry/chemical engineering, biology, genetics and bioengineering, biochemistry, bioengineering and veterinary departments of schools.

As part of the "DEVA Performance Management System", competency-based performance review was performed for all patients in line with the established targets in 2021. The "DEVA Competency Assessment" process continued to be integrated with the DEVA Performance Management System, Training and Development, Recruitment and Promotion processes.

In line with DEVA's 2021 goals and strategies, a variety of training programs were held to address the different development needs of the employees. In addition, their participation in training activities at home and abroad was also supported in order to increase their technical knowledge and skills and improve their personal development competencies.

Trainings continued in 2021 for all managers to support the management skills of remote teams.

Online training programs were organized to improve the leadership skills of middle-level managers at the Headquarters and Production facilities, as well as the communication and relationship management skills of employees in other positions.

The foreign language education process, which supports employees in following the changing world and their individual development, continued in 2021 with online sessions due to pandemic conditions.

In training and development planning, different and effective learning solutions were offered to reach employees in all locations using the most up-to-date online training technologies such as virtual classroom, video, e-test, e-learning and mobile learning.

All Human Resources and Development activities were continued successfully in 2021, too.



# MANUFACTURING FACILITIES

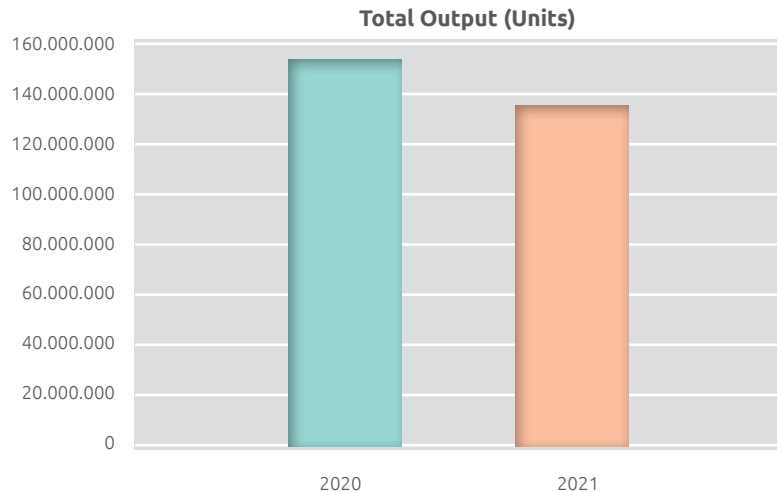


## DEVA HOLDING ÇERKEZKÖY-1 MANUFACTURING FACILITIES

DEVA Holding Çerkezköy-1 Manufacturing Facility, located approximately at a 110 km distance to Istanbul, is founded on an area of 52,000 m2 in Çerkezköy Organized Industrial Zone with closed facilities of 36,000 m2.

The facility comprises of modern buildings where liquids/semi solids and solids, cephalosporin, penicillin, hormone-containing products, inhaled products, sterile liquid ampoules and vials, and soft gel capsules are manufactured.

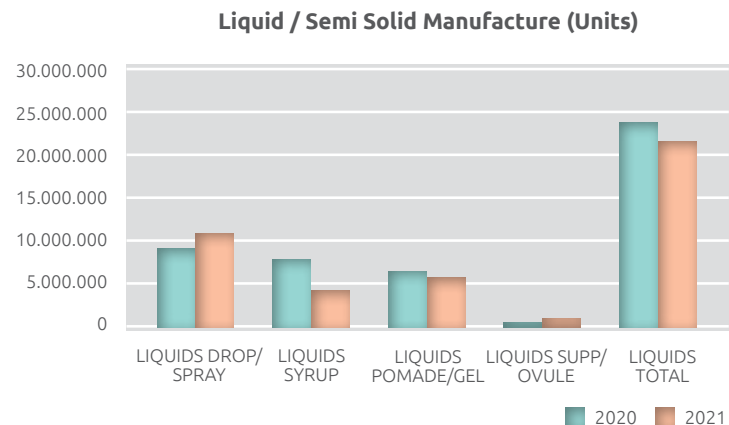
In the production facility, a total of 152 million units were manufactured in 2020 compared to 137 million units in 2021.



## Liquid / Semi Solid and Solids Manufacturing Unit

In the liquid and semi-solid area, syrup-drop and spray, creams and gels, suppository- and pessary-form products are manufactured using the state-of-art technology.

In the unit, in which a total of 25 million units were manufactured in 2020, a total of 22 million units were produced in 2021, including 15.7 million syrup drops and sprays, 6.3 million pomade cream-gels and suppository ovules.

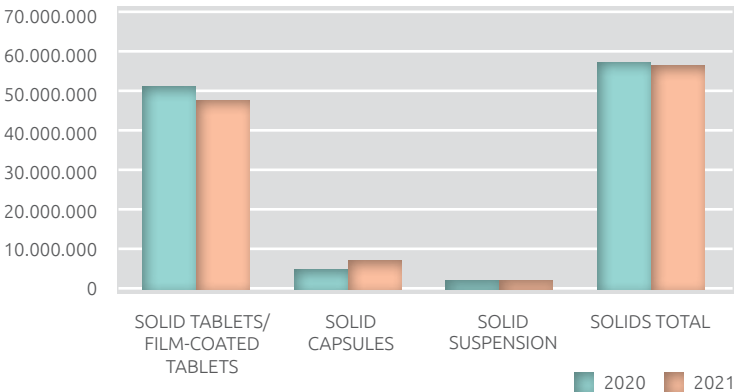


# MANUFACTURING FACILITIES

In the solids unit, tablets and film coated tablets, capsules and powder suspensions-form drugs are manufactured using the state-of-art technology.

In this unit, in which 58.4 million units of product were manufactured in 2020, a total of 57.9 million units were manufactured in 2021, of which 55.7 million units were tablets/soft gel capsules, and 2.2 million units were suspensions.

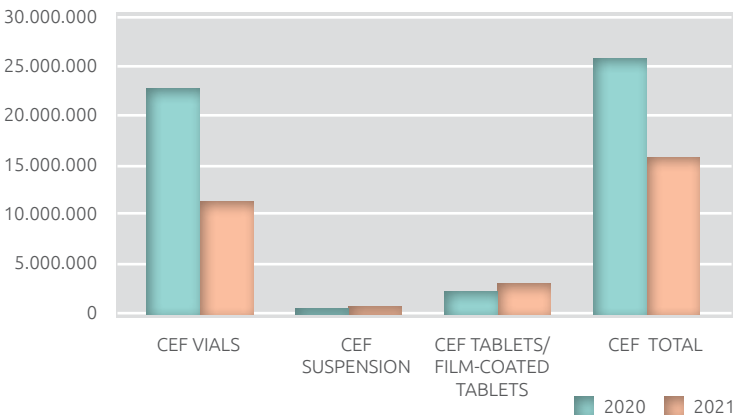
Solid Manufacture (Units)



## Cephalosporin Manufacturing Unit (Betalactam I)

In the cephalosporin unit, where 26.1 million units were manufactured in 2020, a total of 15.8 million units of pharmaceutical products were manufactured in 2021; 11.6 million units of injectable sterile powder vials, 900 thousand units of oral suspensions, 3.3 million units of film coated tablets and capsules.

Cephalosporin Manufacture (Units)

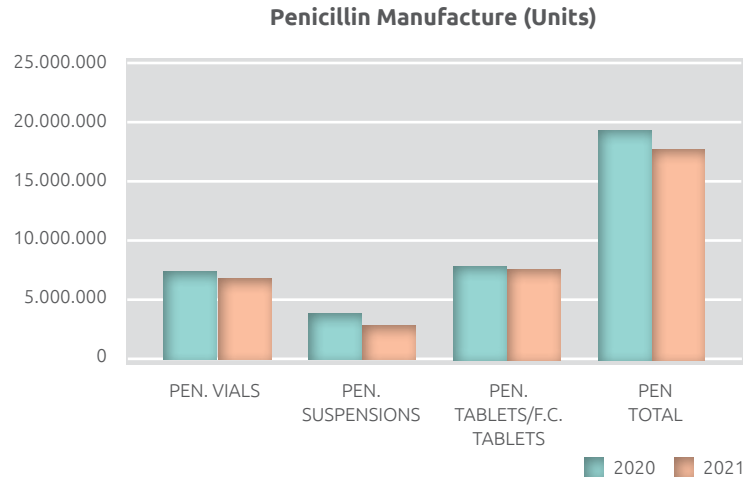




## MANUFACTURING FACILITIES

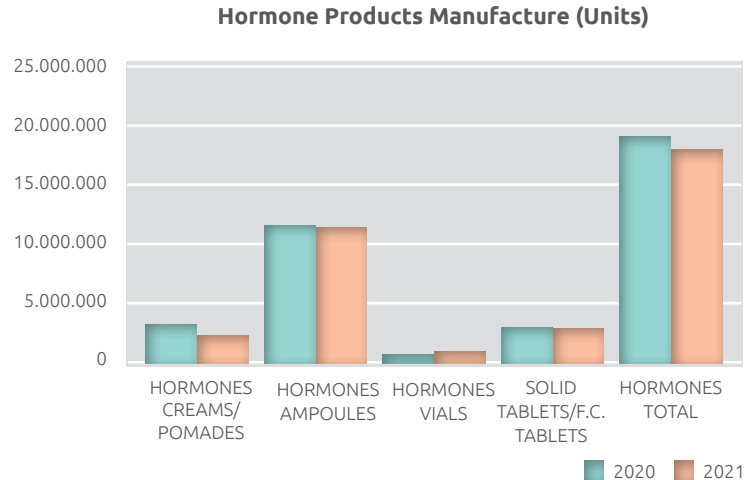
### Penicillin Manufacturing Unit (Betalactam II)

Whereas, in the penicillin unit, 19.3 million units were manufactured in 2020, a total of 17.6 million units of pharmaceutical products were manufactured in 2020; 6.8 million units of injectable sterile powder vials, 2.9 million units of oral suspensions, and 7.9 million units of film-coated tablets.



### Hormone Products Manufacturing Unit

Whereas, in the hormone products unit, 19.4 million units of products were manufactured in 2020; approximately 18.2 million units of products were manufactured in 2021; 2.5 million units of creams/pomades, 3.1 million units of solid tablets and film-coated tablets, and 12.6 million units of sterile ampoules, vials, and drops.



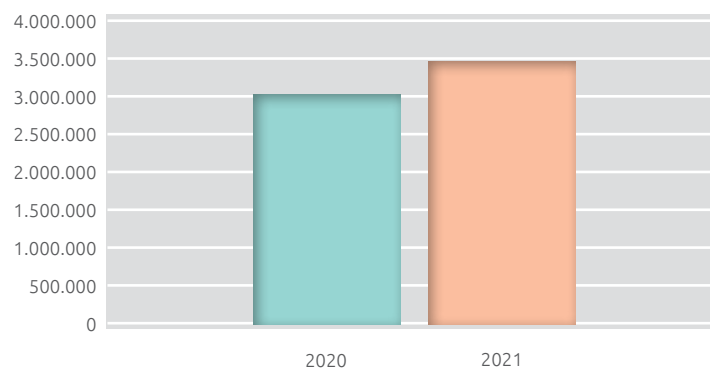
# MANUFACTURING FACILITIES

## Inhaled Products Manufacturing Unit

3 million units of MDI and DPI were manufactured in 2020 compared to 3.5 million units in 2021.

In 2021, production of inhalers increased 16.7% compared to 2020.

**Inhaler Total (Units)**

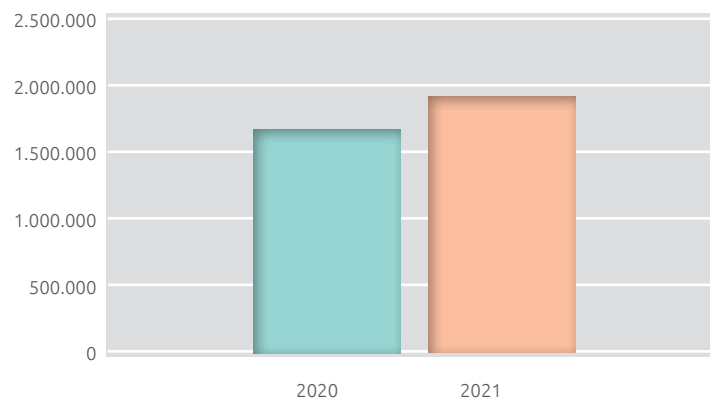


## Sterile Liquid Ampoule and Vial and Soft Gel Capsule Products Manufacturing Unit

In the Sterile Liquid Ampoule and Vial unit, 1.6 million units of sterile vials were manufactured in 2020, while 1.9 million units of vials were manufactured in 2021.

