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

01.01.2023 – 30.09.2023

1. GENERAL INFORMATION

Activity Period: 01.01.2023 – 30.09.2023

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" veya "Gen İlac") 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 2. And 3. Organize Sanayi Bolgesi Alci OSB Mah. 2013. Cad. No: 24 Sincan/Ankara.

In addition, the Company has 10 offices in Ankara, Izmir, Istanbul 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 İlaç 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 priviledge 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' 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 September 30, 2022 is presented below.

Partnership Structure as of September 30, 2022		
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
Total	**300.000.000**	**100.00**

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 (Sales-Marketing)
Yağmur Selin GÜLMÜŞ KOLAY	Vice President (Strategy& Corporate Development
Nadir ULU	Vice President (R&D – Clinical Operations)
Özgü BOZALP	Vice President (Foreign Trade)

5. SUBSIDIARIES AND AFFILIATED COMPANIES

Affliated Companies ("Group")

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

Affiliated Companies	**Activity Location**	**Main Activity**
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	Türkiye	Syringa 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

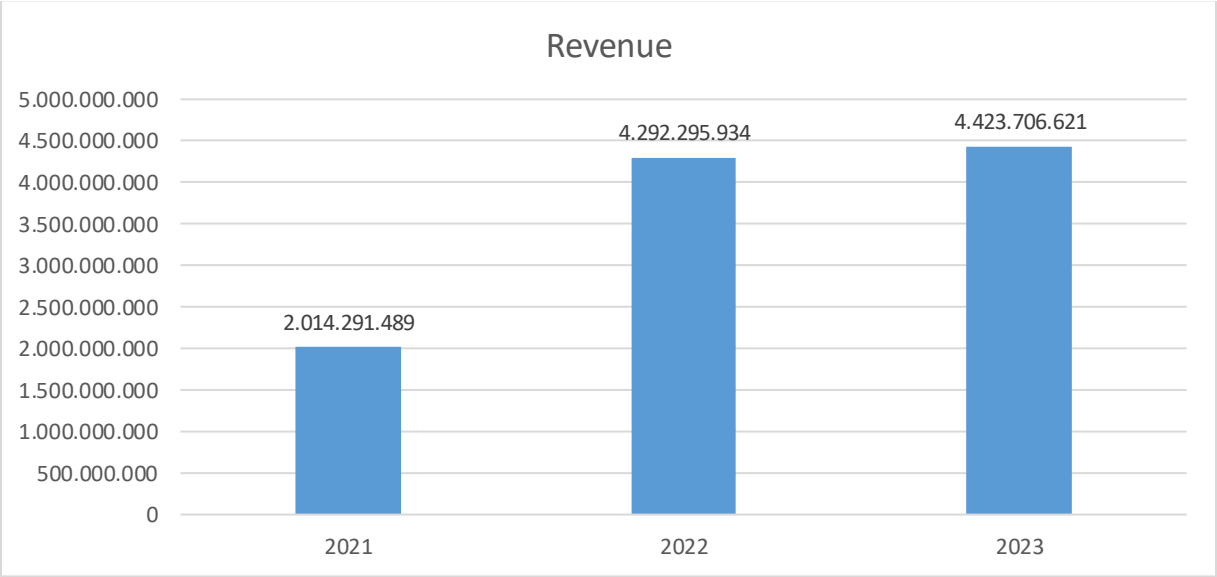
Subsidiaries	Activity Location	Main Activity	Share Ratio(%)
Apeiron Biologics AG	Austria	Drug Research and Development	0,60
Stimusil Inc.	USA	Medical Device Development	16,80
RS Araştırma Eğitim Danışmanlık İlaç Sanayi ve Ticaret A.Ş.	Türkiye	Drug Research and Development	11,70
Galventa AG	Switzerland	Drug and Food Supplement Research and Development	4,79
Neo Auvra Dijital Sağlık ve Biyonik Teknolojileri ve Hizmetleri Sanayi ve Ticaret A.Ş.	Türkiye	Biotechnological Medical Device Research and Development	12,39
Invios	Avusturya	Biyoteknoloji	0,60
H2O Bilişim Yazılım Elektronik Sağlık Hizmetleri Sanayi ve Türk Ticaret Anonim Şirketi	Türkiye	Dijital Sağlık Teknolojileri	10,00

6. MAIN FINANCIAL INDICATORS

Sales

As of 30.09.2023, the consolidated revenue of the group is TL 4.423.706.621. Compared to the same period of previous year, revenue increased by approximately 3,06%.

