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

01.01.2024 – 31.03.2024

1. GENERAL INFORMATION

Activity Period: 01.01.2024 – 31.03.2024

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 9 offices in Ankara, Izmir and Istanbul 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 five (5) 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 March 31, 2024 is presented below.

Partnership Structure as of March 31, 2024		
Partnership Structure	Capital Amount (TL)	Ratio(%)
Abidin Gülmüş	219.660.000	73,22
Semra Gülmüş	3.750.000	1,25
Şükrü Türkmen	2.656.000	0,89
Ömer Dinçer	2.656.000	0,89
Bekir İlker Yılmaz	1.164.000	0,38
Aylin Evrensel	1.024.000	0,33
Absel Emlak İnşaat Limited Şirketi	1.250.000	0,42
Public	67.840.000	22,62
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 (Global Sales-Marketing)
Yağmur Selin GÜLMÜŞ KOLAY	Vice President (Strategy & Corporate Development
Nadir ULU	Vice President (R&D – Clinical Operations)
Eda GÜLMÜŞ DEMİR	Vice President (Foreign Trade)

5. SUBSIDIARIES AND AFFILIATED COMPANIES

Affliated 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	Şırınga Üretimi ve Satışı
Elixir İlaç Araştırma Geliştirme A.Ş.	Türkiye	Beşeri İlaç Araştırma Geliştirme
Gen Pharma Caucasus Manufacturing Operations MMC	Azerbaijan	Pharmaceutical Production

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)».

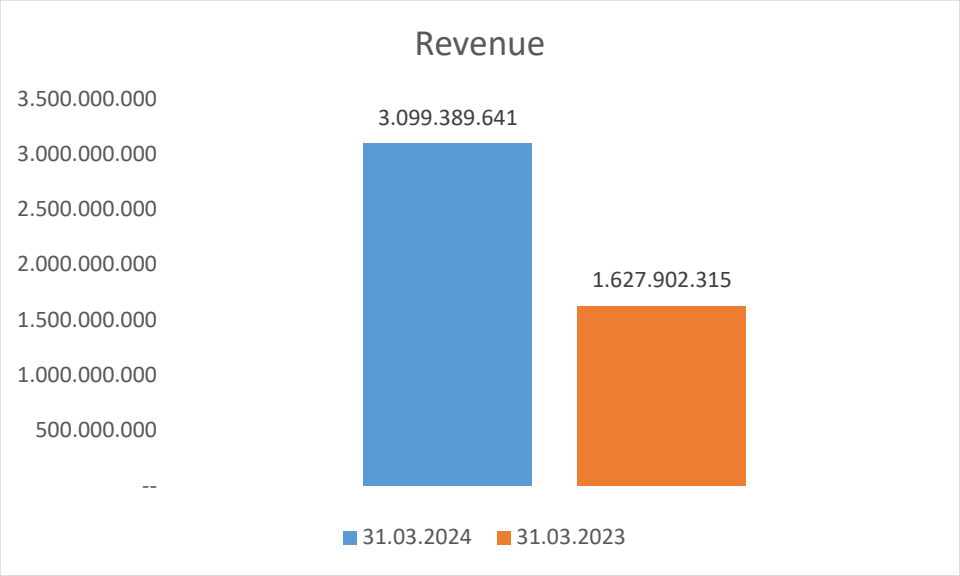
Gen Pharma Caucasus Manufacturing Operations MMC ("GEN Caucasus") was established in 2023, and GEN is a 66.00% partner. GEN Caucasus was established with the aim of establishing a pharmaceutical manufacturing facility in Azerbaijan and selling and marketing the products to be produced in this facility. Currently, construction work of the manufacturing facility continues.

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	4,55
Neo Auvra Dijital Sağlık ve Biyonik Teknolojileri ve Hizmetleri Sanayi ve Ticaret A.Ş.	Türkiye	Biotechnological Medical Device Research and Development	32,39
Invios Holding AG	Austria	Precision Cancer Immunotherapies	0,60
H2O Bilişim Yazılım Elektronik Sağlık Hizmetleri Sanayi ve Türk Ticaret Anonim Şirketi	Türkiye	Digital Health Technologies	10,00
Jaguar Health Inc.	USA	Drug Research and Development	6,70

6. MAIN FINANCIAL INDICATORS

As of 31.03.2024 according to the financial statement prepared compliant with TAS 29 total revenue of the company is TL 3.099.389.641. More than 90% increase occured compare to the same period of the previous year.