In 2021, there was a 18.7% increase in sterile liquid production compared to 2020.

**Sterile Liquid Vials Total (Units)**



## MANUFACTURING FACILITIES



### DEVA HOLDING ÇERKEZKÖY-II MANUFACTURING FACILITIES

DEVA Holding Çerkezköy-2 manufacturing facilities located at the 110 km distance to Istanbul, founded on an area of 67,551 m2 in Çerkezköy Organized Industrial Zone, with closed facilities of 21,968 m2, comprise of state-of-the-art manufacturing buildings where solid oncology, sterile liquid oncology, animal health products and APIs are manufactured.

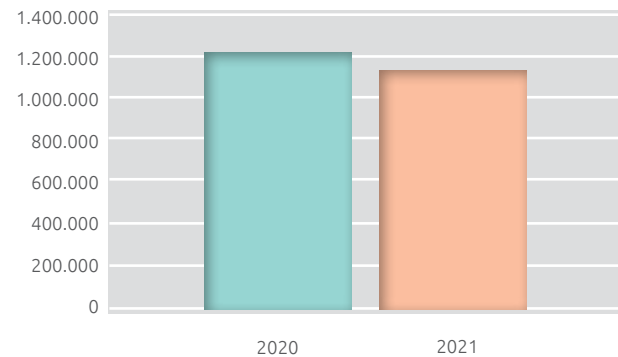
In 2021, investments were launched at this site for a new R&D building, a new biotechnology building, a central stability building to serve all facilities, and a new oncology solids building. The new R&D center has been commissioned and others are planned to be commissioned in 2022 and in the first quarter of 2023. With commissioning of the biotechnology building, biotechnology R&D team will continue its operations in this building.

### Solid Oncology Manufacturing Unit

Products in tablet and capsule form are manufactured in the solid oncology manufacturing unit.

The total manufacturing quantity, which was 1.24 million units in 2020, was 1.18 million units in 2021.

### Solid Oncology Manufacture (Units)





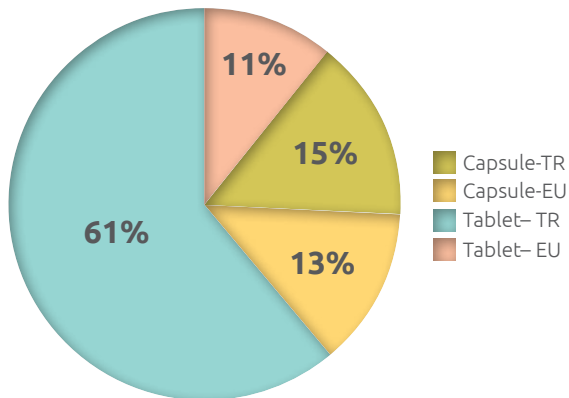
## MANUFACTURING FACILITIES

Of the total of 1.18 million units of products manufactured in 2021, 0.45 million units were capsules and 0.73 million units were tablets.

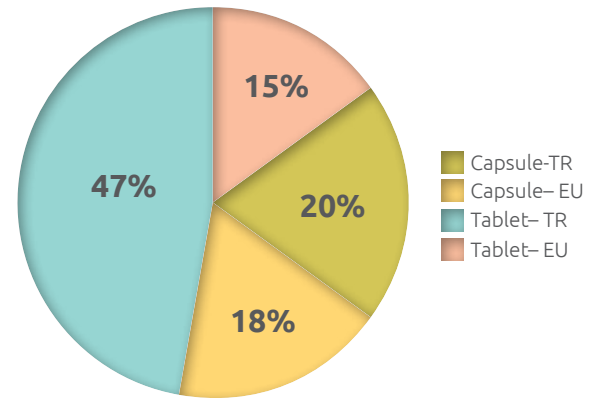
In addition, 0.18 million of the 0.73 million units of product manufactured in tablet form and 0.21 million units of 0.45 million capsules were produced for the European market.



Distribution of Solid Oncolytic Products in 2020



Distribution of Solid Oncolytic Products in 2021



## MANUFACTURING FACILITIES

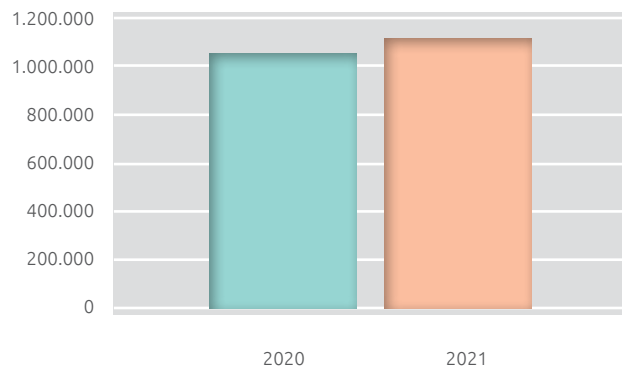
### Sterile Liquid Oncology Manufacturing Unit

Products in sterile liquid and sterile lyophilized powder forms are manufactured in Sterile Liquid Oncology Manufacturing unit.

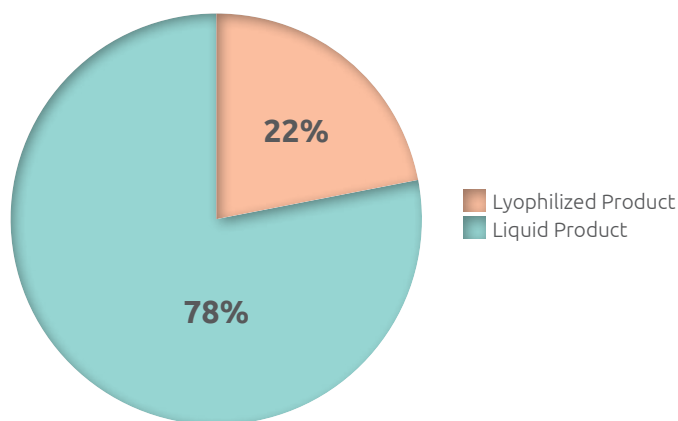
The output increased 5% to 1.13 million units in 2021 from 1.07 million in 2020.

Of the 1.13 million units of products, liquid products comprise 0.92 million units and lyophilized products comprise 0.21 million units.

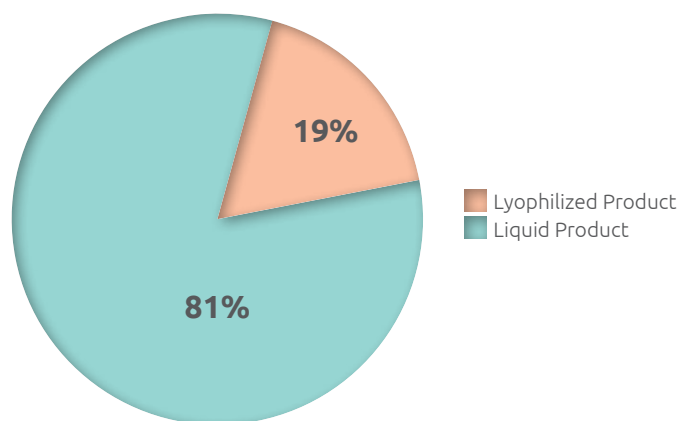
### Sterile Liquid Oncology Manufacture (Units)



### Distribution of Sterile Oncolytic Products in 2020



### Distribution of Sterile Oncolytic Products in 2021



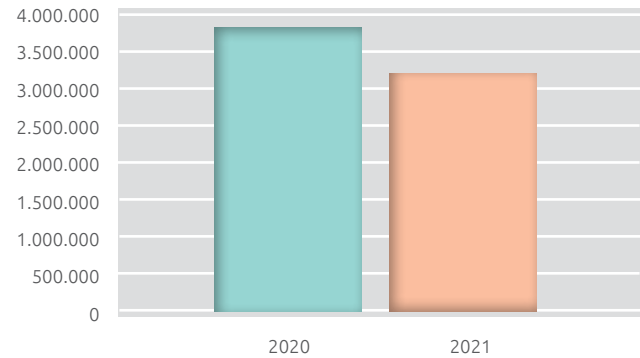
## MANUFACTURING FACILITIES

### Non-Sterile (Solid) Animal Health Products Manufacturing Unit

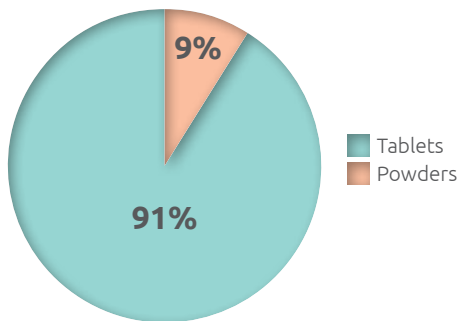
The non-sterile animal health products manufacturing unit manufactures animal health products in tablet, powder and bag form, including 7 in tablet form, 16 in small and large powder form, and 1 in bag powder form.

The department's output was 3.17 million units in 2021, compared to 3.79 million in 2020, including 3.03 million units of tablets, and 0.14 million units of powder.

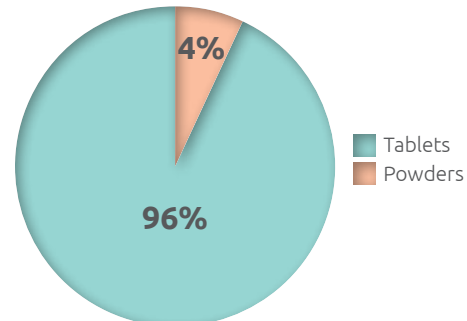
Solid Animal Health Products (Units)



Distribution of Solid Animal Health Products in 2020



Distribution of Solid Animal Health Products in 2021





# MANUFACTURING FACILITIES

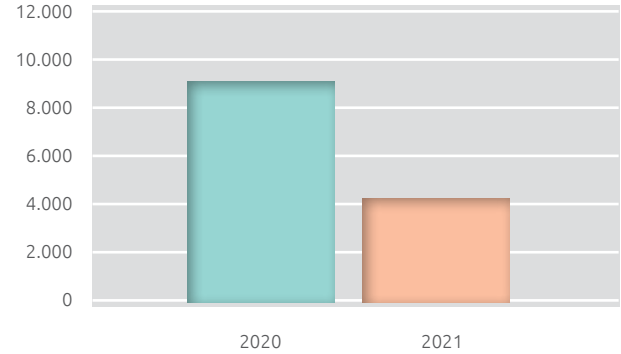
## API (Active Pharmaceutical Ingredient) Manufacturing Units

The facilities have two separate designated API manufacturing units: non-betalactam API and oncolytic API.

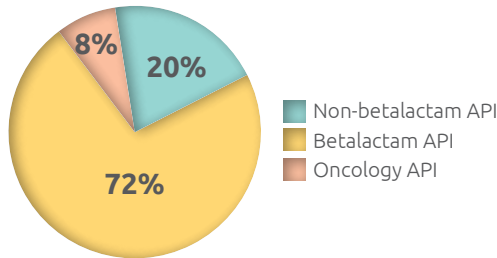
The API output was 4.019 kg in 2021, compared to 9.659 kg in 2020.

The total of 4.019 kg of API manufactured in 2021 comprised 2.833 kg of non-betalactam API and 1.186 kg oncolytic API.

