



**GEN İLAÇ VE SAĞLIK ÜRÜNLERİ  
SANAYİ TİCARET ANONİM ŞİRKETİ  
ACTIVITY REPORT FOR THE PERIOD BETWEEN**

**01.01.2023 – 30.06.2023**

**- Unofficial Translation-**

**NOTE: This report is prepared for informational purposes and it is Turkish translation of Turkish Activity report. In case of inconsistency between the Turkish and English texts, the Turkish text shall prevail.**

## **1. GENERAL INFORMATION**

**Activity Period:** 01.01.2023 – 30.06.2023

**Commercial Title:** Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret A.Ş.

**Registration Number:** Ankara Trade Registry – 131040

**Tax Office:** Ankara Corporate Tax Office

**Tax Number:** 391 031 0236

**MERSIS Number:** 0391031023600019

**Place of Incorporation :** Gen İlaç ve Sağlık Ürünleri Sanayi Ticaret A.Ş. (“GEN”, “Company” or “Gen Ilac”) is established in Ankara, Türkiye.

**Address:** The Company's address and main activity center is Mustafa Kemal Mahallesi 2119. Sokak No: 3-5 Çankaya / Ankara. The Group's production facility is located in ASO 2nd And 3rd Organize Sanayi Bölgesi Alci OSB Mah. 2013. Cad. No: 24 Sincan/Ankara.

In addition, the Company has 10 offices in Ankara, İzmir, İstanbul and Trabzon in Türkiye and Germany, Azerbaijan, Kazakhstan, Uzbekistan, Russia and Georgia abroad.

**Contact Info:** 0312 219 62 19 (Center) / 0312 945 14 36 (Production Facility)

**Corporate Web Site:** <https://www.genilac.com.tr/>

**Independent Auditor Information:** Eren Bağımsız Denetim A.Ş.

## **2. AREA OF OPERATION**

The company's main operation area is production of all kinds of human medicines and health products, trading, import and export of these products. Gen Ilac operates with its medicines especially in the field of treatment of rare diseases and in the elimination of dysfunctions due to these diseases.

## **3. CAPITAL AND PARTNERSHIP STRUCTURE**

The Company accepted authorized capital system according to code numbered 6362 and transmitted to the authorized capital system with the permission of Capital Markets Board of Türkiye dated 08 April 2021 and numbered 19/595. Between 2021-2025 Our Company's authorized capital limit is TL 1.250.000.000 and issued capital is TL 300.000.000. TL 55.000.000 portion of the total capital consist of A group shares and remaining TL 245.000.000 portion consist of B group shares.

In accordance with the Article 7 of our company's Articles of Association A group shareholders have privilege to promote board member. Also, according to the Article 10 of our company's Articles of Association each A group share has 5(five) voting right in general assembly.

Company's capital has been registered and announced on Trade Registry Gazette dated 14 September 2021 and numbered 10408.

The partnership structure of the company as of June 30, 2023 is presented below.

**Partnership Structure as of June 30, 2023**

Partnership Structure	Capital Amount (TL)	Ratio(%)
Abidin Gülmüş	219.660.000	73.22
Semra Gülmüş	3.750.000	1.25
Şükrü Türkmen	3.750.000	1.25
Ömer Dinçer	3.750.000	1.25
Absel Emlak İnşaat Limited Şirketi	1.250.000	0.42
Public	67.840.000	22.61
<b>Total</b>	<b>300.000.000</b>	<b>100.00</b>

**4. BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

**Board Of Directors**

Abidin GÜLMÜŞ	Chairman of the Board of Directors
Şükrü TÜRKMEN	Vice Chairman of the Board of Directors
Ömer DİNÇER	Vice Chairman of the Board of Directors
Tolga KIZILTAN	Board of Directors Member (Independent)
Bernay ÖZAVCI	Board of Directors Member (Independent)

**Senior Management**

Abidin GÜLMÜŞ	Chairman of the Board/General Manager
Şükrü TÜRKMEN	Deputy Chairman of the Board of Directors
Ömer DİNÇER	Deputy Chairman of the Board of Directors
Tolga KIZILTAN	Board of Directors Member (Independent)
Bernay ÖZAVCI	Board of Directors Member (Independent)
Selçuk Deniz KARAGÜLLE	Vice President – (Global, Sales-Marketing)
Yağmur Selin GÜLMÜŞ KOLAY	Vice President (Strategy & Corporate Development)
Nadir ULU	Vice President (R&D – Manufacturing)
Özgür BOZALP	Vice President (Foreign Trade)

**5. SUBSIDIARIES AND AFFILIATED COMPANIES**

**Affiliated Companies ("Group")**

GEN forms a group together with its affiliated companies, detailed below.

Affiliated Companies	Activity Location	Main Activity
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	Türkiye	Syringe Production and Sales
Elixir İlaç Araştırma Geliştirme A.Ş.	Türkiye	Human Medicine Research and Development

Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş. ("Genject") was founded in 2010 and Gen İlaç ve Sağlık Ürünleri A.Ş. has % 80.40 shares in Genject. Genject manufactures its own brand Genject disposable hypodermic syringes in Türkiye in accordance with CE standards.

Elixir İlaç Araştırma Geliştirme A.Ş. ("Elixir") was founded in 2014 and Gen İlaç ve Sağlık Ürünleri A.Ş. has % 85 shares in Elixir. Elixir conducts R&D studies on the development of new and generic medicine products and production processes in accordance with the standards of the «European Medicine Agency (EMA)» and the «United States Food and Drug Administration (USFDA)».