Distribution of Sales

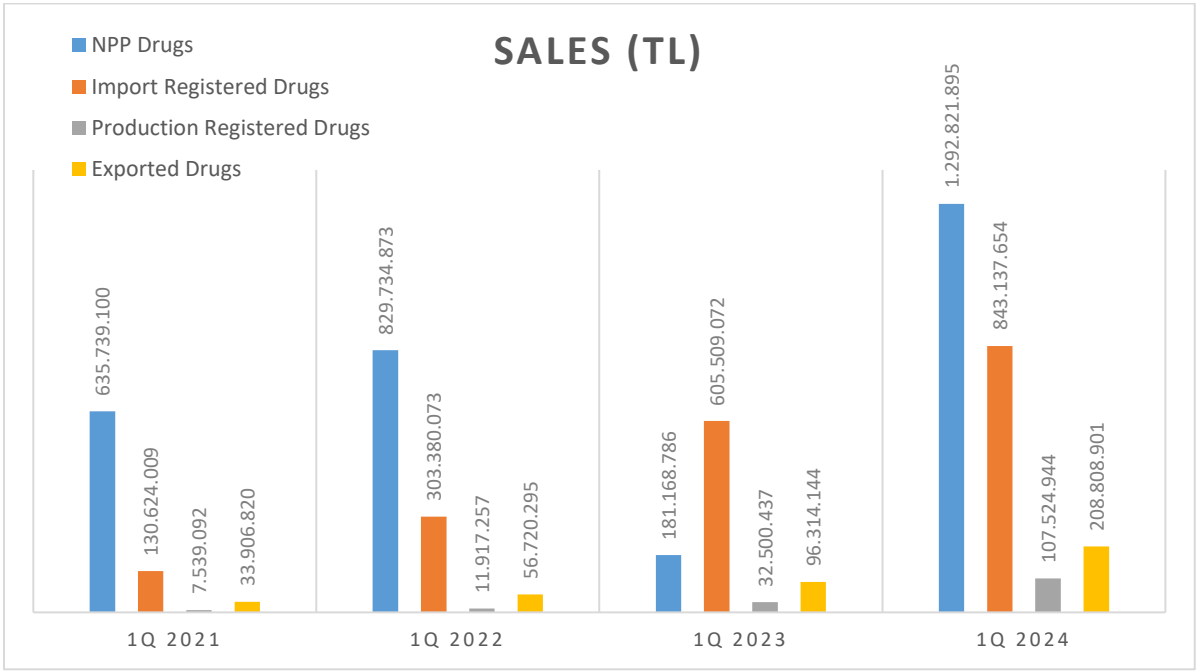
GEN's distribution of drugs sales has given below for the first quarter of the 2021, 2022, 2023 and 2024.

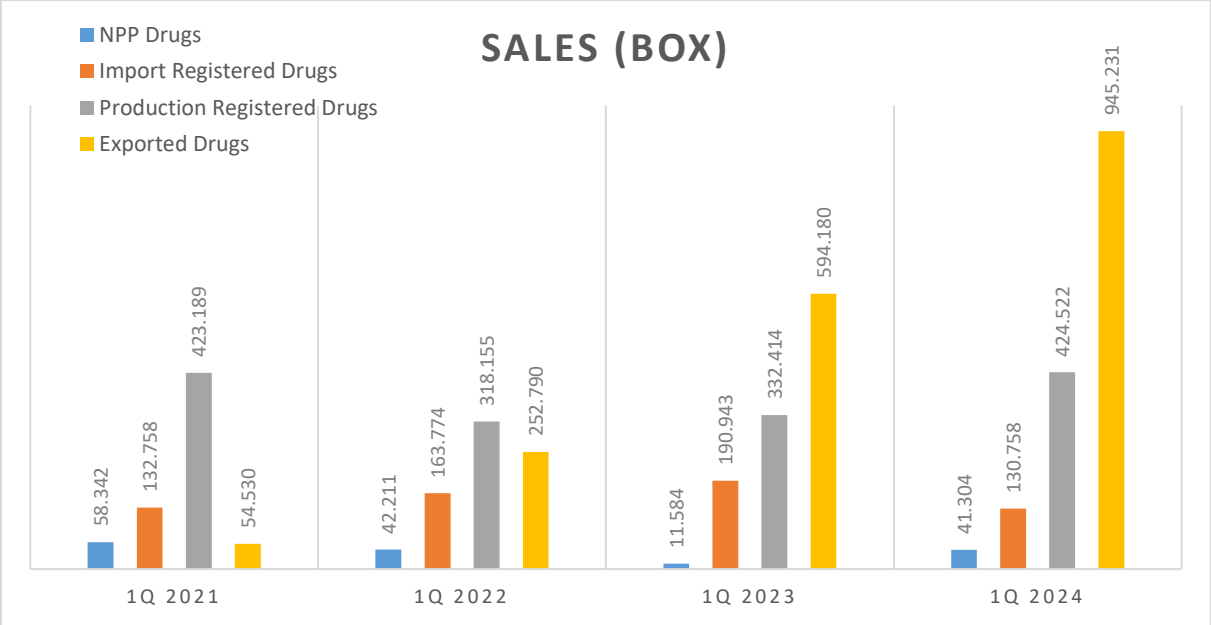
Sales (TL)	2021/Q1*	2022/Q1*	2023/Q1*	2024/Q1*
NPP Drugs	635.739.100	829.734.873	181.168.786	1.292.821.895
Import Registered Drugs	130.624.009	303.380.073	605.509.072	843.137.654
Production Registered Drugs	7.539.092	11.917.257	32.500.437	107.524.944
Exported Drugs	33.906.820	56.720.295	96.314.144	208.808.901
Total Sales	**807.809.021**	**1.201.752.498**	**915.492.439**	**2.452.293.393**