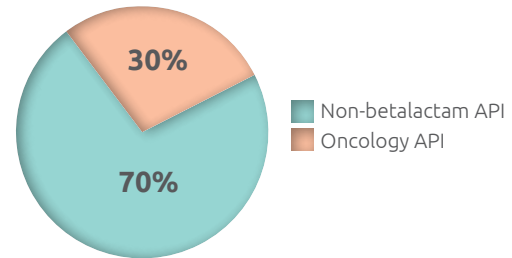
API Manufacturing (Kg)



Distribution of API Products in 2020



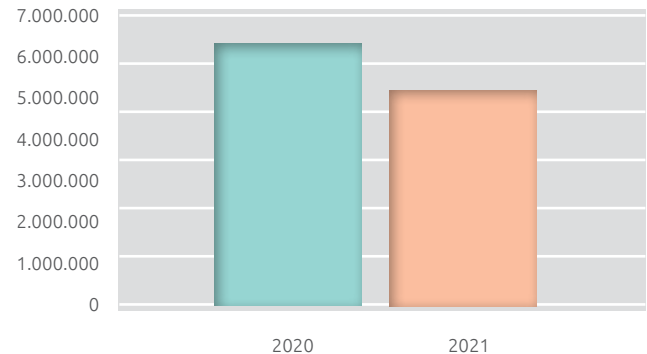
Distribution of API Products in 2021



In API manufacturing, the toxic gases arising from reaction are neutralized before being released to the atmosphere to minimize the environmental effects resulting from manufacturing activities.

To summarize, the finished product output in DEVA Holding Çerkezköy-2 facility was 5.49 million units in 2021, compared to 6.24 million in 2020.

Çerkezköy-2 Production



## MANUFACTURING FACILITIES



### DEVA HOLDING KARTEPE MANUFACTURING FACILITIES

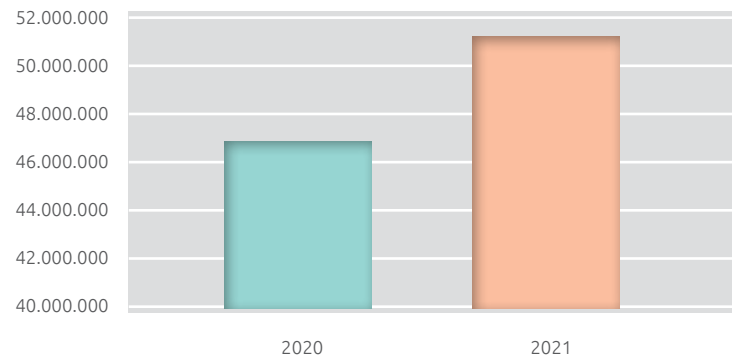
DEVA Holding Kartepe Manufacturing Facilities, located on İzmit - Ankara highway, in Kocaeli Kartepe district, founded on an area of 32.000 m<sup>2</sup>, with a closed area of 16.500 m<sup>2</sup>, comprise of state-of-the-art buildings where sterile liquid drugs, empty medical ampoules, and colognes are manufactured.

#### Sterile Liquid Drug Manufacturing Unit

Sterile liquid ampoules for injection, sterile liquid vials for injection, sterile liquid lyophilized vials for injection, produced with BFS (Blow-Fill-Seal) technology as well as sterile liquid eye drops, sterile liquid solvent vial and vials containing inhalation solution for sterile nebulization in a ready-to-use PE bottle can be manufactured in Kartepe sterile liquid drug manufacturing facilities.

The total output of this facility was 51.57 million units in 2021, up from 46.9 million in 2020, representing a 10% increase in output.

#### Sterile Liquid Drug Manufacture (Units)





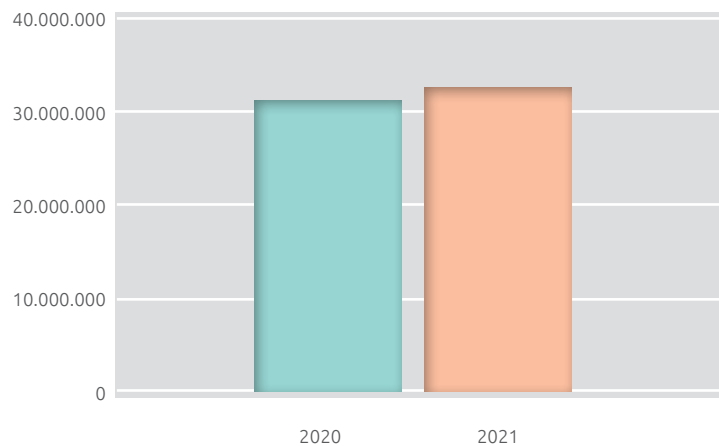
## MANUFACTURING FACILITIES



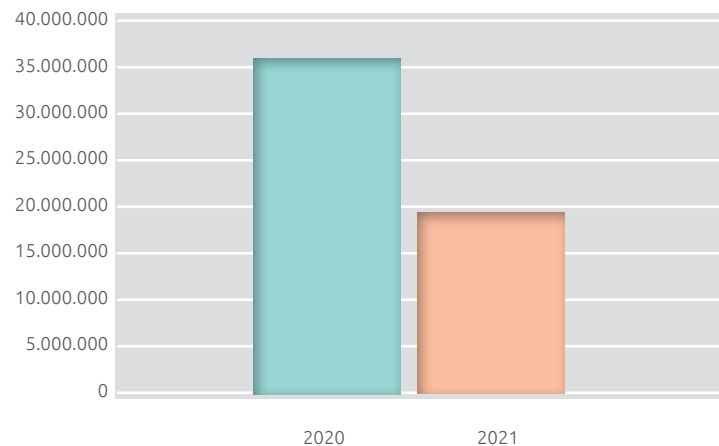
### Manufacture of Sterile Ampoules for Injection

This facility manufactured a total of 33.8 million units of ampoules and 19.61 million units of solvents, compared to 32.49 million units of ampoules and 36.33 million units of solvent ampoules in 2020. The total single ampoule output was 122 million in 2021.

Number of Ampoules on Unit-Basis



Number of Solvent Ampoules

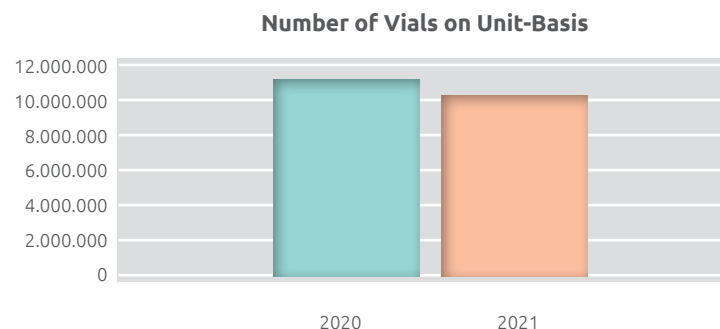




# MANUFACTURING FACILITIES

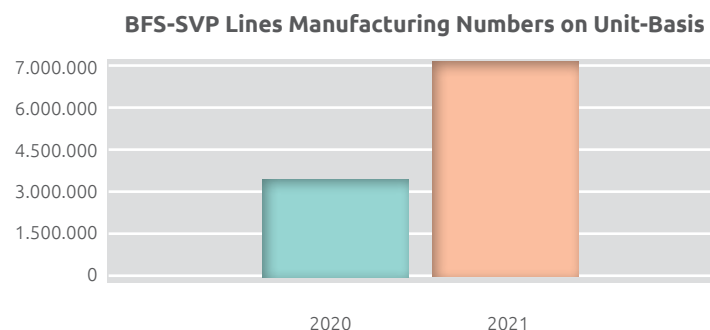
## Manufacture of Sterile Liquid Vials for Injection and Sterile Liquid Lyophilized Vials for Injection

On our production line for sterile liquid vials for injection and sterile liquid lyophilized vials for injection, on which a total of 11.11 million units of vials were manufactured in 2020, 10.27 million units of vials were manufactured in 2021.



## BFS-SVP Manufacture

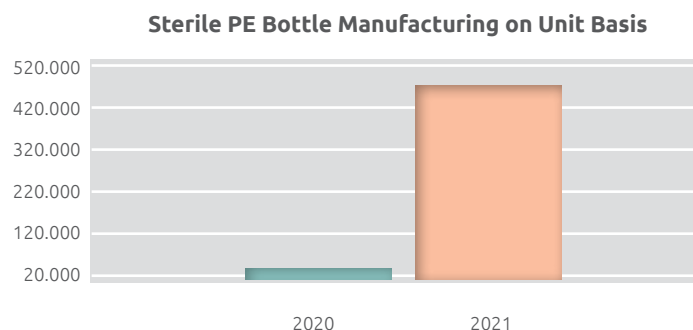
On the BFS-SVP production line on which a total of 3.27 million units were produced in 2020, a total of approximately 7.02 million units of production was achieved in 2021, with the introduction of a new manufacturing line.



## Sterile PE Bottle Production

The sterile eye drops PE bottle filling line manufactured a total of approximately 474,000 units in 2021, compared to 27,000 in 2020.

The site, previously inspected and approved by the Ministry of Health, the Ministry of Agriculture and Forestry, the German Ministry of Health (for our BFS-SVP production lines), the US FDA (by the Food and Drug Administration of the United States; some products produced only in sterile liquid vial and sterile liquid lyophilized vial production line) and by the health authorities of Kenya, South Africa, New Zealand (Medsafe), Portugal (Infarmed), Russia, United Arab Emirates, Philippines, Qatar, Iraq, Ivory Coast, Cambodia and Yemen, successfully underwent routine inspections in 2021 by Turkish Ministry of Health, German Ministry of Health, Ukrainian Health Authority TÜV Thüringen.



## MANUFACTURING FACILITIES

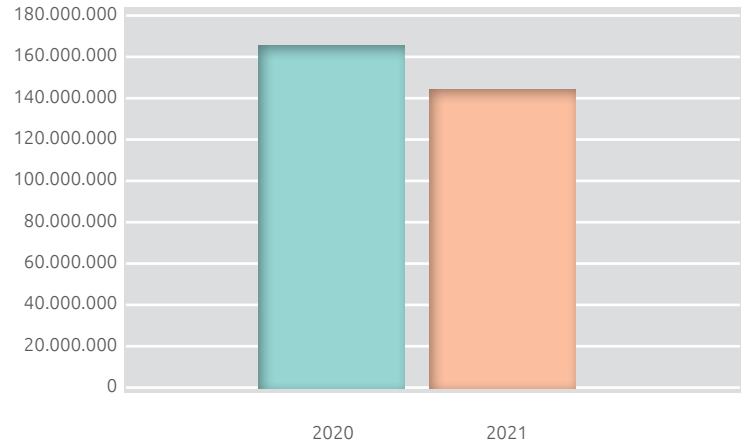
### Manufacture of Empty Medical Ampoules

Our empty medical ampoule manufacturing unit meets a substantial part of the market's need as one of the three leading medical ampoule manufacturing companies in our country.

Our facilities, which holds ISO 9001:2008 certificate, is audited by Thuringen on a periodical basis.

The number of empty ampoules manufactured was 166.75 million in 2020, and 145.75 million in 2021.

### Empty Medical Ampoules Production (Units)



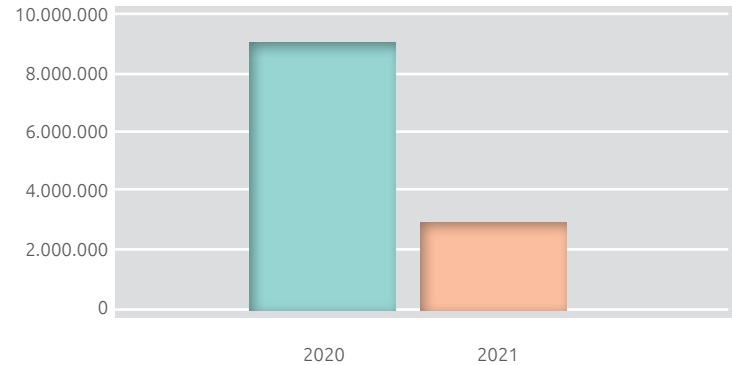
### Manufacture of Cologne

Boğaziçi Kolonyaları, one of Turkey's best-selling brand, is produced in line with the Turkish Ministry of Health, Cosmetic GMP practices.

Our department, which holds the ISO 9001: 2015 certificate, is also periodically audited by TUV Thuringen.

The eau de cologne output was 3.06 million in 2021, compared to 9.27 million units in 2020, when the pandemic started.

### Manufacture of Cologne (Units)



### PRODUCTION INDICATORS

The total human and veterinary products manufactured in our manufacturing facilities on a unit basis was 196.7 million units in 2018, 200.7 million units in 2019, 205.8 million units in 2020 and 194,5 million units in 2021.

The total manufacturing value (drugs and other) was realized as 541.4 million TL in 2018, 687.6 million TL in 2019, 868.8 million in 2020 and 1.073,7 million in 2021.