### Subsidiaries

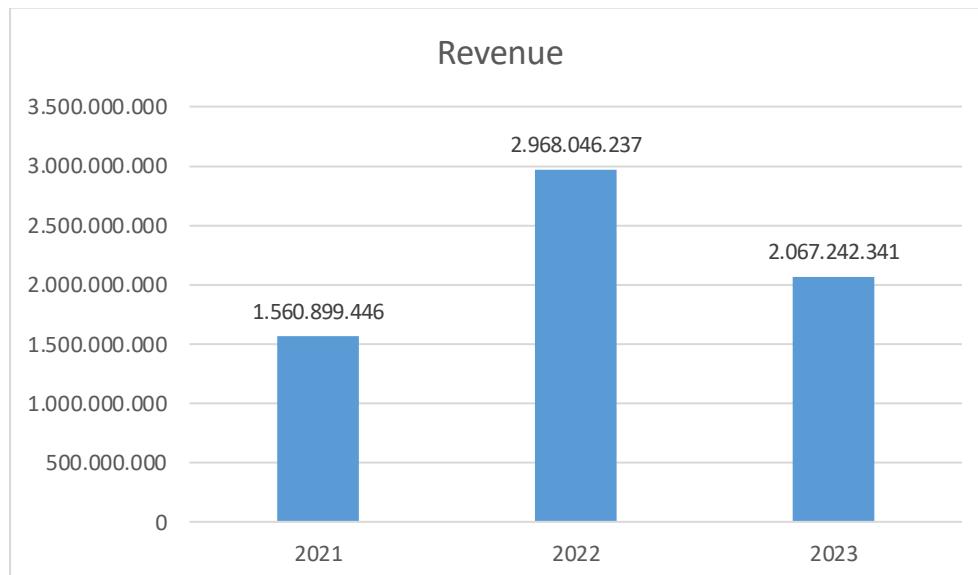
Subsidiaries	Activity Location	Main Activity	Share Ratio(%)
Apeiron Biologics AG	Austria	Drug Research and Development	0,60
Stimusil Inc.	USA	Medical Device Development	16,80
RS Araştırma Eğitim Danışmanlık İlaç Sanayi ve Ticaret A.Ş.	Türkiye	Drug Research and Development	11,70
Galventa AG	Switzerland	Drug and Food Supplement Research and Development	4,30
Neo Auvra Dijital Sağlık ve Biyonik Teknolojileri ve Hizmetleri Sanayi ve Ticaret A.Ş.	Türkiye	Biotechnological Medical Device Research and Development	12,39
Invios Holding AG	Austria	Biotechnology	0,6
H2O Bilişim Yazılım Elektronik Sağlık Hizmetleri Sanayi ve Türk Ticaret Anonim Şirketi	Türkiye	Digital Health Technologies	10,00

### 6. MAIN FINANCIAL INDICATORS

#### Sales

As of 30.06.2023, the consolidated revenue of the group is TL 2.067.242.341.

A comparative graph of the group's consolidated revenue by year is presented below.



**Distribution of Sales**

GEN's distribution of drugs sales has given below for the first half of the 2021, 2022, 2023 on a quarter basis.

Sales (TL)	Q1 2021	Q2 2021	Q1 2022	Q2 2022	Q1 2023	Q2 2023
NPP Drugs	635.739.100	558.996.396	829.734.873	1.308.921.102	181.168.786	335.694.444
Import Registered Drugs	130.624.009	167.932.410	303.380.073	298.956.833	605.509.072	647.133.610
Production Registered Drugs	7.536.092	6.623.517	11.917.257	18.484.786	32.500.437	35.819.017
Exported Drugs	33.906.820	27.095.460	56.720.295	80.628.404	96.314.144	60.617.936
<b>Total Sales</b>	<b>807.806.021</b>	<b>760.647.783</b>	<b>1.201.752.498</b>	<b>1.706.991.125</b>	<b>915.492.439</b>	<b>1.079.265.007</b>

Sales (Box)	Q1 2021	Q2 2021	Q1 2022	Q2 2022	Q1 2023	Q2 2023
NPP Drugs	58.342	71.127	42.211	43.908	11.584	25.644
Import Registered Drugs	132.758	150.044	163.774	157.476	190.943	186.634
Production Registered Drugs	423.189	306.367	318.155	473.062	332.414	147.171
Exported Drugs	54.530	335.570	252.790	248.157	594.180	564.184
<b>Total Sales</b>	<b>668.819</b>	<b>863.108</b>	<b>776.930</b>	<b>922.603</b>	<b>1.129.121</b>	<b>923.633</b>