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



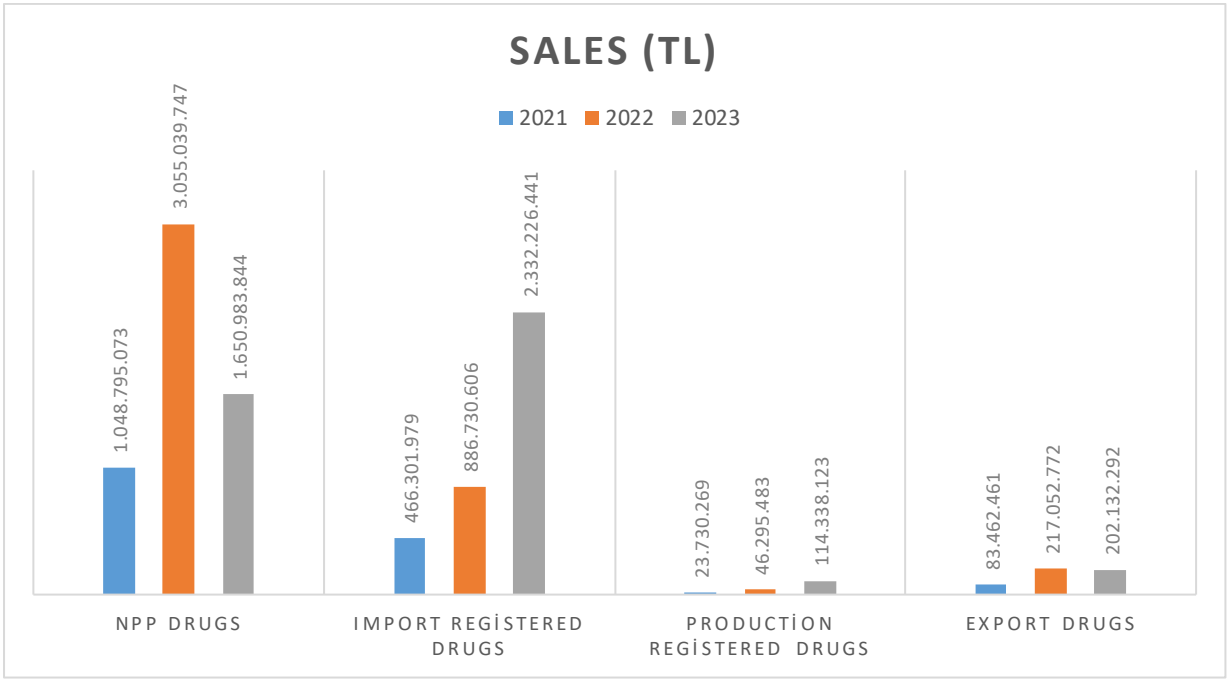
Distribution of Sales

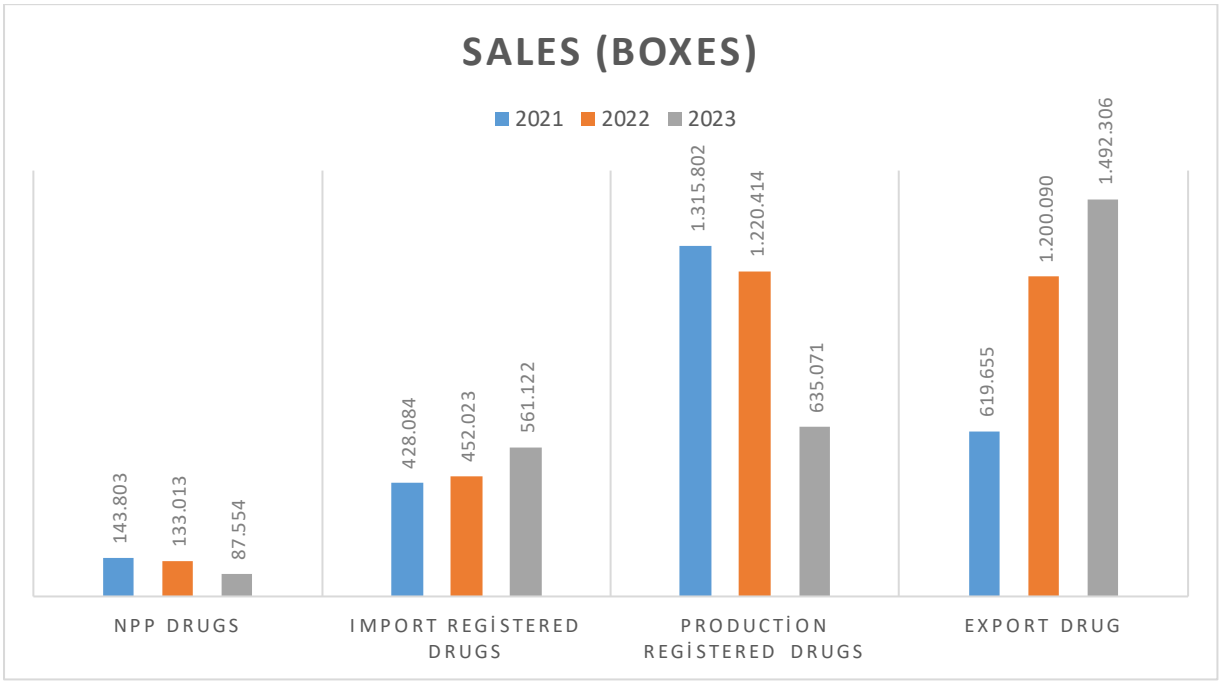
GEN's distribution of drugs sales has given below for the first 9 months of the 2022, 2023 on a quarter basis.