## DEVA TURKEY REGULATORY AFFAIRS & MARKET ACCESS



### **DEVA Turkey Regulatory Affairs & Market Access Department consists of**

- Licensing
- Pricing and Refunding
- Official Relations
- Medical Regulatory Affairs and Pharmacovigilance
- Packaging

17 new approvals were received in 2021, adding new products to our antibiotics, respiratory, cardiology, oncology and other product portfolios.

We have 529 licensed products in total, of which 370 licensed product is on active sale and corresponds to 188 molecules.



As DEVARGE,

Our objectives are to be the pioneer in generic drug development, to make difference by developing value-added products, to develop products for regulated markets and have these products authorized and launched in these markets, to invest into future by adapting new technologies to our company, to develop products with high added value through university-industry cooperation and to make sure that the rights of our company are protected via patent registration.

We work to be the top generic drug manufacturer of Turkey and to develop high added value products exportable to international markets.

With our strong staff consisting of 382 trained personnel who are experts in their fields as well as laboratories and manufacturing sites equipped with cutting-edge technology, we work to develop innovative products.

We strive to perform R&D activities in compliance with all ethical and legal principles in a manner to meet the expectations of the concerned authorities; prove that the safety, efficacy and quality of the products do not change throughout the shelf life, increase product accessibility, develop sustainable methods to increase efficiency and adapt production to new technologies.

The operating principle requires product quality meeting current standards, and finding new formulations, new dosage forms, and different routes of synthesis and/or new polymorph methods that do not infringe patents for raw materials.

Our long-term goal is to continue being a pioneer in developing generic drugs, ensure vertical integration in strategic products, compete with the world in developing active ingredients and new polymorphs, create a difference by developing products with added value, to continue to develop products for regulated markets (EMA and FDA), increase our competence by adapting new technologies, develop products with high added value by means of cooperation between universities and the industry, and to protect our innovative intellectual property with patent registration.

DEVARGE comprises of Pharmaceutical Development, Analytical Development, Manufacturing Excellence, API Development, CMC Documentation, Patent and Biotechnology units.

DEVARGE contains Pre-formulation and pilot manufacturing area, synthesis and scale-up laboratories, stability area, analytical development laboratories and biotechnology laboratories.



In 2021:

- Approvals were received for 26 products in regulated markets.
- 122 marketing authorizations were obtained in international markets.
- Alternative sources of active substance were investigated to cut the costs of 52 commercial products.
- Validation lots were manufactured for 12 active pharmaceutical ingredients (APIs).
- 9 active substance master files (ASMFs) for 2 APIs were filed and received approval.

4 projects are currently underway, under TÜBİTAK TEYDEB 1501 Industry R&D projects.





Merged with DEVA Holding in 2016 with no changes in its former structure, Vetaş, as a company that operates in the field of manufacturing and marketing veterinary drugs, is among the leading animal health companies in Turkey.

Offering high-quality solutions in the prevention, diagnosis and treatment of diseases, Vetaş has the widest range of products in the industry with its innovative products.

Evaluating all developments in the industry, which is extremely sensitive to economic developments, and meat, milk and livestock prices, in a timely manner with the right strategies, Vetaş puts weight on future projects with a view to maintain and improve its strong position.

The long-term business partnership activities in line with the goal of increasing our experience of 48 years in the field of animal health products in international markets are continuing. Actively sustaining its licensing activities abroad, Vetaş also and continues its licensing works in Turkey, both as updates or new products.

We attended the 6th National & 2nd International Herd Health and Management E-Congress as a Platinum Sponsor, which was held on May 17 – 19, 2021, as the first online congress organized by Association for Farm Animal Veterinarians. Also, we sponsored attendance of veterinarians to the 4th International Farm Animals Fertility and Udder Health Congress, organized by Near East University in TRNC on November 11 – 14, 2021.

Vetaş continued to meet the needs in every sense with its superior technological infrastructure to manufacture high-quality, healthy, safe and efficient food of animal origin in 2021, as usual, and putting weight on new product studies, focused on studies of widening its product range based on the field dynamics.

#### Contact Details:

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Website: [www.vetas.com.tr](http://www.vetas.com.tr)



# ADMINISTRATIVE ACTIVITIES

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The risk management activities of our company are performed under the coordination of Risk Management Committee. Risk Management Committee evaluates the information from the Credit Committee and Internal Audit within the framework of Corporate Risk Management, and prepares and the results of the evaluation and any action plans to mitigate risks and presents them to the Board of Directors.

The credit committee sets the credit limits to be allocated to customers in product purchases and the bases for the securities to be received. It uses the partnership structure, immovable properties, financial status, and intelligence activities about the region in setting limits and securities. It is aimed to keep the security rates on desired levels and minimize doubtful receivable risks by continuous management of customers' open accounts.

Internal Audit Management audits the compliance of the activities carried out by the company with international auditing principles and generally accepted management standards, company's articles of association as well as written policies and practices. Internal Audit Management evaluates all units in terms of management within the framework of the audit plan, and presents audit results to the Risk Management Committee and the Committee Responsible for Audits on a regular basis.

In 2021, internal audit activities were carried out for the company's operations, the risk reports from all units were evaluated, and the findings and recommendations for improvement were presented to the Board of Directors.

## THE AMENDMENTS MADE IN THE ARTICLES OF ASSOCIATION WITHIN THE PERIOD AND THEIR RATIONALE

During this period, Article 14, titled "Meetings of the Board of Directors," of the Company's Articles of Association was amended to essentially include a provision to allow attending meetings of the board of directors electronically, for those individuals who are entitled to attend the meetings.

## REGARDING PARTNERSHIP:

### Changes in the Capital Status of the Partnership within the Period

No changes were made within the period.

### Audits Carried Out within the Period

During the period of 01.01.2021 - 31.12.2021, a tax audit covering the periods of 2018 and 2019, launched by the Tax Auditing Board of the Turkish Ministry of Finance and Treasury in 2020, was concluded, and the principal amounts of the taxes and tax evasion fines that the auditors assessed were paid upfront, after restructuring according to the applicable provisions of Law #7326 on the Restructuring of Various Receivables and Amending Various Laws.

Also, Business Inspectorate of the Turkish Ministry of Trade included our company in the "Post Factum Control Program" in year 2021, conducting an audit of the transactions that were made in years 2018, 2019, 2020 and 2021. The resulting fine and additional accruals assessed were paid upfront, after restructuring according to the applicable provisions of Law #7326 on the Restructuring of Various Receivables and Amending Various Laws.

### Information on legislative changes that may significantly affect company operations during the period

None

### Cases filed against the company

The cases filed against our company include miscellaneous business cases and cases regarding tax penalties. Detailed information on the subject is provided in the footnote 17.

### Information on Conflicts of Interest Between the Institutions from Which the Company's Receives Services for Investment Consulting and Rating, and Information on Measures Taken by the Company to Prevent These Conflicts of Interest

There are no conflicts of interest between the relevant institutions and our company, and provisions that prevent conflicts of interest are included in the contracts made with the institutions.

### Collective Agreement Practices

No Collective Agreement with employees exists.

### Personnel and Labor Movements

No personnel or labor movements occurred.

### Severance pay liability

The severance pay liability of DEVA Holding A.Ş. and Group Companies for 01.01.2021 - 31.12.2021 period was 43.942.290 TL, and provisions were made for the entire amount in accordance with the related legislation.

## ADMINISTRATIVE ACTIVITIES

### Right and benefits provided to the personnel and laborers

In addition to their wages, according to the requirements and necessities of their duties, lunch, clothing, personnel transportation service, holiday allowance, child and education support, food, fuel, marriage aid, family allowance were provided to our employees and life insurance and optional group health insurance practices were continued, and Complementary Health Insurance practice has been provided from 2020.

### Information on the donations made within the period

Donations and aid amounting to 986.611 TL were provided to various organizations and associations during the period between 01.01.2021 and 31.12.2021

Recognizing our responsibility to improve society's quality of life and support economic, environmental, cultural and social development, based on the principle "human health is our first priority no matter where in the world", our company continued the social responsibility activities it performed with non-profit organizations in 2021, and for that purpose, support was provided to meet equipment needs of several education and health institutions.

### COMMITTEES AND WORKING PRINCIPLES

#### Supervisory Committee

Eşref Güneş Ufuk	Chairman (Independent Member of the Board of Directors)
Sengül Soytaş	Member (Independent Member of the Board of Directors)

The Supervisory Committee supervises the accounting system, disclosure of financial information, independent auditing and operation and effectiveness of the company's internal control system within the framework of the Capital Market Legislation. The Committee also evaluates the issues identified in the framework of their evaluations and reports to the Board of Directors.

#### Corporate Governance Committee

Eşref Güneş Ufuk	Chairman (Independent Member of the Board of Directors)
Sengül Soytaş	Member (Independent Member of the Board of Directors)
Mesut Çetin	Investor Relations Officer

The Corporate Governance Committee monitors the Company's compliance with the Corporate Governance Principles in accordance with the Capital Market Legislation and the Capital Markets Board Corporate Governance Principles, and carries out improvement activities and presents recommendations to the Board of Directors. The Corporate Governance Committee convenes when deemed necessary. Since "Nomination Committee" or "Wage Committee" has not been established in our Company, the duties of these committees are also fulfilled by the Corporate Governance Committee.

#### Committee for Early Detection of Risks

Eşref Güneş Ufuk	Chairman (Independent Member of the Board of Directors)
Sengül Soytaş	Member (Independent Member of the Board of Directors)
Mesut Çetin	Member (Executive Member of the Board of Directors)

The Early Risk Detection Committee reports to the Board of Directors by conducting studies for early detection of risks that may endanger the company's existence, development and continuity, the implementation of the necessary measures for the identified risks and the management of the risk.

The Sustainability Subcommittee, reporting to the Corporate Governance Committee, is established to determine the company's sustainability strategy for environmental, social and corporate governance (ESC), and execute, oversee, supervise, review, improve and develop the company's sustainability policies, goals and practices.

In 2021, the Supervisory Committee convened 1 times, the Committee for Early Detection of Risks convened 6 times, the Corporate Governance Committee convened 13 times, and the Sustainability Subcommittee convened 1 time, and continued their activities within the framework of their obligations within the scope of CMB Legislation regulations.

The working principles of the committees are available at [www.deva.com.tr](http://www.deva.com.tr).

The Sustainability Subcommittee engaged consultants from an independent organization to assist with the preparation of the sustainability report, and not other consultancy services were used.

### ASSESSMENT OF RISKS AND ADMINISTRATIVE BODY

Early Risk Detection Committee was formed to detect the risks that may compromise the existence early, growth and continuation of our company, to implement the necessary measures against the risks detected, and to perform studies to manage risks.



# ADMINISTRATIVE ACTIVITIES

## Financial Risks:

The operating capital need of our company is met by its shareholders' equity, short- and long-term bank loans in Turkish Lira and foreign currencies, and debt instruments. The increases in exchange rates and interests as a result of possibility of negative market conditions increase the financing costs of the company. Thus, due to economic and geopolitical developments both in the world and in our country, it is expected that the fluctuations in exchange rates and interest rates will adversely affect our profitability. For the purpose of managing the interest risks the company is exposed to, the gains and losses to occur in case of potential changes in interests are measured using sensitivity analyses on the basis of credit portfolio and cash flow projections. In addition, efforts are made to keep the floating rate loans among the total loans at a reasonable rate. Derivative products may be used for protection against exchange risks that may result from both bank loans in foreign currencies and purchases in foreign currencies.

## Credit Risk of Customers:

The distribution and payment terms of trade receivables are of great importance in terms of risk management. The company tries to decrease receivable risk by performing its transactions only with credible parties, and wherever possible, obtaining securities. While transactions are carried out without any security with Group A customers, securities are requested from Group B and Group C customers such as bank letters of guarantee or collaterals. To minimize the credit risks the company is exposed to, the financial statuses, credit limits and securities of customers are monitored on a regular basis by the Credit Committee.

## Strategic Risks:

The drug pricing policy set/to be set by the Ministry of Health (increase in institution discount rates and/or reduction in reference prices, non-revision of the reference exchange rate) may have negative effects on the industry, and consequently on our company. We try to overcome these negative effects by means of new markets, increasing product range, new sales policies, and effectively managed cost-limiting policies.

## Operational Risks:

Operational risks are related with events affecting activities such as earthquakes, fire, and environmental accidents and smooth functioning of business processes. Insurable risks are revised on an annual basis and excluded by being insured.