# GEN İLAÇ VE SAĞLIK ÜRÜNLERİ SANAYİ TİCARET ANONİM ŞİRKETİ AND AFFILIATED COMPANIES

ACTIVITY REPORT FOR THE PERIOD BETWEEN JANUARY 1 – JUNE 30, 2023

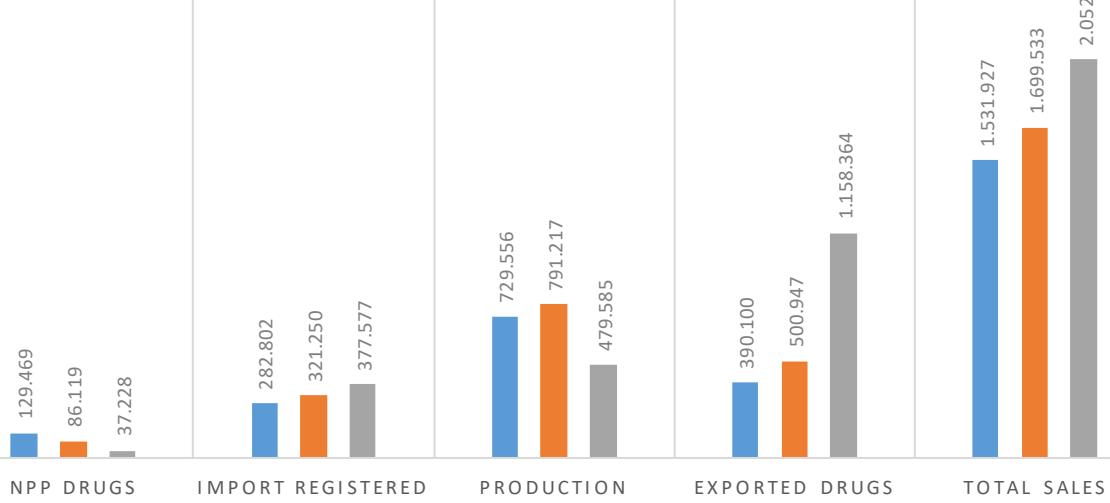
## SALES (TL)

■ 2021 ■ 2022 ■ 2023



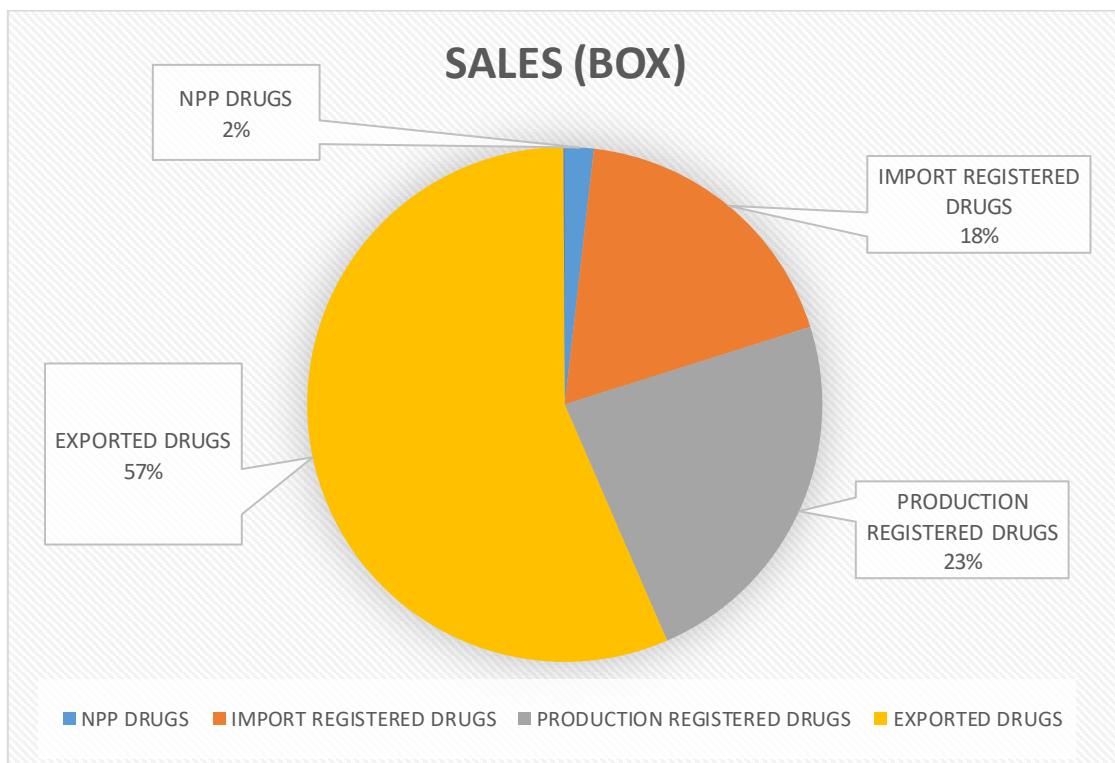
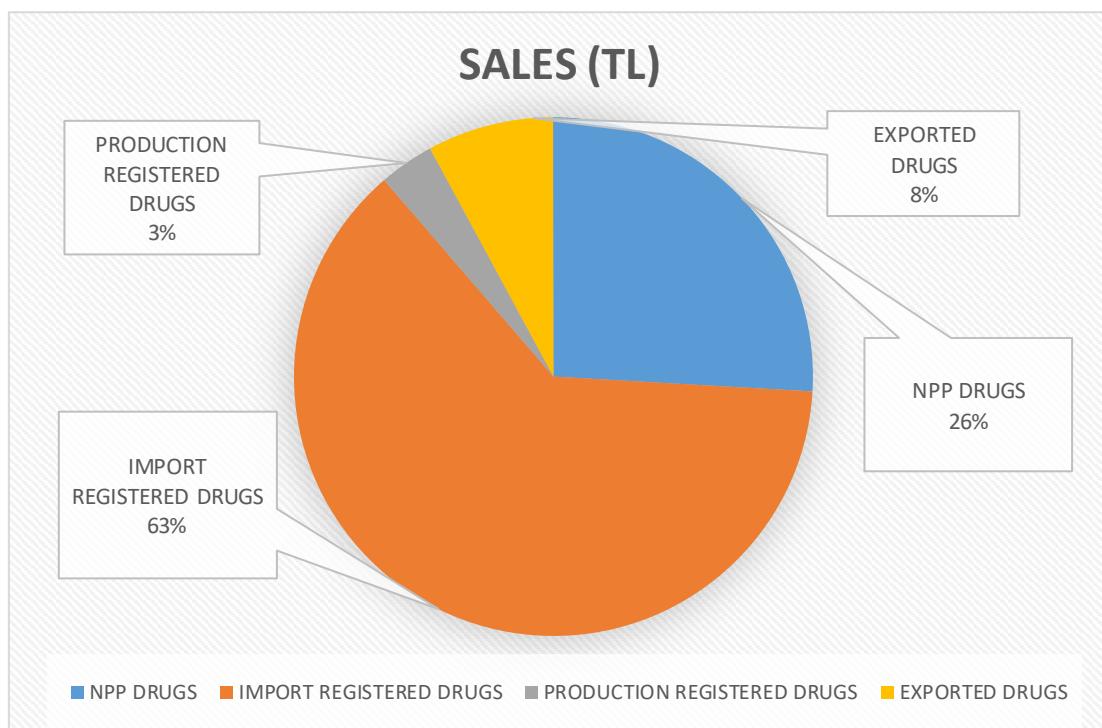
## SALES (BOX)