Sales (TL)	**1Q 2022**	**2Q 2022**	**3Q 2022**	**1Q 2023**	**2Q 2023**	**3Q 2023**
NPP Drugs	829.734.873	1.308.921.102	916.383.772	181.168.786	335.694.444	1.134.120.614
Import Registered Drugs	303.380.073	298.956.833	284.393.700	605.509.072	647.133.610	1.079.583.759
Production Registered Drugs	11.917.257	18.484.786	15.893.440	32.500.437	35.819.017	46.018.669
Exported Drugs	56.720.295	80.628.404	79.704.073	96.314.144	60.617.936	45.200.212
Total Sales	**1.201.752.498**	**1.706.991.125**	**1.296.374.985**	**1.201.752.498**	**1.706.991.125**	**2.304.923.254**

Sales (Boxes)	**1Q 2022**	**2Q2022**	**3Q 2022**	**1Q 2023**	**2Q2023**	**3Q 2023**
NPP Drugs	42.211	43.908	46.894	11.584	25.644	50.326
Import Registered Drugs	163.774	157.476	130.773	190.943	186.634	183.545
Production Registered Drug	318.155	473.062	429.197	332.414	147.171	155.486
Exported Drugs	252.790	248.157	699.143	594.180	564.184	333.942
Total Sales	**776.930**	**922.603**	**1.306.007**	**1.129.121**	**923.633**	**723.299**

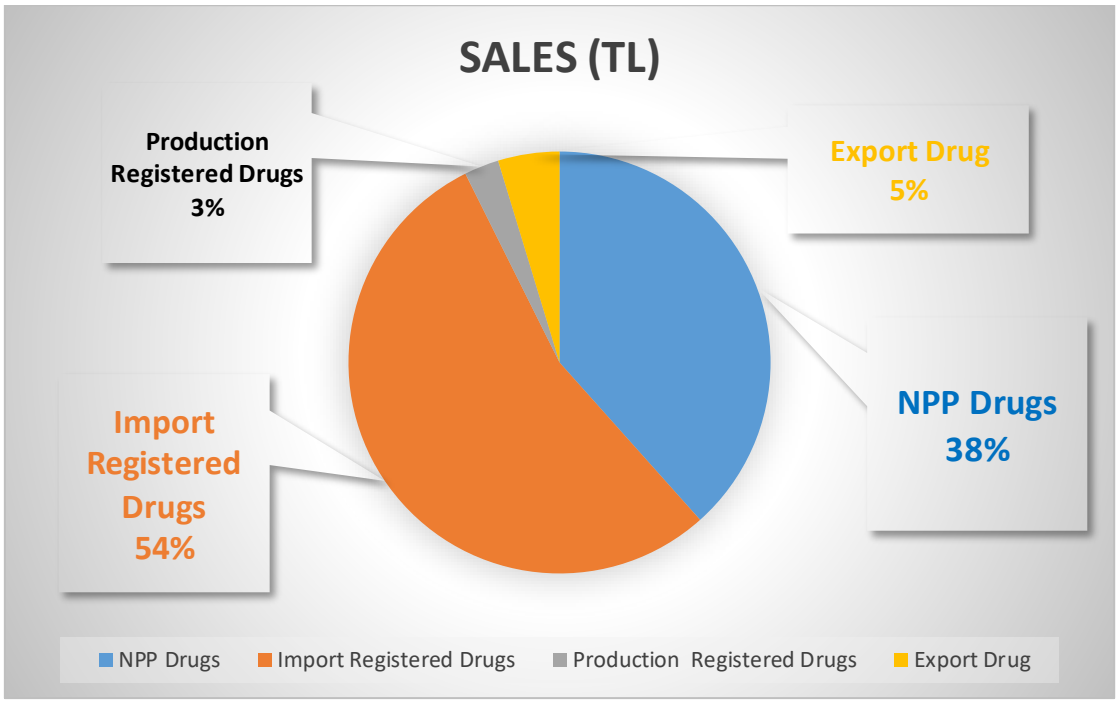
A comparative chart of sales for the first 9 months of sales for 2021, 2022 and 2023 sales is presented below.