### Committee for Early Detection of Risks

Eşref Güneş Ufuk	Chairman (Independent Member of the Board of Directors)
Sengül Soytaş	Member (Independent Member of the Board of Directors)
Mesut Çetin	Member (Executive Member of the Board of Directors)

## THE NATURE AND AMOUNT OF THE FINANCING SOURCES AND ISSUED CAPITAL MARKET INSTRUMENTS OF THE ORGANIZATION

The financing sources of our company consist of equity capital, the funds arising from its operations and short- and long-term debts from money and capital markets.

A bond, with a maturity period of 1.093 days and nominal value of 65 million TL, issued under an "Issuing Certificate" with a nominal value of 150.000.000 TL, as approved by the Capital Market Board on 16.04.2018 with decision number 18/492, was redeemed on 04.05.2021.

In addition, the sale of floating-rate bonds with a nominal value of 130 million TL with 725 days maturity, coupon payment every 3 months, was completed as of 30 April 2020, under an "Issuing Certificate" with a nominal value of 250.000.000 TL, as approved by the Capital Market Board on 16.04.2020 with decision number 25/520. The interest on the bond is calculated by adding an additional 225 basis points return to the Annual Compound Interest Rate of the Indicative Government Domestic Debt Securities in the Market. As of the date of issue, the simple interest of the bond was 10.8465% and the compound interest was 11.2944%. The fund obtained from the said issue was used in the redemption of the 80 million TL bond issued on 04.05.2018 and for the working capital.

Under the aforesaid "Issuing Certificate," a floating-rate bond with a nominal value of 100 million TL with 729 days maturity and coupon payment every 3 months, was issued and the sale of the bonds was completed as of April 13, 2021. The interest on the bond is calculated by adding 200 basis points to the BIST TLREF index yield. The 65 million TL funding generated from the issue was used in repayment and as operating capital.

## INVESTMENTS

In the 01.01.2021-31.12.2021 period, 337.040.798 TL was invested in DEVA Holding A.Ş. and Group Companies, for Management Building, Plant, Machinery and Equipment, and Fixtures, 213.492.647 TL for R&D, Registration and Licenses, amounting to a total of 550.533.445 TL

Our company, which holds a R&D center certificate, benefits from monetary support provided for Tübitak-approved R&D projects as well as tax and social security institution discounts for all projects under the R&D center. Maximum 60% of the total amount of expenses that are evaluated and approved by TÜBİTAK are paid as monetary support.

As of 31.12.2021, the company has 4 TÜBİTAK-approved ongoing projects and incentivized expenses of 186.170.981 TL with the support of TÜBİTAK or within the scope of R&D center have been made in this period.

In the same period, 41.311.286 TL was spent for DEVA Kartepe facilities within the scope of the incentive certificate number 501317 received on 30.10.2018; 5.700.602 TL was spent within the scope of the incentive certificate numbered 136611 received for Çerkezköy facilities on 17.04.2018; and 241.954.583 TL was spent within the scope of the incentive certificate numbered 525422 received for Çerkezköy facilities on 26.05.2021.

Incentivized expenses have various advantages in terms of VAT and Customs Tax exemption, Corporate Tax exemption, Reduced Corporate Tax and other taxes.









# INFORMATION ON THE SUBSIDIARIES AND RELATED COMPANIES

## DEVA Subsidiaries

### DEVATIS LTD

The company was established to sell and distribute medicinal products for human use and veterinary drugs in New Zealand and Australia.

### DEVATIS Gmbh

The company was established to sell and distribute medicinal products for human use and veterinary drugs in Germany.

### DEVATIS AG

The company was established to sell and distribute medicinal products for human use and veterinary drugs in Switzerland.

### DEVATIS INC.

The company was established to sell and distribute medicinal products for human use and veterinary drugs in the USA.

### DEVATIS DE MEXICO, S.DE RL. DE C.V.

The company was established to sell and distribute medicinal products for human use and veterinary drugs in Mexico.

### DEVATIS PTY.LTD

The company was established to sell and distribute medicinal products for human use and veterinary drugs in Australia.

### DEVATIS CANADA INC

The company was established to sell and distribute medicinal products for human use and veterinary drugs in Canada.

## INFORMATION ON THE SUBSIDIARIES AND RELATED COMPANIES

### Subsidiaries

DEVA Holding holds 100% stake in Devatis Ltd, which was established in New Zealand in order to sell and distribute its products abroad, Devatis GmbH, established in Germany, Devatis AG, established in Switzerland, Devatis Inc., established in America, Devatis de Mexico, S. De Rl. De.Cv established in Mexico, Devatis Pty Ltd established in Australia, and Devatis Canada, Inc., established in Canada.

### Other Related Companies

Operating in field of production and marketing of medicinal products for human use, active pharmaceutical ingredients and veterinary drugs and having its registered office in Luxembourg, Eastpharma S.a.r.l. is the major shareholder of DEVA Holding with a share of 82.20%. Eastpharma S.a.r.l. is also the major shareholder of Saba ilaç San. ve Tic. A.Ş. operating in pharmaceutical industry in Turkey with a share of 99.99%.

### Information on Commercial Relations with Subsidiaries and Related Companies

EastPharma Sarl has transferred, on a time-limited basis, the rights in 10 products in which it holds the license and right to sale, to DEVA Holding through agreements with the Roche company operating in the pharmaceutical industry. Also in this period, the marketing of the products in question continued, and Eastpharma gained royalty revenue from DEVA Holding Sarl through the sales of these products in Turkey.

Saba ilaç purchases contract service from DEVA Holding. In this context, Saba products are produced and stored by DEVA Holding as subcontractors. DEVA Holding provides R&D service to Saba at its R&D Center, whereby it carries out studies on Saba products and performs pilot production. In addition, Saba company purchases financial, administrative and marketing/promotional services from DEVA Holding. The overseas sales of Saba drugs are also partially made by DEVA Holding.

### Affiliation Report of Transactions made with the Holding Company and Subsidiaries

In accordance with Article 199 of Turkish Commercial Code No. 6102 effective as of 1 July 2012, the Board of Directors of DEVA Holding A.Ş. is obliged to prepare a report regarding its relationship with the holding company and subsidiaries affiliated with holding company in the previous operating year within the first three months of the operating year and include the conclusion of this report in the annual report. The necessary explanations regarding the transactions made by DEVA Holding A. Ş. with the related parties are included in the footnote of the financial table no. 6. Besides, the Board of Directors of DEVA Holding has prepared this Affiliation Report in accordance with related provision of the said law.

In this report issued by the board of directors of our Company, it has been concluded that, in all transactions made by our company with the holding company and subsidiaries of the holding company within 2021, a suitable counter performance was obtained in every transaction and there is not action taken or failed to be taken, resulting in a harm to the company, and within this framework, there is not any transaction or action, or non-action to require compensation according to circumstances and conditions known to us at the time of the transaction.





# CONCLUSION

## Operating Period has resulted in:

- profit after tax in the amount of TL 1.170.087.476,52 according to consolidated financial statements drawn up in accordance with the provisions of the communiqué Number II-14.1 of the Capital Markets Board,
- and profit after tax in the amount of TL 1.175.529.699,37 according to the individual financial statements of DEVA Holding, drawn up within the framework of the relevant provisions of Tax Procedure Law Number 213 and Turkish Commercial Code.

We respectfully submit for the approval of the General Assembly that, in accordance with the Capital Market Legislation, all relevant legal regulations, Article 20 of the Company's Articles of Association and our Company's profit distribution policy as approved by the General Assembly Meeting dated 15.04.2019, the first and second dividend total gross profit amounting to TL 30.002.893,17 (Thirty million two thousand eight hundred ninety three %17 Turkish Liras) corresponding to the gross cash dividend of TL 0.15 (net TL 0.1350) per share with a nominal value of TL 1, corresponding to approximately 2.56% (15% of issued capital) of the total distributable net period profit for the 2021 accounting period, and the profit to be delivered to other right holders as per the profit distribution table prepared within the framework of the relevant legal regulations be distributed as of 11 April 2022.

We respectfully submit the approval of the General Assembly.

**DEVA HOLDİNG A.Ş.**  
**Board of Directors**



# STATEMENT

## DECISION OF THE BOARD OF DIRECTORS ON THE ACCEPTANCE OF FINANCIAL STATEMENTS AND ANNUAL REPORTS

RESOLUTION DATE : 04.03.2022

RESOLUTION NO : 2022/06

### STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING ACCEPTANCE OF FINANCIAL STATEMENTS AND ANNUAL REPORTS IN ACCORDANCE WITH ARTICLE 9 OF THE SECTION TWO OF "THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKET" OF CAPITAL MARKETS BOARD

We hereby state that:

In accordance with "Communiqué on Principles in Relation to Financial Reporting in Capital Market (II-14.1)" (the Communiqué) of the Capital Markets Board ("CMB") for the accounting period of 01.01.2021 - 31.12.2021, prepared by our Company and independently audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., and based on the CMB regulations, the consolidated financial statements prepared in line with the formats specified by Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") and the annual report prepared in line with the Turkish Code of Commerce and CMB Communiqué;

- a) have been reviewed by us,
- b) are within the framework of information we have in our field of duty and responsibility in our company, and do not contain explanations contrary to facts on significant subjects or do not contain any deficiency which may result in the explanation being misleading as of the date on which it is made,
- c) and are within the framework of information we have in field of duty and responsibility in our company, consolidated financial statements prepared according to financial reporting standards in force reflect the real situation relating to assets, liabilities, financial position and profit and loss of our company fairly and the annual report reflects the development and performance of the business, financial position of our Company fairly, including the significant risks and uncertainties faced by our company.

Best Regards,



**Eşref Güneş UFUK**  
Chairman of the  
Audit Committee



**Mesut ÇETİN**  
Vice-Chairman of the Board  
of Directors/CFO



**Rıza YILDIZ**  
Director, Financial Reporting and  
Accounting

# CORPORATE GOVERNANCE PRACTICES

## DIVIDEND DISTRIBUTION

The “Profit Distribution Policy” of our company is determined in accordance with the Turkish Commercial Code, Capital Markets Legislation, Tax Legislation and other relevant legislation and in line with the proposal of the Board of Directors and the resolution of the General Assembly in accordance with the provisions of the articles of association.

The Company intends to distribute 5% of the issued capital as cash and / or share. However, this amount shall not exceed 30% of the net distributable profit for the period. In the implementation of this policy, the financial position of the Company, fund requirement due to mid- and long-term growth and investment strategies, conditions of the sector, the country and global economic conjunctures, capital requirements of its subsidiaries and affiliates, investment and financing policies, profitability and cash position are taken into consideration.

The Board of Directors decides on dividend distribution for each accounting period, the proposal for distribution of the profit or the proposal for not distributing of the profit together with its rationale is disclosed to the public in accordance with the legislation and announced on the website of the Company. The General Assembly may accept or reject the proposal.

In the profit distribution, each of our stakeholders has the right to receive dividends in proportion to its share. Dividends are distributed equally to all existing shares as of the date of distribution, regardless of their date of issue and acquisition.

Dividend distribution commences on the date to be determined by the Board of Directors, provided that it is authorized by the General Assembly or the General Assembly by the end of the year in which the General Assembly meeting is held at the latest.

Since the Company’s articles of association do not contain any provision for advance dividend distribution, no advance dividend is distributed. The Company may consider paying dividends in equal installments or in different installments in accordance with applicable legislation.

According to our consolidated financial statements, a post-tax profit of 651.448.684 TL was earned, and, according to the solo financial statements developed in line with the relevant provisions of the Turkish Commercial Code and the Tax Procedures Law no. 213, a profit of 635.636.677 TL was earned in the 2020 operating period, and, in accordance with the Capital Market Legislation, all relevant legal regulations, Article 20 of the Company’s Articles of Association and our Company’s profit distribution policy and as per the dividend distribution table prepared in accordance with the Company’s Articles of Association and related legal regulations, first and second dividend total gross profit of TL 20.001.929 equating to approximately 3.14% of the total distributable net profit for the 2020 accounting period (10% of the issued capital), and corresponding to a gross cash dividend of 0.10 TL (net 0.0850 TL) for each share with a nominal value of 1 TL, profit to be given to other beneficiaries has been distributed as of 12.04.2021.