■ 2021 ■ 2022 ■ 2023



### Distribution of Sales

The distribution of sales by product group as of June 30, 2023 has presented below.



In accordance with the group's consolidated financial statements, selected financial performance indicators are presented below.

### Income Statement

	Q1 2021	Q2 2021	Q1 2022	Q2 2022	Q1 2023	Q2 2023
<b>Gross Profit</b>	<b>125.542.302</b>	<b>111.883.251</b>	<b>255.040.258</b>	<b>285.356.829</b>	<b>302.429.968</b>	<b>344.002.559</b>
Gross Profit Margin	15,57%	14,82%	20,71%	16,44%	32,10%	30,57%
<b>Operating Profit</b>	<b>89.831.305</b>	<b>73.839.396</b>	<b>134.551.108</b>	<b>232.678.135</b>	<b>96.521.363</b>	<b>36.024.687</b>
Operating Profit Margin	11,14%	9,78%	10,92%	13,40%	10,24%	3,20%
<b>EBITDA</b>	<b>99.663.665</b>	<b>84.170.508</b>	<b>191.140.746</b>	<b>202.583.543</b>	<b>166.236.869</b>	<b>219.336.164</b>
EBITDA Margin	12,36%	11,15%	15,52%	11,67%	17,64%	19,49%
<b>Net Profit</b>	<b>81.753.862</b>	<b>52.317.108</b>	<b>167.705.750</b>	<b>249.524.545</b>	<b>105.361.659</b>	<b>167.239.193</b>
Net Profit Margin	10,14%	6,93%	13,61%	14,37%	11,18%	14,86%



### Balance Sheet

TL	30.06.2022	31.12.2022	30.06.2023
<b>Total Current Assets</b>	<b>1.406.757.498</b>	<b>1.975.523.702</b>	<b>3.130.433.484</b>
Total Non-Current Assets	801.802.177	1.706.878.764	1.947.830.970
<b>Current Liabilities</b>	<b>579.325.741</b>	<b>683.643.512</b>	<b>2.123.252.618</b>
Non-Current Liabilities	53.285.668	194.240.307	256.137.905
<b>Total Liabilities</b>	<b>632.611.409</b>	<b>877.883.819</b>	<b>2.379.390.523</b>
Equity	1.575.948.266	2.804.518.647	2.698.873.931
<b>Current Ratio</b>	<b>2,43</b>	<b>2,88</b>	<b>1,47</b>
Net Financial Debt/Equity	-0,30	-0,13	-0,42

## **7. PROMINENT ACTIVITIES**

Details about prominent activities of the Company between January 01, 2023 and June 30, 2023 has presented below.

**Research ve Development Activities:** Total amount of expenses and investment expenditures for R&D activities was recorded as TL 25.409.953,80.

During the period of 01.01.2023 – 30.06.2023, a total of 51 R&D projects, including 32 R&D Centers and 3 Technology-Oriented Industrial Move Program projects, were continued. During the period, R&D activities were carried out for our products in our 15 projects, which are among these projects, in accordance with the planning of making license applications to the relevant authorities in the 2023-Q3 period.

The Phase II clinical study, in which the clinical efficacy and safety of the GN-037 topical cream product, the formulation of which was developed in our GEN R&D laboratories and which is the innovative research drug in the clinical research development phase of our company, was evaluated in the treatment of mild and moderate plaque psoriasis, continued during the period.

The article named “Safety and Efficacy of a Novel Combination Cream (GN-037) in Healthy Volunteers and Patients with Plaque Psoriasis: A Phase 1 Trial”, which presents the results of the Phase I study completed before the Phase II studies of this product, which is in the clinical research and development phase, was published in the “*Dermatology and Therapy*” journal on 10.06.2023.

The journal "*Dermatology and Therapy*", in which studies are evaluated by impartial referees with the status of an international scientific journal and published as open access, has a prestigious status for publishing the results of high-quality research on the discovery, development and use of innovative treatments to be used in the field of dermatology.

The results of our Phase I clinical study included in this article regarding our GN-037 product, which was accepted for publication after completing the peer-review process in less than a month, revealed that our investigational product has a good safety and tolerability profile.

<https://link.springer.com/article/10.1007/s13555-023-00939-7>

On the ClinicalTrials.gov site created by U.S. National Institutes of Health (NIH) within U.S. National Library of Medicine (NLM), which provides up-to-date information on clinical studies carried out and completed around the world, and provides easy access to clinical studies in the field of a wide range of diseases and health conditions for patients, their relatives, healthcare professionals and other segments of the public. Our Phase II study has been published as “Phase II Study Evaluating the Clinical Efficacy and Safety of GN-037 in Plaque Psoriasis”.