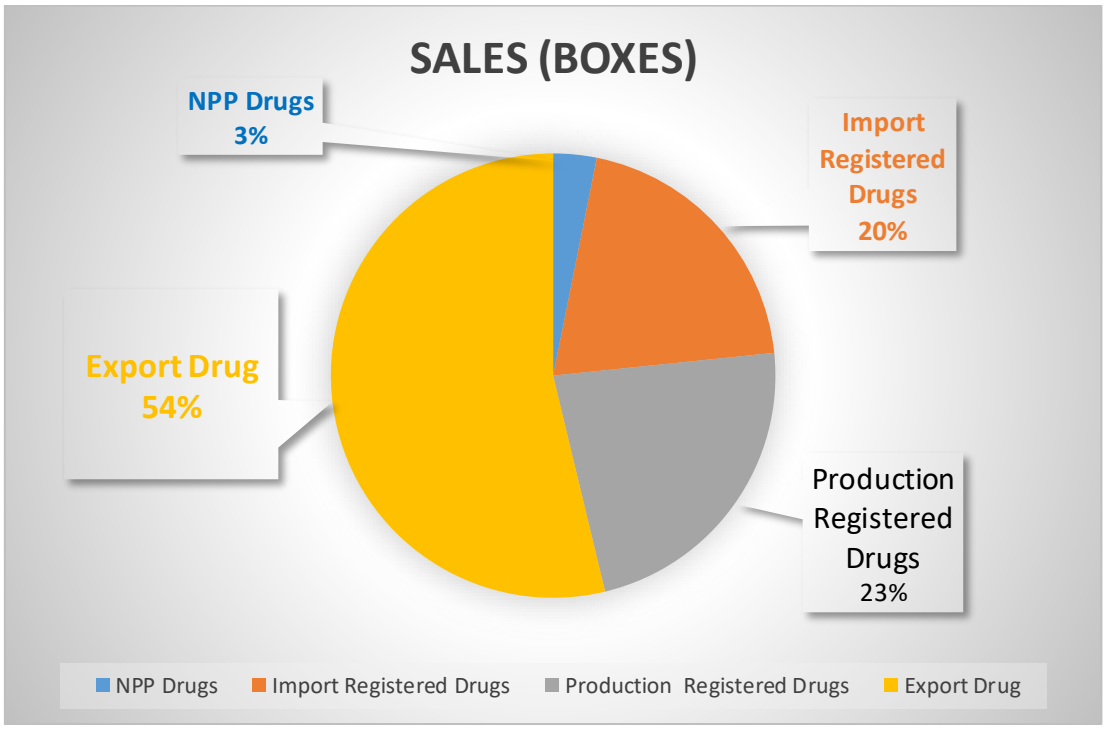




Distribution of Sales

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



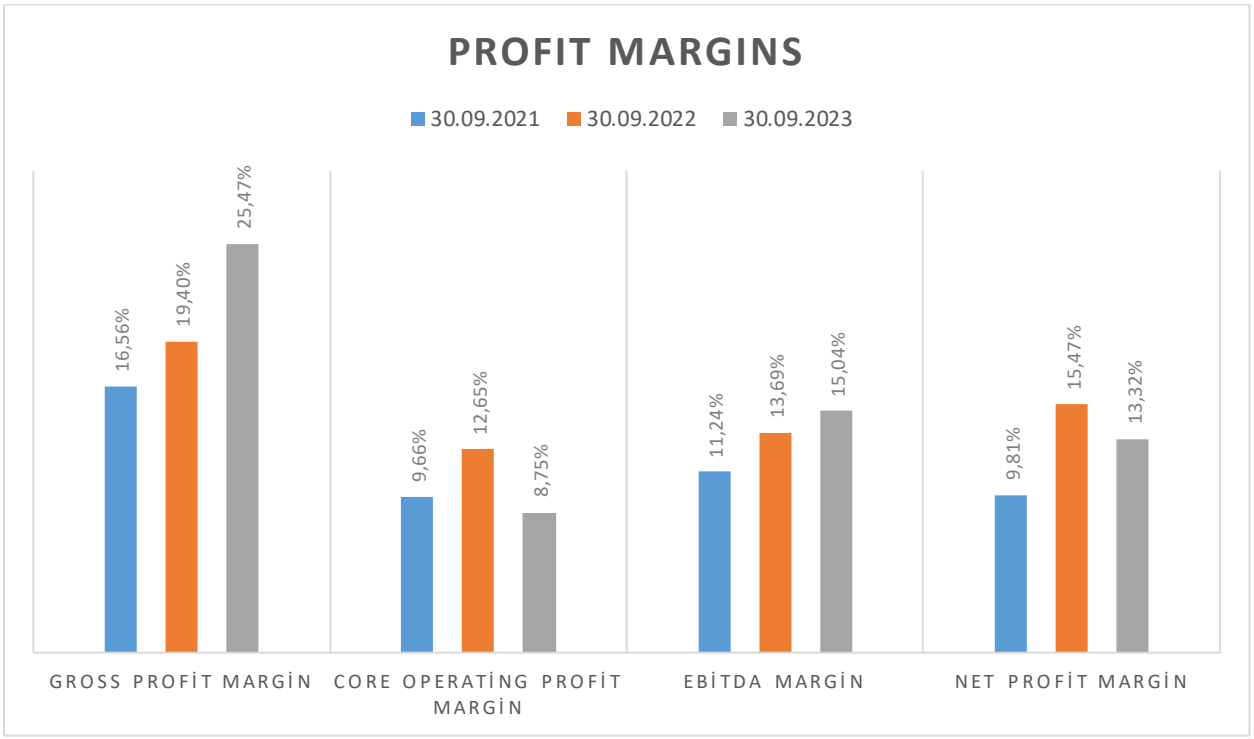


In accordance with the group's consolidated financial statements, selected financial performance indicators are presented below.

Income Statement

	1Q 2022	2Q 2022	3Q 2022	1Q 2023	2Q 2023	3Q 2023
Gross Profit	**255.040.258**	**285.356.829**	**292.217.694**	**302.429.968**	**344.002.559**	**480.408.995**
Gross Profit Margin	20,71%	16,44%	22,07%	32,10%	30,57%	%20,38
Operating Profit	**134.551.108**	**232.678.135**	**175.617.417**	**96.521.363**	**36.024.687**	**254.450.423**
Operating Profit Margin	10,92%	13,40%	13,26%	10,24%	3,20%	%10,79
EBITDA	**191.140.746**	**202.583.543**	**193.757.889**	**166.236.869**	**197.462.200**	**301.688.270**
EBITDA Margin	15,52%	11,67%	14,63%	17,64%	17,55%	%12,80
Net Profit	**167.705.750**	**249.524.545**	**246.957.358**	**105.361.659**	**167.239.193**	**316.506.885**
Net Profit Margin	13,61%	14,37%	18,65%	11,18%	14,86%	%13,43

Our Company's profit margins for the years 2021, 2022, and 2023 are shown comparatively in the chart below:



Balance sheet

TL	30.09.2022	31.12.2022	30.09.2023
Total Current Assets	**1.701.394.120**	**1.975.523.702**	**3.351.827.019**
Total Non-Current Assets	861.721.185	1.706.878.764	2.120.718.358
Total Assets	**2.563.115.305**	**3.682.402.466**	**5.472.545.377**
Current Liabilities	**685.010.955**	**683.643.512**	**2.269.267.557**
Non-Current Liabilities	57.114.620	194.240.307	189.800.752
Total Liabilities	**742.125.605**	**877.883.819**	**2.459.068.309**
Equity	1.819.097.639	2.793.805.525	**3.006.074.788**
Current Ratio	**2.48**	**2,88**	**1,47**
Net Financial Debt/Equity	0,27	-0,13	0,47

7. PROMINENT ACTIVITIES

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

Research ve Development Activities: Total amount of expenses and investment expenditures for R&D activities was recorded as TL 46.323.882,24 at the end of the September, 2023.

A total of 25 R&D personnel (2 technicians, 2 analysts, 2 support personnel and 19 researchers) work at the GEN R&D Center. 48% of R&D personnel have completed their postgraduate education and 32% are still continuing their postgraduate education. GEN R&D's research team consists of colleagues who have degrees in various fields, including medicine, pharmacy, chemical engineering, chemistry, bioengineering and molecular biology. In the R&D Center, established on an area of 1200 square meters, our innovative activities continued with our R&D team, 80% of whom were included in the postgraduate education process and which is our bridge with the academy. In our company, which produces generic drugs, various tablet forms, hard gelatin capsules, sachets, sterile ampoules, sterile cartridges, vials (solutions), vials (lyophilized powder) dosage forms are developed within the scope of R&D center studies. The R&D projects we have developed towards the goal of turning imports into exports play a central role in our company, which is taking firm steps towards becoming a company that sells 70% of the products we produce almost entirely in our own production facility abroad in the next 5 years. In addition, our innovative projects are carried out meticulously on the way to becoming an originator company. In this direction, in addition to our research and development activities within the scope of biotechnology, nanotechnology and vaccine studies, our investments continue. In line with the innovative technology targets of our strong R&D unit, projects initiated with the aim of becoming the first generic drug in Türkiye and some in the world are continuing. Innovative technologies applied in our R&D unit, which has innovative approaches in line with these bold and serious goals, include lipophilic matrix controlled release systems, liposomal drug carrier systems and lyophilized parenterals.

In the period of 01.01.2023 - 30.09.2023, activities were continued for a total of 52 R&D projects, 32 of which were R&D Center and 3 of which were Technology-Focused Industrial Move Program projects. During the period, R&D activities were carried out in accordance with the plan to apply for licenses to the relevant authorities in 2023 for our products in a total of 17 projects among these projects.

GN-037 Project

The Phase II clinical study, in which the clinical effectiveness and safety of the GN-037 topical cream product, the formulation of which was developed in our GEN R&D laboratories and which is our company's innovative research drug in the clinical research development phase, was evaluated in the treatment of mild and moderate plaque-type psoriasis (psoriasis) was continued also 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 development phase, is titled "Dermatology and It was published in the "therapy" magazine on 10.06.2023. "Dermatology and Therapy" journal, where studies deemed appropriate after being evaluated by impartial referees with international scientific journal status, are published open access, has a respected status in 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 product GN-037, which completed the peer review process and was accepted for publication in less than a month, revealed that our investigational product has a good safety and tolerability profile. The full text of this article can be accessed from the link below:

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

The Phase II study of our GN-037 research product, which is ongoing during the relevant period, is a study conducted worldwide by the American National Library of Medicine (NLM) within the American National Institutes of Health (NIH). "Phase II Study Evaluating the Clinical Efficacy and Safety of ClinicalTrials.gov" is a site that provides up-to-date information on completed clinical studies and provides patients, their relatives, healthcare professionals and other segments of the public with easy access to clinical studies conducted in a wide range of diseases and health conditions. It is registered as “GN-037 in Plaque Psoriasis”. (https://classic.clinicaltrials.gov/ct2/show/NCT05706870).

In addition, a patent application was made within the scope of our GN-037 topical cream research product with the invention title "Safe and Effective Drug Formulation Used in the Treatment of Psoriasis". The patent application evaluation process continues.

Sul-238 Project

Studies on our innovative research product, which we conducted together with Sulfateq B.V. in the Netherlands, which is thought to have the potential to be used in the treatment of Alzheimer's and other neurodegenerative diseases, continued during the period. Our innovative research product, SUL-238, is a molecule that was able to prevent the development of Alzheimer's Disease and improve memory functions in experimental Alzheimer's Disease models, depending on the dose. It has been shown to be safe in non-clinical animal studies completed in accordance with European Medicines Agency (EMA) guidelines (GLP and non-GLP toxicity, etc.). In the clinical studies of this project, the safety and pharmacokinetics of SUL-238 will be investigated for the first time in humans in single doses and multiple doses in the Phase I clinical study. After successfully completing this phase, it is expected that SUL-238 will show improvement in consciousness functions by reversing the impaired mitochondria functions in the brain cells of Alzheimer's Patients/preventing the progression of the disorder in Phase II and Phase III clinical trials. In this context, the formulation and R&D stability studies required for the Phase I study have been successfully completed in GEN R&D laboratories and the relevant approval processes have been initiated for the Phase I clinical study.