Board of Directors	Role	Beginning Date of Tenure	Roles in the Company
Philipp Haas	Chairman of the Board of Directors	14.07.2006	CEO
Mesut Çetin	Vice-Chairman of the Board of Directors	14.03.2008	CFO
Eşref Güneş Ufuk	Independent Member of the Board of Directors	27.09.2018	
Sengül Soytaş	Independent Member of the Board of Directors	01.04.2021	
Ayşecik Haas	Non-Executive Member of the Board of Directors	22.05.2013	

# CORPORATE GOVERNANCE PRACTICES

## Independence Statements of Independent Members of the Board of Directors Sengül Soytaş

### CORPORATE GOVERNANCE PRACTICES

#### Statement of Independence by the Members of the Board of Directors Sengül Soytaş

#### STATEMENT OF INDEPENDENCE

##### DEVA Holding A.Ş. To the Corporate Governance Committee,

Since I have been nominated as an independent member of the Board of Directors candidate to be discussed at DEVA's ordinary general assembly meeting for the 2021 accounting period, I have fulfilled the conditions stated in the principles below within the scope of article 4.3.6 in the principles part of the Capital Markets Board's Corporate Governance Communiqué No. II.17.1 and I comply with these principles. I confirm, declare and undertake that I will act accordingly.

- a) No employment, capital or trade relation was established of a significant nature either directly or indirectly, within the past five years between myself, my spouse and blood relatives up to second degree, or relatives by marriage and DEVA Holding, A.Ş., any of the related parties of DEVA Holding A.Ş., or legal persons with which shareholders holding a share of 5% or more in the capital of DEVA Holding, A.Ş. have relationship
- b) I have not worked nor performed duty as the member of the board of directors in companies carrying on the operation and organization of the company wholly or partially within the framework of agreements made, mainly in companies carrying out auditing, rating and consultancy of DEVA Holding, A.Ş. within the past five years,
- c) I have the sufficient professional education, knowledge and experience to perform duly the tasks I will assume as an independent member of the board of directors,
- d) I will not work full-time at public institutions and establishments after being elected as a member, except for academic membership of university in accordance with the legislation.
- e) I am resident of Turkey in accordance with the Income Tax Law dated 31.12.1960 no. 193.
- f) I have the strong ethical standards, professional reputation and experience to be able to make positive contributions to the operations of DEVA Holding A.Ş., to protect my independence in conflicts of interest between shareholders and to take decision freely taking into consideration benefit rights,
- g) I will allocate sufficient time to follow-up the functioning of the activities of DEVA Holding A.Ş. and to fully meet the requirements of my duties,
- h) I have not served as a member of the Board of Directors for more than 6 years within the last 10 years,
- i) I do not serve as an independent member of the Board of Directors of more than three companies the management control of which is held by the shareholders who have the control or management control of the Company, or of more than a total of five companies that are publicly traded.
- j) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors.

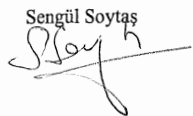
I kindly submit to the knowledge of our board of directors, partners and all related parties.

Yours truly

**Date:** 19.01.2022

**Name, surname:** Sengül Soytaş

**Signature:**

Sengül Soytaş  


# CORPORATE GOVERNANCE PRACTICES

## Independence Statements of Independent Members of the Board of Directors Eşref Güneş Ufuk

### CORPORATE GOVERNANCE PRACTICES

#### Statement of Independence by the Members of the Board of Directors Eşref Güneş Ufuk

#### STATEMENT OF INDEPENDENCE

##### DEVA Holding A.Ş. To the Corporate Governance Committee,

Since I have been nominated as an independent member of the Board of Directors candidate to be discussed at DEVA's ordinary general assembly meeting for the 2021 accounting period, I have fulfilled the conditions stated in the principles below within the scope of article 4.3.6 in the principles part of the Capital Markets Board's Corporate Governance Communiqué No. II.17.1 and I comply with these principles. I confirm, declare and undertake that I will act accordingly.

- a) No employment, capital or trade relation was established of a significant nature either directly or indirectly, within the past five years between myself, my spouse and blood relatives up to second degree, or relatives by marriage and DEVA Holding, A.Ş., any of the related parties of DEVA Holding A.Ş., or legal persons with which shareholders holding a share of 5% or more in the capital of DEVA Holding, A.Ş. have relationship
- b) I have not worked nor performed duty as the member of the board of directors in companies carrying on the operation and organization of the company wholly or partially within the framework of agreements made, mainly in companies carrying out auditing, rating and consultancy of DEVA Holding, A.Ş. within the past five years,
- c) I have the sufficient professional education, knowledge and experience to perform duly the tasks I will assume as an independent member of the board of directors,
- d) I will not work full-time at public institutions and establishments after being elected as a member, except for academic membership of university in accordance with the legislation.
- e) I am resident of Turkey in accordance with the Income Tax Law dated 31.12.1960 no. 193.
- f) I have the strong ethical standards, professional reputation and experience to be able to make positive contributions to the operations of DEVA Holding A.Ş., to protect my independence in conflicts of interest between shareholders and to take decision freely taking into consideration benefit rights,
- g) I will allocate sufficient time to follow-up the functioning of the activities of DEVA Holding A.Ş. and to fully meet the requirements of my duties,
- h) I have not served as a member of the Board of Directors for more than 6 years within the last 10 years,
- i) I do not serve as an independent member of the Board of Directors of more than three companies the management control of which is held by the shareholders who have the control or management control of the Company, or of more than a total of five companies that are publicly traded.
- j) I have not been registered and announced on behalf of the legal person elected as a member of the Board of Directors

I kindly submit to the knowledge of our board of directors, partners and all related parties.

Yours truly

**Date:** 19.01.2022

**Name, surname:** Eşref Güneş Ufuk

**Signature:**

Eşref Güneş Ufuk 

# CORPORATE GOVERNANCE PRACTICES

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

The chairman and members of the Board of Directors possess the duties and authorities specified in the relevant articles of the Turkish Code of Commerce and the Company's Articles of Association.

## Board of Directors Meetings During the Period

35 Board of Directors meetings were held during the period. The meetings were held with the participation of all members and all decisions were taken unanimously.

## External Roles of the Members of the Board of Directors

Board of Directors	Role	External Roles
Philipp Haas	Chairman of the Board of Directors	- Eastpharma Ltd./Saba İlaç Sanayi ve Ticaret A.Ş. / New Life Yaşam Sigorta A.Ş./ Eastpharma İlaç Üretim Pazarlama San. ve Tic. A.Ş (Chairman of the Board of Directors) - Eastpharma Sarl/Devatis Inc (Member of the Board of Directors) - Devatis Ltd/Devatis Gmbh/Devatis A.G/ Devatis de Mexico, S.DE RL. DE C.V/Devatis Pty Ltd ve Devatis Canada Inc (Director)
Mesut Çetin	Vice Chairman of the Board of Directors	- EastPharma Ltd (Member of the Board of Directors) - Saba İlaç Sanayi ve Ticaret A.Ş. (Member of the Board of Directors-CFO)
Eşref Güneş Ufuk	Independent Member of the Board of Directors	K2C Danışmanlık (Founding Member)
Sengül Soytaş	Independent Member of the Board of Directors	Consultant
Ayşecik Haas	Non-Executive Mem-ber of the Board of Directors	New Life Yaşam Sigorta A.Ş (Yönetim Kurulu Üyesi)

## Financial Benefits Provided to the Members of the Board of Directors and Senior Managers

The total amount of financial benefits such as attendance fee, remuneration, premium, bonus, severance pay etc. provided to Members of the Board of Directors and Senior Executives within the period is as follows: 765.466 TL for the Members of the Board of Directors and 73.079.464 TL for Senior Executives, and the total amount of benefits such as fuel, telephone, etc. is 44.637 TL for the Members of the Board of Directors and 59.917 TL for Senior Executives, amounting to 73.949.484 TL.

# CORPORATE GOVERNANCE PRACTICES

## STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

DEVA Holding (“Deva” or “the Company”), with the awareness of the responsibilities it carries towards its stakeholders, has adopted the notions of “equality”, “transparency”, “accountability” and “responsibility”, which form the basis of its corporate management during the activities, and makes maximal effort and shows utmost vigilance to comply with Capital Market Law (CML) and secondary rules and decisions of the Capital Market Board (CMB). DEVA Holding believes in the importance of full compliance with Corporate Governance Principles. In the operating period that ended on December 31, 2021, the Company has adopted and put into practice the corporate governance principles which were set forth in the annex to the Corporate Governance Communiqué and are required by the relevant regulations. Maximal effort is also being made to comply with the voluntary principles that are not required by the relevant regulations, and there has been no conflicts of interest up until now between the stakeholders regarding those principles that have not been fully complied for the time being.

Statements regarding compliance and non-compliance with the corporate governance principles included in the annex to the Corporate Governance Communiqué in the operating period that ended on December 31, 2021 are provided in the Corporate Governance Compliance Report (“URF”) and Corporate Governance Information Form (“KYBF”) and in other relevant parts of the report.

In the future, efforts will continue to be made for better operating the mechanisms within the framework of the said principles of corporate governance practices of the partnership, and to improve our corporate governance practices, including the voluntary principles that are mandatory and a limited number of those that could not be implemented

Should any changes occur in URF or KYBF during the period, a special case announcement will be made and such changes will also be included in the interim activity reports.



# CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The donations and grants made during the period were categorized in the General Assembly and offered as information to the shareholders as they are very diverse in terms of institution and amount .
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.					X	There have been no such demands.

# CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>1.4. VOTING RIGHTS</b>						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.			X			As per the Articles of Association, the Company has 10 times the voting right for group C shares have as compared to group A and group B privileged shares .
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Our Company has no partnerships in which it is in a mutual shareholding relationship.
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The rate applied to minority rights in the Capital Market Law is applied.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution was made.

# CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The content of the English website is not exactly the same as the Turkish website and contains more general information.
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

## CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Although there is no provision in the articles of association, employees participate in the management by taking part in the boards.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				Asking the opinions of the stakeholders in important decisions was adopted as principle and the demands and suggestions of
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.		X				Although our company does not have a written employment policy, there are systems to ensure business continuity in terms of organizational structure
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Since no collective bargaining agreement was made with employees, no representative was appointed, and notifications were made directly to employees.

## CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.		X				Supported within the legal framework.
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.					X	
3.4.2 - Customers are notified of any delays in handling their requests.					X	
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

## CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.		X				It is stated in the annual report, that the Turkish Commercial Code was complied with regarding the duties and authorities of the members of the board of directors and that a counting method was not adopted.
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			The Chairman of the Board of Directors also serves as the CEO because he is the Chairman of the Board of Directors of the main shareholder Eastpharma Ltd and because of his knowledge of the sector from his prior experience.
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				Our director’s liability insurance has been fulfilled by our main shareholder



# CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Although a target rate of at least 25% and target time regarding the female member percentage in the Board of Directors was not set by our Company, there are two female member in our board of directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1-Each board member attended the majority of the board meetings in person.		X				Physical participation was not always possible due to the pandemic
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.		X				Although there is no minimum period based on a documented rule, it was ensured that all members of the Board of Directors were informed before the meeting.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	There was no member of the Board of Directors stating opinion in this manner.
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.			X			Although the Board of Directors meetings are held under certain rules, these rules are not documented in writing.
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

## CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				The members of the Board of Directors outside the company are not restricted with respect to external commitments. On the other hand, the duties taken by the members outside the company are presented to the shareholders with the annual report.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			Since the board of directors of our company consists of 5 people, the same members take charge in different committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					

## CORPORATE GOVERNANCE PRACTICES

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Board of directors performance evaluation was not carried out.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In parallel with the general practice,wages are disclosed on a individual basis and are given in the breakdown of the Board of Directors and the Senior Executives

# CORPORATE GOVERNANCE PRACTICES

## 1. SHAREHOLDERS

### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year

Investor meeting not held

### 1.2. Right to Obtain and Examine Information

The number of special audit request(s)

0

The number of special audit requests that were accepted at the General Shareholders' Meeting

0

### 1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/916809>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

Not presented

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

No situation requiring explanation occurred.

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)

No situation requiring explanation occurred.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)

No situation requiring explanation occurred.

The name of the section on the corporate website that demonstrates the donation policy of the company

Investor Relations-Policies

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

<https://www.kap.org.tr/tr/Bildirim/220035>-<https://www.kap.org.tr/tr/Bildirim/838334>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting

There is no such provision in the articles of association.