<https://classic.clinicaltrials.gov/ct2/show/NCT05706870>

In the 2023-Q1 period, studies on three drug development projects that we carried out within the scope of the technology oriented industry program approved by the Ministry of Industry and Technology were officially started as of 01.04.2023 and the studies continued during the period.

For the Three Drug Development Project, a total of 15,311.009.60 TL support will be provided to our company by TÜBİTAK within the scope of our R&D activities. And It is evaluated that the total contribution amount of the supports to be provided under the Investment Incentive Certificate to our projects will be at the level of 31.695,902,00 TL in Three Drug Development Project. Our projects were initiated in accordance with the project schedule, and the first period activities were completed and the reporting process to TÜBİTAK was initiated within the scope of project monitoring. In line with our company's commitment to innovation, our R&D investments stand out as one of our most important financial priorities in 2023. And within the scope of these ongoing projects, new investment activities worth approximately 40 million TL have been planned in order to develop and expand the R&D equipment track.

Within the framework of our cooperation that started with Ankara University Faculty of Pharmacy in 2022, within the scope of "TÜBİTAK 2209-B University Students Industry-Oriented Research Projects Support Program"; The research project, which includes analytical method development and validation studies, continued during the term.

**Registration Activities:** In the period between 01.01.2023 and 30.06.2023, a total of 5 product licensed on behalf of our Company, 2 in Azerbaijan and 3 in Georgia, were obtained.

Our company continues its efforts to develop its license portfolio abroad as well as in our country.

**Gen & Azerbaijan State Investment Company (AIC) Cooperation Agreement:** In line with the growth, globalization and innovation strategies, our Company signed an cooperation agreement with *Azerbaijan Investment Company ("AIC")* which all of its shares owned by the Republic of Azerbaijan regarding Azerbaijan Production Facility Project.

<https://www.kap.org.tr/en/Bildirim/1146270>

**Becoming a Shareholder to H2O Bilişim Through Capital Increase:** In line with our company's strategy of growth, innovation, and solutions to unmet health needs, 10.00% shares of H2O Bilişim Yazılım Elektronik Sağlık Hizmetleri Sanayi ve Ticaret Anonim Şirketi, which operates in the field of digital health technologies, were acquired. H2O Bilişim has developed digital software for the follow-up and treatment of Parkinson's disease and the early diagnosis of Covid-19. <https://www.kap.org.tr/en/Bildirim/1161950>

**Our First OTC (Over The Counter) Product B • SYNC® ON:** Our company has decided to start the sales, marketing and promotion activities of B • SYNC® ON as of 24.04.2023.

Subjected product is classified as OTC product which is unprescribed drugs and with this drug our company will enter into unprescribed drug field. With this product our Company transferred

it 25 years of experience to the unprescribed drug field and increased its number of products and expanded its activity field by starting sales and marketing activities of OTC Drugs.

<https://www.kap.org.tr/en/Bildirim/1140525>

**Stimusil – Initiation of Clinical Studies in Türkiye:** Clinical studies of the medical device developed by Stimusil, which is established in the United States of America, where our company invests in line with its strategy of growth, innovation, and solutions to unmet health needs, will start in Türkiye. The related medical device aims to deliver a laser of a certain wavelength under the skin through a micro-needle system and thus to treat androgenetic (male type) hair loss, cellulite, psoriasis and vitiligo and many dermatological diseases.