Technology-Focused Insdusrial Move Program

Work on the three drug development projects we have carried out within the scope of the Technology-Focused Industrial Move Program approved by the Ministry of Industry and Technology in the first quarter of 2023 was officially started as of 01.04.2023, and the work continued during the period.

It is anticipated that TÜBİTAK will provide a total of 15,311,009.60 TL support to our company within the scope of our R&D activities for the three accepted drug development projects. And It is evaluated that the total contribution amount of the supports to be provided within the scope of the Investment Incentive Certificate, specifically for our three drug development projects, will be at the level of 31,695,902.00 TL. Our projects have been initiated in accordance with the project schedule and the first period activities have been completed and the reporting process to TÜBİTAK for the 2023-1 period has been completed within the scope of project monitoring. During the 2023-Q3 period, technical and financial reports for the relevant period were prepared for all three of our projects and submitted to TÜBİTAK through the TEYDEB system. 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. Within the scope of these ongoing projects, new investment activities worth approximately 40 Million TL have been planned to develop and expand the R&D equipment park.

Our research project, which includes analytical method development and validation studies within the framework of our collaboration with Ankara University Faculty of Pharmacy, which started in 2022 within the scope of "TÜBİTAK 2209-B University Students Industry-oriented Research Projects Support Program", was continued during the period.

The "Development of New Computer Aided Synthesis of Plerixafor Active Pharmaceutical Ingredient (API)" project, which is entitled to receive TÜBİTAK 1501 Industrial R&D Projects Support, is carried out in cooperation with GEN, MEDDENOVO and PEPTITEAM, and the 2023-1 period of the project has been completed. For this project, while new API synthesis methods are designed with organic synthesis experience, optimization of API syntheses is also carried out with computer-aided chemistry methods, which are an indispensable part of drug discovery. Currently, the Injection Solution product containing the active ingredient Plerixafor is licensed under the name of GEN in Türkiye. With this project, it is aimed to carry out the active substance synthesis in Türkiye as a preliminary stage.

Registration Activities: Between the period of January 01,2023 and September 01, 2023 numbers of drugs which registered in Türkiye or abroad in the name of GEN, has presented below on country basis.

Country	Number of Licences
Türkiye	1
Azerbaijan	3
Georgia	3
Total	**7**

Agreement Sign for The First Pharmaceutical Production Facility of Azerbaijan: An agreement signed with the Azerbaijan State Investment Company (AIC) for the Azerbaijan's first pharmaceutical production facility. https://www.kap.org.tr/en/Bildirim/1177261

Sustainability Report of GEN, 2022: Our Company's 2022 Sustainability Report, which is compatible with GRI (Global Reporting Initiative) Standards and prepared according to 2022 year-end data, has been published in the Sustainability section of our corporate website. https://en.genilac.com.tr/surdurulebilirlik

Drug Valuation Report: A report on the fair values of 68 drug licenses belonging to our company has been published. https://www.kap.org.tr/en/Bildirim/1182733

Solar Energy Plant: A connection application made for a solar energy-based electricity generation facility in Akdağmadeni district of Yozgat province, and the EIA process started in the ongoing process and the decision that as EIA wasn't required taken. Within the scope of this project, a solar power plant with an installed power capacity of 7,04 mW will be installed. https://www.kap.org.tr/en/Bildirim/1185016 https://www.kap.org.tr/en/Bildirim/1192062 https://www.kap.org.tr/en/Bildirim/1194729

Credit Rating Result: Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret Ürünleri A.Ş. evaluated by JCR Eurasia.

Our Company's credit ratings has been determined as:

Long Term National Institution Credit Rating: AA+ / (Stable Appearance)

Short Term National Institution Credit Rating: J1+ (tr) / (Stable Appearance)

Long Term International Foreign Currency Institution Credit Rating: BB / (Negative Appearance)

Long Term International Local Currency Institution Credit Rating: BB / (Negative Appearance)

https://www.kap.org.tr/en/Bildirim/1190220

Agreement Sign with Social Security Institution of Republic of Türkiye: An alternative reimbursement agreement signed between the Social Security Institution (SGK) and Gen İlaç Ve Sağlık Ürünleri on 10.08.2023 for the SMA drug named SPINRAZA, which is licensed on behalf of our company. The contribution of the contract to our Company's sales in 2023 is expected to be in the range of approximately 700,000,000 - 750,000,000 TL.

https://www.kap.org.tr/en/Bildirim/1183715

Additional Investment to Galventa AG: With the additional investment made by Gen İlaç ve Sağlık Ürünleri A.Ş. to Galventa AG, GEN's shareholding rate increased from 4.34% to 4.79% in Galventa AG.