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any

-

### 1.4. Voting Rights

Whether the shares of the company have differential voting rights

Evet (Yes)

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.

Group A and B privileged shares have a voting right ten times the voting right of Group C shares in terms of right of voting.

The percentage of ownership of the largest shareholder

% 82,2

# CORPORATE GOVERNANCE PRACTICES

## 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

Hayır (No)

If yes, specify the relevant provision of the articles of association.

-

## 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Investor Relations-Profit Distribution Policy

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

-

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

-

## General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
01/04/2021	0	83,1%	0,01%	83,09%	Investor Relations-General Assembly-2020	Investor Relations-General Assembly-2020	-	105	<a href="https://www.kap.org.tr/tr/Bildirim/915685">https://www.kap.org.tr/tr/Bildirim/915685</a>

# CORPORATE GOVERNANCE PRACTICES

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

Investor Relations

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

There is no real person shareholder of more than 5%.

List of languages for which the website is available

Turkish- English

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

Corporate Governance Practices-Statements of Independence of Independent Members of the Board of Directors-Duties of the Members of the Board of Directors Outside the Company

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

Administrative Activities-Committees and Working Principles

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

Corporate Governance Practices-Board of Directors Meetings held within the period

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

Administrative Activities-Information on Legislative Changes That Can Significantly Affect Company Activities within the Period

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

Administrative Activities-Cases-Consolidated Financial Statements-Litigation Provisions

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest

Administrative Activities-Conflicts of Interest Between the Institutions that the Company Receives Services on Matters such as Investment Consultancy and Rating and Information about the Measures Taken by the Company to Prevent these Conflicts of Interest

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%

There is no cross shareholding relationship in our Company's capital.



# CORPORATE GOVERNANCE PRACTICES

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results

Human Resources and Development-Administrative Activities-Rights and Interests Provided to the Personnel and Employees-Information on donations made in the period

## 3. STAKEHOLDERS

### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy

Investor Relations-Policies-Compensation Policy

The number of definitive convictions the company was subject to in relation to breach of employee rights

46

The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)

Vice Chairman of the Board-CFO

The contact detail of the company alert mechanism

mcetin@deva.com.tr

### 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies

-

Corporate bodies where employees are actually represented

Occupational Health and Safety Board, Discipline Committee

### 3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions

-

The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.

Deva Human Resources

Whether the company provides an employee stock ownership programme

Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)

The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.

Our company attaches great importance to creating a working environment which is free from any verbal and physical harassment against race, ethnicity, religion, physical or sexual characteristics, sexual orientation or any other factor prohibited by law. Any behavior of abusive nature that may arise in terms of age, language, race, health, gender and marital status, behaviors arising from sexual harassment acts of verbal, physical or behavioral nature are evaluated by the Disciplinary Committee

The number of definitive convictions the company is subject to in relation to health and safety measures

# CORPORATE GOVERNANCE PRACTICES

## 3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations-Policies-Ethical Principles Procedure
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Get to Know Us Our - Understanding of Sustainability – Sustainability Reports
Any measures combating any kind of corruption including embezzlement and bribery	Our company meticulously avoids unethical behaviors such as bribery, corruption and misconduct. The "Ethical Principles" procedure of our company was shared with all of our employees via intranet and mechanisms were established to ensure compliance with related issues.

## 4. BOARD OF DIRECTORS-I

### 4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Philipp Daniel Haas-CEO, Mesut Çetin-CFO. They are authorized to represent and bind the company with their joint signature in the broadest sense in all aspects.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	10
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Administrative Activities-Risks and Evaluation of the Governing Body
Name of the Chairman	Philipp Daniel Haas
Name of the CEO	Philipp Daniel Haas
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	<a href="https://www.kap.org.tr/tr/Bildirim/763564">https://www.kap.org.tr/tr/Bildirim/763564</a>
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	2person 40%

# CORPORATE GOVERNANCE PRACTICES

## Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Philipp Daniel Haas	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	14.07.2006		İlgisiz (Not applicable)	İlgisiz (Not applicable)	Evet (Yes)
Mesut Çetin	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	14.03.2008		İlgisiz (Not applicable)	İlgisiz (Not applicable)	Evet (Yes)
Eşref Güneş Ufuk	İcrada Görevli Değil (Non executive)	Bağımsız üye (Independent director)	27.09.2018	<a href="https://www.kap.org.tr/tr/Bildirim/749267">https://www.kap.org.tr/tr/Bildirim/749267</a>	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
Sengül Soytaş	İcrada Görevli Değil (Non executive)	Bağımsız üye (Independent director)	01.04.2021	<a href="https://www.kap.org.tr/tr/Bildirim/916809">https://www.kap.org.tr/tr/Bildirim/916809</a>	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
Ayşecik Haas	İcrada Görevli Değil (Non executive)	Bağımsız üye değil (Not independent director)	22.05.2013		İlgisiz (Not applicable)	İlgisiz (Not applicable)	Evet (Yes)

# CORPORATE GOVERNANCE PRACTICES

<b>4. BOARD OF DIRECTORS-II</b>	
<b>4.4. Meeting Procedures of the Board of Directors</b>	
Number of physical board meetings in the reporting period (meetings in person)	35
Director average attendance rate at board meetings	%100
Whether the board uses an electronic portal to support its work or not	Hayır (No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	-
The name of the section on the corporate website that demonstrates information about the board charter	None
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	-
<b>4.5. Board Committees</b>	
Page numbers or section names of the annual report where information about the board committees are presented	Administrative Activities-Committees and Working Principles
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/688585">https://www.kap.org.tr/tr/Bildirim/688585</a>

## Composition of Board Committees-I

Composition of Board Committees-I	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Denetim Komitesi (Audit Committee)		Eşref Güneş Ufuk	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)		Sengül Soytaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Eşref Güneş Ufuk	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Sengül Soytaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Mesut Çetin	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Eşref Güneş Ufuk	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Sengül Soytaş	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Mesut Çetin	Hayır (No)	Yönetim kurulu üyesi (Board member)
Diğer (Other)	Sustainability Subcommittee	Mesut Çetin	Evet (Yes)	Yönetim kurulu üyesi (Board member)

# CORPORATE GOVERNANCE PRACTICES

## 4. BOARD OF DIRECTORS-III

### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)

Administrative Activities-Committees and Working Principles

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)

Administrative Activities-Committees and Working Principles

Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)

-

Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)

Administrative Activities-Committees and Working Principles

Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)

-

### 4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)

Consolidated Financial Statements

Specify the section of website where remuneration policy for executive and non-executive directors are presented.

Investor Relations-Policies-Board Remuneration Policy

Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)

Corporate Governance Practices-Financial Rights Provided to Members of the Board of Directors and Senior Executives

### Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Denetim Komitesi (Audit Committee)		% 100	% 100	11	5
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		% 67	% 67	13	12
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		% 67	% 67	6	0

# CORPORATE GOVERNANCE PRACTICES

## SUSTAINABILITY PRINCIPLES

As DEVA Holding, we believe that sustainability is a social and even a global responsibility that we should all adopt towards the world we live in.

Our primary goals are to leave a more livable world to future generations, energy efficiency and to use resources effectively without harming the nature, and to ensure the widespread use of recycling practices, and our activities are carried out in accordance with ISO 14001 Environmental Management System standards in all our production facilities and headquarters.

In order to ensure sustainable development, protecting the environment, not harming the ecological balance, contributing to the reduction of carbon footprint and emissions, which are the main responsible factors for global warming, and raising awareness in the society by promoting the effective use of natural resources are our main focus areas.

Within the framework of “Compliance with Sustainability Principles” introduced by the Corporate Governance Communiqué of the Capital Markets Board and whose implementation is based on a voluntary basis; by following the developments related to sustainability in Turkey and in the world, to carry out studies determining the policies and procedures within the Company and to present their opinions and suggestions, to review the sustainability management, policies and procedures and effectiveness at least twice a year, to ensure that sustainability can be steered quickly, effectively and healthily within the Company.

A “Sustainability Subcommittee” was established to work under the Corporate Governance Committee in order to ensure and contribute to the development of standards, and the “2020 Sustainability Report” was published within the framework of related studies.

### Sustainability Subcommittee

Mesut Çetin	Chairman (Member of the Board of Directors/CFO)
Doğan Varinlioğlu	Vice Chairman (Deputy General Manager of Turkey and International Markets)
Emre Günaydın	Secretary / Member (Strategic Planning & Corporate Communication)
Gülseren Mahmutoğlu	Member (Treasury & Investor Relations)
Gülcan Gümüş	Member (Human Resources and Development)
Aytaç Aysuna Erden	Member (Legal)
Rıza Yıldız	Member (Finance)
Sibel Kayaoğlu	Member (Work Health, Safety and Environment)
Fatma Yanbasan Turp	Member (Quality Operations)
Saniye Yazar	Member (R&D and International Technical Authorization)
Gökhan Kaba	Member (Purchasing)
Murat Aksoy	Member (Production, Planning & Logistics)
Serkan Varlık-Mert Uz	Member (International Markets)
Zeynep Gümüşyazıcı	Member (Business Development)
İrfan Çinkaya	Member (Biotechnology)
Suat Cingiler	Member (Engineering Projects Coordination)

# SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
<b>A. GENERAL GUIDELINES</b>						
<b>A1. STRATEGY, POLICY AND GOALS</b>						
The Board of Directors (BoD) has identified the Environmental, Social and Governance (ESG) priorities, risks and opportunities.	X					
The ESG policy is created based on the priorities, risks and opportunities that the BoD has identified.	X					
Intra-partnership directives, operating procedures and similar other documents, facilitating effective implementation of the ESG policy, have been prepared.	X					
A Board of Directors resolution regarding the ESG policy has been adopted and publicly disclosed.	X					
A Partnership Strategy has been established in line with the ESG policies, risks and opportunities.	X					
Short- and long-term goals, accommodating the Partnership Strategy and the ESG policy, have been designated and publicly disclosed.	X					
<b>A2. IMPLEMENTATION/MONITORING</b>						
Committees and/or organs responsible for implementing the ESG policy have been designated and publicly disclosed.	X					
The designated committees and/or organs have reported on their actions for implementing the ESG policy.	X					
The aforesaid reports are submitted to the Board of Directors at least once yearly, within the designated deadline for publicizing annual reports.	X					



## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Implementation and action plans, commensurate with the designated short- and long-term goals, have been established and publicly disclosed.	X					
ESG Key Performance Indicators (KPIs) have been established, and publicly disclosed on a comparative basis by year.	X					
Where confirmable and qualified data were available, the KPIs have been presented in comparison to the domestic and international industry.		X				
Innovative efforts to improve sustainability performance surrounding business processes or products and services have been publicly disclosed.	X					
<b>A3. REPORTING</b>						
The sustainability performance, goals and actions are reported on and publicized at least once yearly.	X					
Information on the sustainability efforts have been publicized by inclusion in the annual report.	X					
Information relevant to enhancing understanding of the partnership's position, performance and development by stakeholders has been disclosed, directly and essentially (e.g. detailed information and data additionally posted on the corporate website, or specific reports directly addressing the needs of various stakeholders provided).	X					
Utmost care has been taken to ensure transparency and reliability of the report and any disclosures.	X					
To ensure an equitable approach, any and all developments on the priority issues have been objectively discussed in the report and disclosures.		X				

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Information on the specific United Nations (UN) Sustainable Development Goals 2030, addressed by each action, has been provided.		X				
Any lawsuits regarding environmental, social and corporate governance issues that were filed and/or concluded against the partnership have been disclosed.					X	
<b>A4. VALIDATION</b>						
Sustainability performance metrics, validated by independent third parties (i.e. independent sustainability assurance providers), have been publicly disclosed.	X					
<b>B. ENVIRONMENTAL GUIDELINES</b>						
Environmental management policies and practices, action plans, environmental management systems (ISO 14001) and programs have been publicly disclosed.	X					
Compliance with all relevant environmental legislations and associated regulations has been ensured, and publicly disclosed.	X					
The report issued as prescribed by the Sustainability Guidelines, included a description of the limitations as to the environmental report's scope, reporting date, data collection process and reporting conditions.	X					
The most senior responsible person, the associated committees and their roles regarding the environment and climate change have been disclosed.	X					
Incentives for management of environmental issues, including achievement of the goals, have been disclosed.			X			There were no incentives to encourage management of environmental matters.
How environmental issues are incorporated in business goals and strategies has been explained.		X				

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Sustainability performance surrounding business processes or products and services, and any performance improvement actions have been disclosed.	X					
How environmental issues are managed and how suppliers and clients are integrated in the strategies, not only with respect to the direct operations but also throughout the partnership value chain, have been disclosed.		X				
Involved in the policy making process (industry, regional, national and international) for environmental issues.			X			No actions taken on this point.
Membership in environmental associations, collaborations with related organizations and NGOs, any roles assumed and activities sponsored have been disclosed.			X			No actions taken on this point.
Information on environmental impact, in view of environmental indicators, including Scope-1 (direct), Scope-2 (indirect, energy), Scope-3 (indirect, other) greenhouse gas emissions, air quality, energy management, water and wastewater management, waste management and biodiversity impact, have been reported on, allowing comparison of periods.	X					
The standards, protocols, methodologies used for collection and calculating data, and base year details have been disclosed.	X					
The status of environmental indicators have been disclosed for the reported year, showing any increases or decreases, in comparison to previous years.	X					
Science-based short- and long-term goals have been established and disclosed, as prescribed during the United Nations Climate Change Conference of the Parties to reduce environmental impact.			X			No actions taken on this point.