<https://www.kap.org.tr/en/Bildirim/1161805>

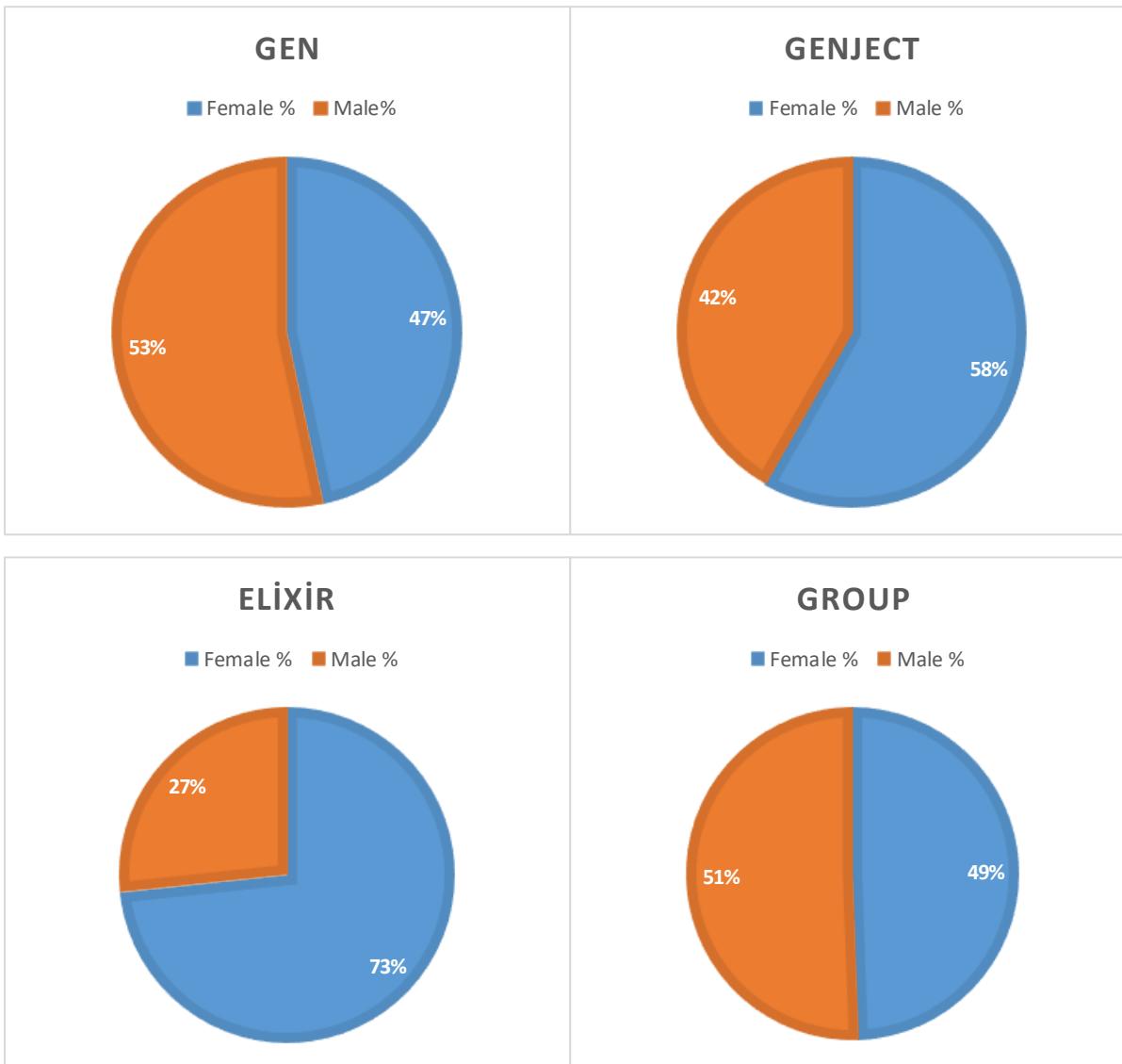
**Increase of GEN's shares in Neo Auvra:** An additional 4.61% shares of Neo Auvra which GEN has already shareholder amounting to 8,16% was purchased in return for an investment amounting to USD 1.520.000,00. Neo Auvra founded in Türkiye and develops cyber-physical systems and technologies for digital holistic health, digital medicine and digital therapeutics.

<https://www.kap.org.tr/en/Bildirim/1151578>

## **8. EMPLOYEE STATUS**

As of 30.06.2023, the number of personnel working within the group is 615. The Group's employee distribution is as follows.

<b>Firm</b>	<b>Number of Employees</b>
Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret A.Ş.	506
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	79
Elixir İlaç Araştırma Geliştirme A.Ş.	30
<b>Total</b>	<b>615</b>

**Gender Distribution****9. LEGAL EXPLANATIONS****Lawsuits and Sanctions**

According to the consolidated financial statements as of June 30, 2023 of the company provision distributed amounting to TL 18.684.023 for the Lawsuits which may affect company's financial situation and activities significantly.

## **10. DIVIDEND DISTRIBUTION POLICY**

In the course of dividend distribution, a balanced and consistent policy between shareholders and the interests of the company is followed in accordance with the Corporate Governance Principles. In principle, it is aimed to distribute at least one third of distributable profit which has been calculated according to the Capital Market regulations to shareholders and other people participating in the dividend in the form of cash and/or bonus shares in proportion to their shares as long as the respective regulations and financial means permit to do so, and as long as affordable from resources available in our legal records, taking into consideration the market expectations, our long-term company strategy, capital requirements of our affiliates and subsidiaries, our investment and financing policies and the profitability and cash position.

Our Company's Dividend Distribution Policy can be accessed from the corporate website. (<https://en.genilac.com.tr/raporlar/48df6133-1f8a-4bff-95eb-72739a81d7f9>) accessible.

## **11. DISTRIBUTED DIVIDEND INFORMATION DURING THE PERIOD**

During the Ordinary General Assembly held on March 30, 2023 it has been decided that distribute 28,32% of the net distributable profit as cash dividend and in May 09, 2023 distribution made as shown below.

Share Group Info	Cash Dividend To Be For Share With Par Value of 1 TL – Gross (TL)	Cash Dividend To Be Paid For Share With Par Value of 1 TL – Gross (%)	Stopaj Oranı (%)	Cash Dividend To Be Paid For Share With Par Value of 1TL - Net (TL)	Cash Dividend To Be Paid For Share With Par Value of 1TL Net – Net (%)
Group A, Not Processed, TREGENL00016	1,1111111	111,11111	10	0,9999999	99,99999
Group B, GENIL, TREGENL00024	1,1111111	111,11111	10	0,9999999	99,99999

## **12. CHANGES TO THE ARTICLES OF ASSOCIATION MADE DURING THE PERIOD.**

There is no change in the articles of association within the period June 30, 2023.

## **13. GENERAL ASSEMBLIES HELD DURING THE TERM**

The Ordinary General Assembly of our Company for the 2022 Accounting Period was held on March 30, 2023. Prominent issues discussed at the General Assembly Meeting are summarized below.

Dividend Distribution, Determination of the upper limit of Donations and Aids to be made in 2023, the release of the Members of the Company's Board of Directors separately from the activities of the Company in 2022, and the monthly attendance fees of the Members of the Board of Directors, the share repurchases made in 2022 and the sold shares, and 01.01.2023 – Selection of the independent audit firm that will work in the financial period of 31.12.2023 discussed and accepted and entered into force. The minutes of the General Assembly is accessible at the Public Disclosure Platform. <https://www.kap.org.tr/tr/Bildirim/1129712>

## **14. CORPORATE GOVERNANCE PRACTICES**

### **Committees of the Board of Directors**

It has been decided by the Board of Directors of the Company to establish the following committees and to determine the memberships as follows.