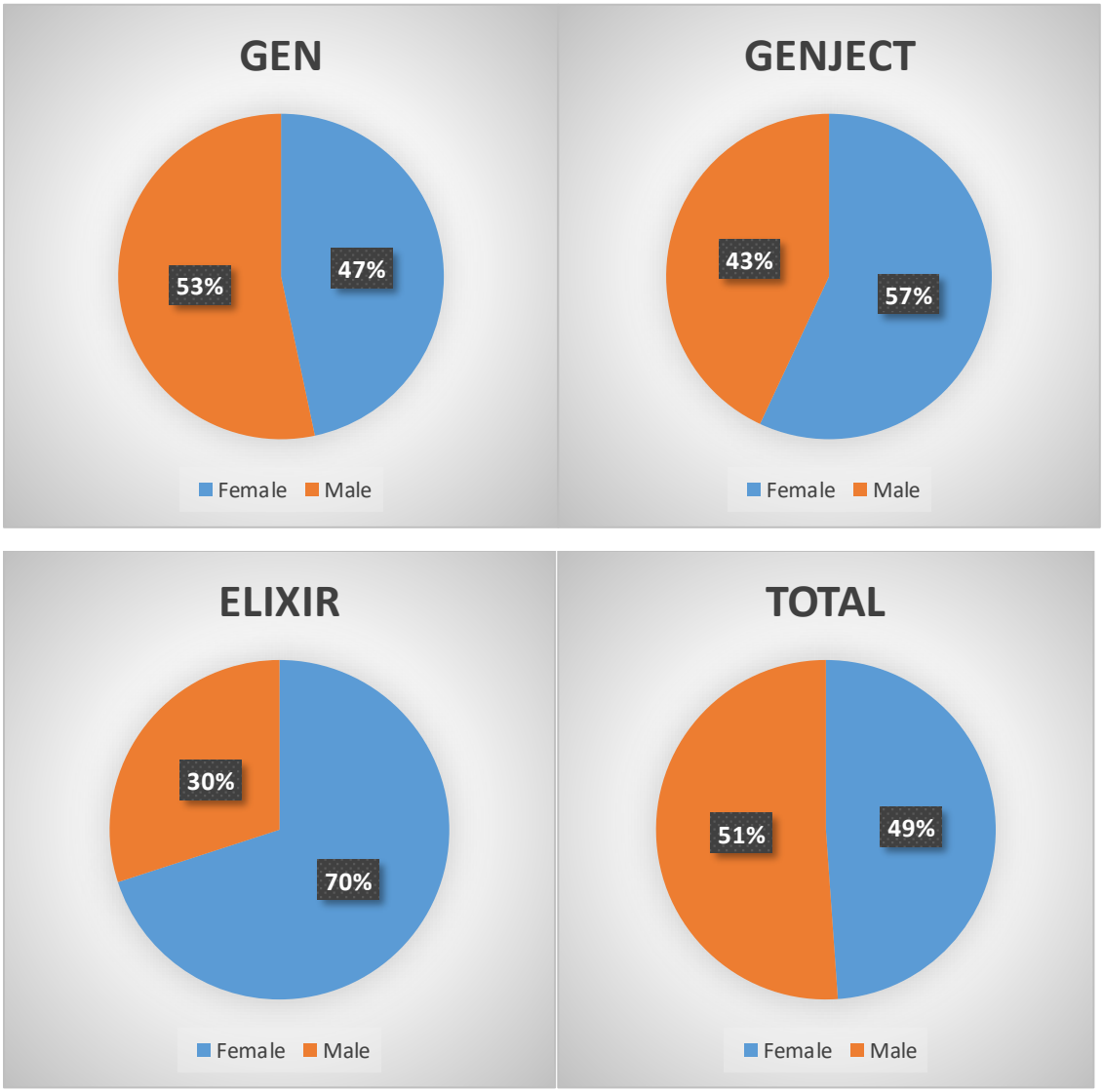
https://www.kap.org.tr/en/Bildirim/1186410

8. EMPLOYEE STATUS

As of 30.09.2022, the number of personnel working within the group is 579. The group's employee distribution is as follows.

Firm	**Number of Employees**
Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret A.Ş.	510
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	79
Elixir İlaç Araştırma Geliştirme A.Ş.	30
Total	**619**

Gender Distribution



9. LEGAL EXPLANATIONS

Lawsuits and Sanctions

According to the consolidated financial statements as of September 30, 2023 of the company provision distributed amounting to TL 18.730.633 for the Lawsuits which may affect company's financial situation and activities significantly.

10. 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 distrubition made as shown below. (https://www.kap.org.tr/en/Bildirim/1148516)

Share Group Info	Cash Dividend To Be Paid For Share With Par Value of 1 TL - Gross (TL)	Cash Dividend To Be Paid For Share With Par Value of 1 TL - Gross (%)	Withholding Rate (%)	Cash Dividend To Be Paid For Share With Par Value of 1 TL - Net (TL)	Cash Dividend To Be Paid For Share With Par Value of 1 TL - 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

11. CHANGES TO THE ARTICLES OF ASSOCIATION MADE DURİNG THE PERIOD.

There is no change in the articles of association within the period January 01, 2023 and September 30, 2023.

12. 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.

The minutes of the General Assembly is accessible at the Public Disclosure Platform (https://www.kap.org.tr/tr/Bildirim/1129712)

13. 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.

Audit Committee	
President	Tolga KIZILTAN
Member	Bernay ÖZAVCI

Early Detection of Risk Committee	
President	Bernay ÖZAVCI
Member	Tolga KIZILTAN

Corporate Governance Committee	
President	Bernay ÖZAVCI
Member	Tolga KIZILTAN
Member	Ali KETENCİOĞLU

The Duties and the Working Principles of the Committees are accessible in our company's corporate website. (https://www.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.