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Information has been disclosed on any progress made during the reported year vis-à-vis previously established goals to reduce environmental impact.		X				Marked “partially” because the reporting process has just been introduced.
The strategy and actions to combat the climate crisis have been disclosed.			X			No actions taken on this point.
The programs or procedures for mitigating or preventing the adverse potential impact of the products and/ or services offers have been disclosed.			X			No actions taken on this point.
Actions taken by third parties to reduce their greenhouse gas emissions have been disclosed.			X			No actions taken on this point.
The total number of actions, projects and initiatives to reduce environmental impact and any environmental benefits/gains and cost savings provided by them have been disclosed.		X				Marked “partially” because the reporting process has just been introduced.
Total energy consumption figures, excluding raw materials, have been reported and the energy consumption levers disclosed per Scope-1 and Scope-1.	X					
Information on power, heat, steam and cooling generated and consumed during the reported year has been disclosed.	X					
Work has been undertaken and disclosed on increasing renewable energy use and migrating to zero or low carbon power use.			X			No actions taken on this point.
Renewable energy generation and consumption data have been disclosed.			X			No actions taken on this point.
Energy efficiency projects have been conducted, and the savings on energy consumption on emissions provided by them disclosed.		X				Actions on this point are continuing at a growing rate.

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Information on the total amounts, sources and procedures of underground or surface water drawn, used, recycled and discharged, including total water draw on a source basis, water sources affected by drawing of water, percentage and total amount of water recycled and reused, has been reported.		X				
It has been disclosed whether the operations or activities conducted are included in a carbon pricing system, e.g. Emission Trade System, Cap & Trade or Carbon Tax.			X			No actions taken on this point.
Information on any carbon credit accumulated or purchased during the reporting period has been disclosed.			X			No actions taken on this point.
The details of any carbon pricing policy, if practiced within the partnership, have been disclosed.			X			No actions taken on this point.
All mandatory and voluntary platforms on which environmental information is shared have been disclosed.	X					
<b>C. SOCIAL GUIDELINES</b>						
<b>C1. HUMAN RIGHTS AND EMPLOYEE RIGHTS</b>						
A Corporate Human Rights and Employee Rights Policy, pledging full compliance with the legislative and regulatory framework governing human rights and labor rights in Turkey, the Universal Declaration of Human Rights, and any ILO Conventions ratified by Turkey, has been established.	X					
The aforesaid policy and the roles and responsibilities for implementing it have been publicly disclosed.	X					
Equal opportunity in the hiring process has been assured.	X					

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Inclusion aspects, including preclusion of discrimination based on sex, faith, language, race, ethnic origin, age, incapacity or refugee status, employment of women, improvement of work standards, and a fair workforce, incorporating consideration for supply and value chain impact, have been included in the current policies.	X					
Measures taken throughout the value chains to safeguard the rights of and equal opportunity for minorities or societal groups who are vulnerable to specific economic, environmental or social factors (low-income groups, women, etc.) have been disclosed.	X					
Developments regarding preventive and corrective actions against discrimination, inequality, human rights violations and forced labor have been reported.	X					
Actions implemented to prevent use of child labor have been disclosed.	X					
Policies for training and development of employees, severance pay, fringe benefits, right to form a union, work/ life balance solutions and talent management have been disclosed.	X					
Mechanisms for resolving employee complaints and disputes and dispute resolution procedures have been established.	X					
Actions taken to enhance employee satisfaction have been regularly disclosed.	X					
Work health and safety policies have been established and publicly disclosed.	X					
Precautions taken to prevent work accidents and health and accident statistics have been disclosed.	X					



## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Personal data protection and data security policies have been established and publicly disclosed.	X					
An Ethics Policy, covering business and work ethics, compliance processes, advertising and marketing ethics, full disclosure, etc., has been established and publicly disclosed.	X					
Actions taken to advance social investment, social responsibility, financial inclusion and access to finance have been disclosed.	X					
Educational meetings and training programs on ESG policies and practices for employees have been organized.	X					
<b>C2. STAKEHOLDERS, INTERNATIONAL STANDARDS AND INITIATIVES</b>						
Sustainability actions have been conducted with due regard to the needs and priorities of all stakeholders (e.g. employees, clients, suppliers and service providers, government agencies, shareholders, social organizations and NGOs).	X					
A customer satisfaction to manage and resolve customer complaints has been developed and publicly disclosed.	X					
Communication with stakeholders has been conducted in a continuous and transparent manner.	X					
Which stakeholders were contacted, for which purpose and on which matters, and at what frequency, and the progress made in sustainability efforts have been disclosed.	X					

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
The international reporting standards, e.g. Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD).		X				Marked “partially” because the reporting process has just been introduced.
International guidelines, to which the partnership is a signatory or a party to, including the Equator Principles, United Nations Environment Program Financial Initiative (UNEP-FI), United Nations Global Compact (UNGC), United Nations Principles for Responsible Investment (UNPRI), international organizations or guidelines, and International Capital Market Association (ICMA) Green/ Sustainable Bond Principles, have been publicly disclosed.			X			Not a party or signatory to any of the specified organizations or guidelines.
A concrete effort has been made to achieve inclusion in international sustainability indices, e.g. Istanbul Stock Exchange Sustainability Index, Dow Jones Sustainability Index or FTSE4Good, MSCI ESG Indices.		X				Marked “partially” because the reporting process has just been introduced.
<b>D. CORPORATE GOVERNANCE GUIDELINES</b>						
Utmost effort has been made to ensure compliance with all Corporate Governance guidelines, in addition to the ones required by Corporate Governance Directive, II-17.1, of the Capital Market Board.	X					
Sustainability, the environmental impact of operations and any associated guidelines have been given consideration when determining a corporate governance strategy.	X					

## SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Sustainability Guidelines	Compliance Status					Comments
	Yes	Partially	No	Exempted	N/A	
Appropriate measures have been taken to comply with guidelines related to stakeholders and to strengthen communication with stakeholders, as prescribed by Corporate Governance Guidelines.	X					
The views of stakeholders have been consulted when determining sustainability measures and strategies.	X					
Efforts have been made to improve awareness of sustainability and its significance through social responsibility projects, awareness actions and educational events.	X					
Efforts have been made to become a party to international standards and initiatives for sustainability, and to make a contribution to the studies.	X					
Policies and programs to advance anti-bribery and anti-corruption efforts and to enhance integrity in taxation matters have been developed and disclosed.	X					



# INFORMATION FOR THE SHAREHOLDERS

## Contact Details

Address : Halkalı Merkez Mah. Basın Ekspres Cad. No.1 Küçükçekmece-İSTANBUL  
Phone : 0212-692 92 92  
Fax : 0212-697 02 08  
Website : [www.deva.com.tr](http://www.deva.com.tr)  
E-Mail address : [deva@deva.com.tr](mailto:deva@deva.com.tr)

## Trade Registry Information of the Company

Trade Register : Istanbul Commerce Registry Office  
Register No. : 70061

## Independent Auditor

DELOITTE TOUCHE TOHMATSU LIMITED  
Drt Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
Phone : 212 366 60 00  
Fax : 212 366 60 10

## Tax Attestation

PwC YMM A.Ş.  
Phone : 212 326 60 60  
Fax : 212 326 60 50

## 2021 Performance of DEVA Holding Shares

The issued capital of DEVA Holding is 200,019,287,78 TL. The capital of the company is divided into 20,001,928,778 shares, each with a value of 1 kurus.

In 01.01.2021 - 31.12.2021 period, 1 lot of shares of DEVA Holding traded at Borsa Istanbul (BİST) was traded at 21.50 TL as the lowest value and at 36.68 TL as the highest value and closed the year at 28.74 TL.

The graph showing the performance of DEVA Holding shares in 2021 by closing prices is presented below:



# PROFIT DISTRIBUTION TABLE

DEVA HOLDING A.Ş.			
2021 Profit Distribution Table (TL)			
1	Issued Capital	200.019.287,78	
2	General Legal Reserve (based on legal records)	40.003.857,56	
If privilege exists in profit distribution in accordance with the Articles of Association, information relating to privilege		10% of the profit amount to be determined in accordance with the principles of article 20 of the articles of association is distributed to privileged shareholders of A group.	
		Based on CMB	Based on Legal Records (LR)
3	Profit for the Period	1.158.328.215,97	1.180.857.936,90
4	Taxes (-)	11.759.260,55	(5.328.237,53)
5	Net Profit for the Period	1.170.087.476,52	1.175.529.699,37
6	Losses from the Previous Periods (-)	0	0
7	General Legal Reserve (-)	0	0
8	Net Distributable Profit/Loss for the Period	1.170.087.476,52	1.175.529.699,37
9	Donations made within the year (+)	986.610,83	
10	Net Distributable Profit for the Period with Donations added	1.171.074.087,35	
11	First Dividend to Shareholders -Cash -Without charge -Total	10.000.964,39 10.000.964,39	
12	Dividend distributed to Privileged Shareholders	115.808.631,93	
13	Other Distributed Dividend - To the Members of the Board of Directors - To the Employees - To persons other than Shareholders	57.916.410,80	
14	Dividend distributed to Shareholders		
15	Second Dividend to Shareholders	20.001.928,78	
16	General Legal Reserve	19.372.697,15	
17	Statutory Reserves	0	
18	Special Reserves	0	
19	Extraordinary Reserves	946.986.843,47	
20	Other Resources Foreseen to be Distributed -Previous Years Profit -Extraordinary Reserves -Other Distributed in accordance with Law and Articles of Association		

**TABLE OF PROFIT RATES  
DETAILS OF PROFIT PER SHARE**

	GROUP	TOTAL PROFIT DISTRIBUTED		TOTAL PROFIT DISTRIBUTED/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	PROFIT CORRESPONDING TO SHARE WITH NOMINAL VALUE OF TL 1	
		Cash (TL)	Free (TL)	Rate (%)	Amount (TL)	Rate (%)
NET	A (*)	104.227.768,73	0	8,91	20.845.553,75	2084555375
	B	0,00675	0	0,00	0,1350	13,50
	C	27.002.603,85	0	2,31	0,1350	13,50
	TOTAL	131.230.372,59	0			

(\*) Although the "Profit Share Ratios" table requires that the cash dividend to be paid to the share with a nominal value of 1 TL be shown, the A group, the amount and rate corresponding to the 1 kuruş preferred share are shown in the relevant part of the table, since the nominal value of the privileged shares belonging to our company is 1 kuruş.



# INDEPENDENT AUDITOR'S REPORT



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## (CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

### INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Deva Holding A.Ş.

#### 1) Opinion

As we have audited the full set consolidated financial statements of Deva Holding A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2021–31/12/2021, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

#### 2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2021–31/12/2021 in our Auditor's Report dated 4 March 2022.

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# INDEPENDENT AUDITOR'S REPORT



## 4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
  - The significant events occurred in the Group's activities subsequent to the financial year ends,
  - The Group's research and development activities,
  - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

## 5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Zere Gaye Şentürk.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk  
Partner

İstanbul, 4 March 2022



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DEVA Holding