<b>Audit Committee</b>	
<b>President</b>	Tolga KIZILTAN
<b>Member</b>	Bernay ÖZAVCI

<b>Early Detection of Risk Committee</b>	
<b>President</b>	Bernay ÖZAVCI
<b>Member</b>	Tolga KIZILTAN

<b>Corporate Governance Committee</b>	
<b>President</b>	Bernay ÖZAVCI
<b>Member</b>	Tolga KIZILTAN
<b>Member</b>	Ali KETENCİOĞLU

The Duties and the Working Principles of the Committees are accessible in our Company's corporate website. (<https://en.genilac.com.tr/raporlar/48df6133-1f8a-4bff-95eb-72739a81d7f9>)

### **Policies**

Dividend Distribution, Donation and Aid, Remuneration for the Members of the Board of Directors and Senior Executives and Disclosure policies and Public Disclosure Procedure which prepared in accordance with the Capiştal Markets Board Corporate Governance Comminiqué are entered into force. Sermaye Piyasası Kurulu Kurumsal Yönetim Tebliği Uyarınca hazırlanan Kar Dağıtım, Bağış ve Yardım, Yönetim Kurulu Üyeleri ve Üst Düzey Yöneticiler için Ücretlendirme ve Bilgilendirme politikaları ile Kamuya Aydınlatma Prosedürü yürürlüğe girmiştir.

Current versions of these Policies and Procedures can be accessed from our company's corporate website (<https://en.genilac.com.tr/raporlar/48df6133-1f8a-4bff-95eb-72739a81d7f9>)

## **15. RISK MANAGEMENT PRACTICES**

Risk management is implemented in accordance with the policies approved by the board of Directors and in accordance with international standards. Due to the fact that the sector in which company operate it is faced with various risks, especially in the financial, operational and legal fields, risks are managed within the framework of the corporate risk management structure with an integrated, systematic and proactive approach with risk assessments updated with processes and spread throughout the organization. With effective risk following, it is provided that prioritization according to effects and possibilities of these risks and management of these risks correctly.

### **Financial Risks**

Within the scope of financial risks, risks arising from uncertainties and fluctuations in exchange rates, interest rates and commodity prices are defined. When the exchange rate risk is evaluated, although most of our sales are based on imported products, our company does not face a serious exchange rate risk. The purchases and sales of the NPP business line, which constitutes the majority of our company's sales, are in foreign currency in accordance with the contracts made between our company and the relevant institutions, and our company does not carry any exchange rate risk in this field. In the case of imported registered drugs, which have the second largest share in the sales of our company, most of the exchange rate risk has been protected by the contracts signed with the business partners. As a result, our company, which does not carry exchange rate risk in most of its sales. Also, minimizes the exchange rate risk with effective financial management which may arise from the remaining part of the operation. Interest Rate Risk exerts its influence on interest-sensitive assets and liabilities. The negative effects of interest rate risk are eliminated by balancing financial liabilities in short term / long term and fixed interest / variable interest. Uncertainties in commodity prices are minimized with effective stock management.

### **Liquidity Risk**

Liquidity risk is managed by closely monitoring the current cash position and forecasted cash flows, and attention is paid to ensuring maturity matching between assets and liabilities. In order to protect short-term liquidity, net working capital is closely monitored and cash and cashlike assets are held against movements that may occur in the capital markets. In this way, the need for working capital and liquidity risk are minimized. Long-term liabilities are largely held at fixed interest rates and in a flexible structure. Ready-to-use cash and non-cash loan limits are determined with banks.

### **Risk Of Concentration**

The majority of the company's revenue comes from the sales and marketing the NPP business line and Import Licensed products. We have new products with our R&D studies in our production facility, which was established in 2017 in order to reduce the concentration risk that arises as a result of the income coming from imported products and commercialization of these products in our country and abroad continues. With these studies, we aim to eliminate the risk of concentration by reducing the share of imported products in the revenue composition and increasing the share of the product we produce in the revenue composition.

Due to the company's extensive operation and customer structure, its receivables are distributed across different sectors and geographical areas. Care is taken not to concentrate in a particular area or client. Trade receivables are monitored with regular reporting and evaluations, and attention is paid to the fact that customer credit risk arising from trade receivables remains within the approved limits. Care is taken to carry out transactions with parties with have credit reliability and to reduce existing risks with the collaterals taken.

### **Capital Risk**

In terms of Capital Risk, the company's goal is to prevent harm to the company and its stakeholders in unexpected situations by continuing its activities with the most appropriate capital structure that reduces the cost of capital while providing returns to its partners. The most important indicators taken into account for this purpose are Net Financial Debt/EBITDA, Total Financial Debts/Equity, Current and Liquidity Ratios, Financial Debt Maturity Structure and Net Working Capital. By ensuring that all these indicators remain within the specified limits, it is seen that the Company has the capital structure and debt capacity to continue its activities in a healthy manner. The Board of Directors is informed by the reports prepared by the Company's management and submitted periodically to the Risk Management Committee.

The Company's issued capital of TL 300 million is protected by its shareholders' equity of TL 2.698.873.931 as of June 30, 2023.

### **Other Risks**

Operational, legal and strategic risks are evaluated by the relevant units and the decisions taken by the Senior Management in this field are followed by the Board of Directors through the Risk Management Committee. The Board of Directors also acts proactively with the Early Detection of Risk Committee and Senior management on corporate risk management activities carried out within the scope of strategic planning and management processes.