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)

14. RISK MANAGEMENT PRACTICES

Risk management is implemented in accordance with the policies approved by the board of Directors and in accordance with intermnational standarts. Due to the fact that the sector in which company 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 posssþbilities of these risks and management of these risks corrcectly.

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 cash-like 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 NPP business line. However, with the production facility established in 2017, it is aimed to reduce the NPP concentration. With the registration of the products produced in the production facility and the increase in these products' sales, it is aimed to eliminate the risk of concentration by reducing the share of the NPP business line in total sales.

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 7.985.983.267 as of September 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 affliates, 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.

15. 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	-

16. STOCK INFORMATION

Stock Code: GENIL

Bulletin Name: GEN ILAC

Market: STARS

Indices: BIST ALL / BIST ANKARA / BIST STARS / BIST TRADE / BIST 100-30 / BIST SERVICES / BIST 100 / BIST BUYBACK

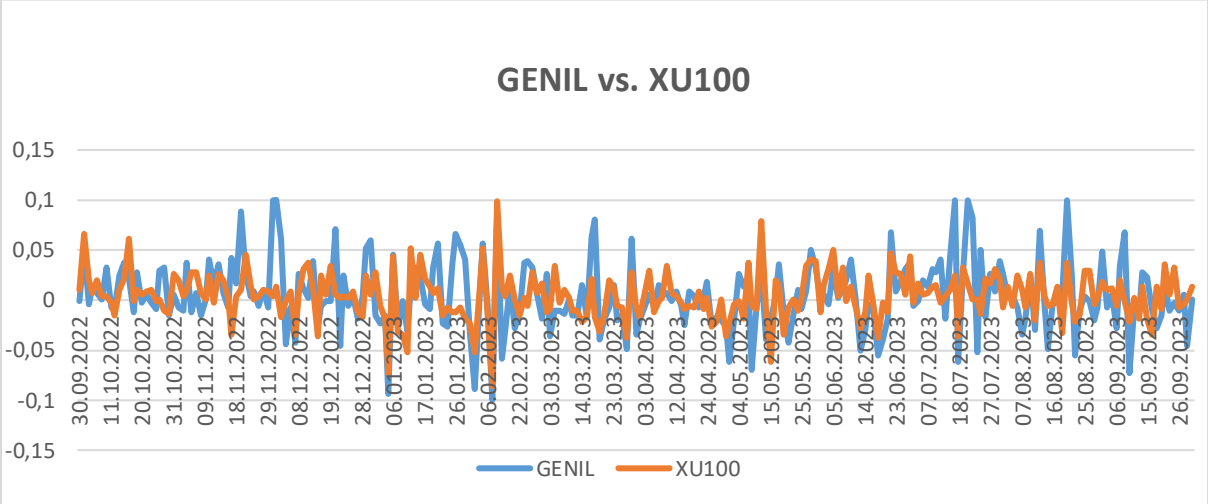
First Transaction Date: 05.08.2021

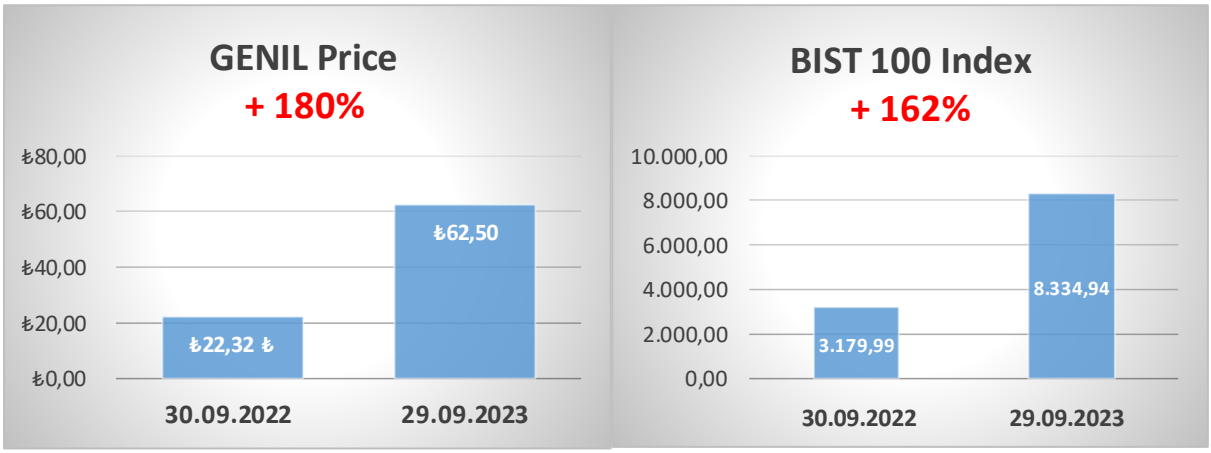
30.09.2022 Price:22,32[1]

29.09.2023 Price: 62,50[2]

Revenue: 180%

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





[1] *The corrected closing price on 30.09.2022.*
[2] *The corrected closing price on 30.09.2023.*

17. CONTACT INFORMATION

GEN Investor Relations Department – yatirimciiliskileri@genilac.com

Ali KETENCİOĞLU – *Investor Relations Manager*

a.ketencioglu@genilac.com

0505 177 10 07

Can Onur DEMİRALP – *Investor Relations Specialist*

c.demiralp@genilac.com

0505 177 10 06

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 September 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.

This report has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this report, the Turkish version shall prevail.