In order to cover the damages that may arise in the event of operational or other risks including the company and its affiliates, insurance is taken out in various issues related to the risks that may occur. All transferrable risks that are transferred to third parties through the insurance process. Operational risks are monitored by the relevant units for the company and periodically reported to the Senior Management. Changes in the legislation are followed by all relevant units, especially the Legal Counsel's Office, and necessary information, training and compliance activities are carried out to avoid legal risks.

### **16. SHARE BUYBACKS**

Information on share buybacks made in the period between 01.01.2023 – 30.06.2023 within the framework of the decision of the Board of Directors on share buybacks taken on 15.02.2023 presented. In the said period, a nominal amount of TL 303.527 was repurchased and the average cost of the shares purchased was TL 46,44.

Code of Share Subject to Buyback	Transaction Date	Nominal Value of Shares Subject to Transaction (TRY)	Ratio To Capital (%)	Transaction a Price (TRY/Unit)	Privileges, If Any, Associated With These Shares
Group B, GENIL, TREGENL00024	16.02.2023	100.000	0,033	50,625	-
Group B, GENIL, TREGENL00024	31.03.2023	71.403	0,024	47,878	-
Group B, GENIL, TREGENL00024	03.04.2023	31.891	0,01	46,8	-
Group B, GENIL, TREGENL00024	09.05.2023	100.233	0,034	40,47	-

## 17. SHARE INFORMATION

**Share Code:** GENIL

**Bulletin Name:** GEN ILAC

**Market:** STARS

**Indices:** BIST PARTICIPATION 50 / BIST STARS / BIST IPO / BIST ANKARA / BIST PARTICIPATION ALL SHARES / BIST W. AND RETAIL TRADE / BIST 100-30 / BIST PARTICIPATION 100 / BIST SERVICES / BIST ALL SHARES / BIST 100

**First Transaction Date:** 05.08.2021

**30.06.2022 Price:** 18,61<sup>1</sup>

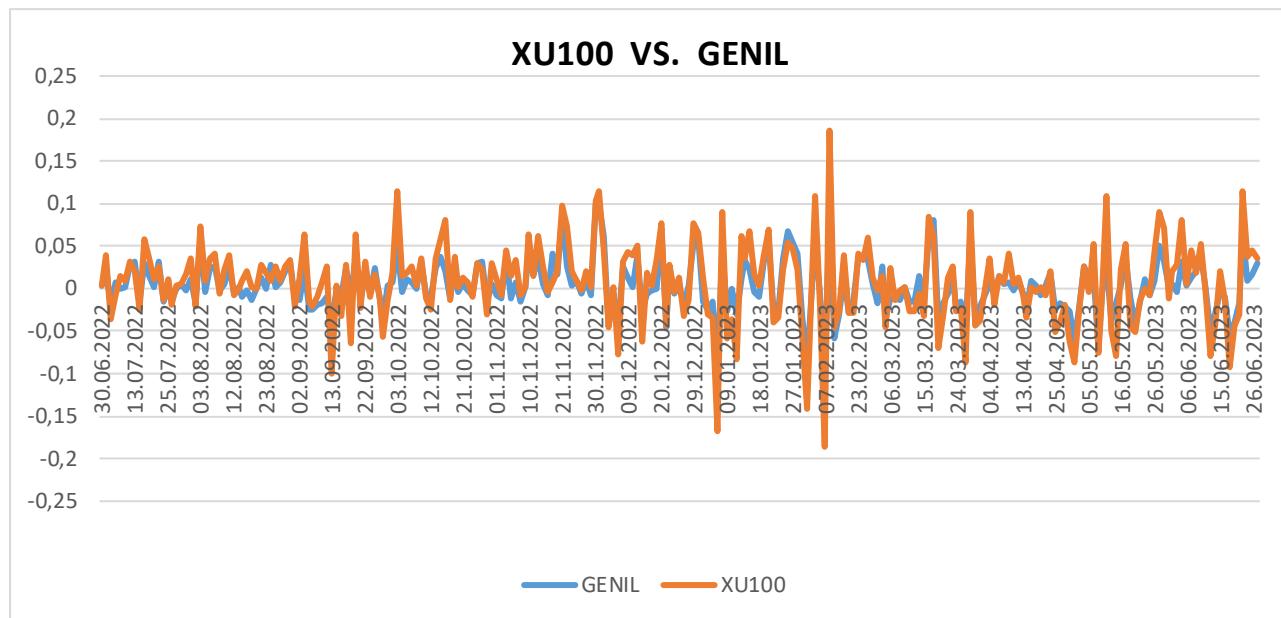
**27.06.2023 Price:** 40,86<sup>2</sup>

**Revenue:** % 119,55

One year comparative prices of GENIL with BIST 100 indec has presented below.

<sup>1</sup> The corrected closing price dated June 30, 2022.

<sup>2</sup> The corrected closing price on June 27, 2023.



## **18. CONTACT INFORMATION**

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### **Legal Notice**

This Activity Report has been prepared in accordance with the legislation in order to inform the shareholders about the company's activities and accounts for the period January 01, 2023 and June 30, 2023. It is not intended to be the basis for any investment decision.

Forward-looking views and estimated numbers reflect company management's views about future situation, realization of these forecasts can vary depending on assumptions and variables which constitutes forward looking numbers. In accordance with this, GEN or its Board of Director Members, advisors or employees are not responsible for any information or communications made in this Report or direct or indirect losses of anybody based on information given in this report or not.

As of the time of preparation of this Activity Report, it is believed that all information in the report is accurate and GEN is not responsible for any inaccuracies that may occur during the spelling and printing stages.

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