*(*These values are calculated based on the invoice amounts for the products sold by the company, and TMS 29 Financial Reporting Standards in High Inflation Economies has not been applied.)*

Sales (Box)	**2021/Q1**	**2022/Q1**	**2023/Q1**	**2024/Q1**
NPP Drugs	58.342	42.211	11.584	41.304
Import Registered Drugs	132.758	163.774	190.943	130.758
Production Registered Drugs	423.189	318.155	332.414	424.522
Exported Drugs	54.530	252.790	594.180	945.231
Total Sales	**668.819**	**776.930**	**1.129.121**	**1.541.815**

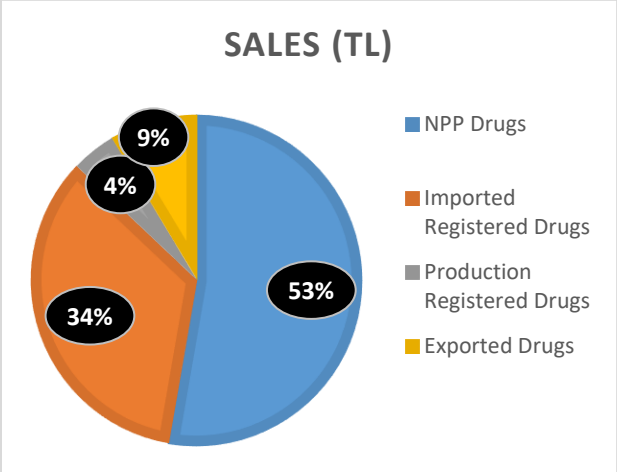
A comparative chart of sales for the first three months of 2021, 2022, 2023 and 2024 sales are presented below.

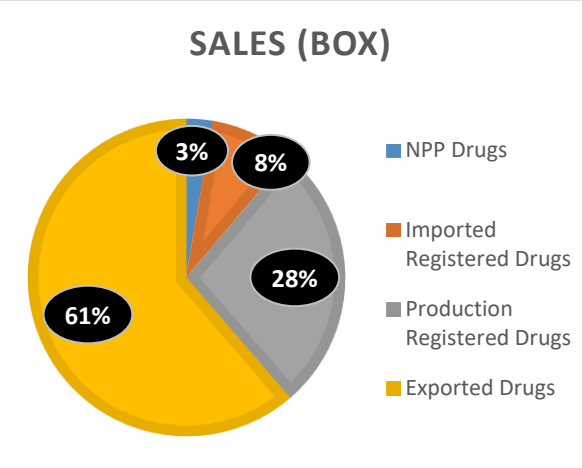




Distribution of Sales

The rate distribution of sales by product group as of March 31, 2024 has presented below.





Income Statement

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

(TMS 29 Financial Reporting Standard in Economies with High Inflation has been applied to these values.)

	Q1 2024	Q1 2023
Gross Profit	**630.992.986**	**464.048.438**
Gross Profit Margin	20,36%	28,51%
Operating Prtofit	**309.141.692**	**77.552.261**
Operating Profit Margin	9,97%	4,76%
EBITDA	**369.060.903**	**240.494.746**
EBITDA Margin	11,91%	14,77%
Net Profit	**152.518.649**	**-149.691.524**
Net Profit Margin	4,92%	-9,20%

Balance Sheet

(TMS 29 Financial Reporting Standard in Economies with High Inflation has been applied to these values.)

	31.12.2023	31.03.2024
Total Current Assets	**4.547.702.301**	**4.538.822.521**
Total Non-Current Assets	4.326.363.246	4.328.466.113
Total Assets	**8.874.065.547**	**8.867.288.634**
Current Liabilities	3.121.617.438	3.036.816.642
Non-Current Liabilities	**161.941.980**	**120.123.453**
Total Liabilities	3.283.559.418	3.126.940.095
Equity	**5.590.506.129**	**5.710.348.539**

7. PROMINENT ACTIVITIES

Details about prominent activities of the Company between January 01, 2023 and March 31, 2023 has presented below.

Research and Development Activities: The total amount of R&D expenses and investment expenditures of our company was recorded as TL 32.370.803,57 during the the first quarter of 2024.

In our R&D Center, our R&D team consisting of 25 expert personnel (5 technicians and 20 researchers), 70% of whom are involved in postgraduate education and are our bridge with academia, continues to develop innovative and generic drugs.

Activities were carried out for total of 47 projects, of which 32 are R&D Center projects for the period of 01.01.2024- 31.03.2024. R&D studies of 5 of our projects were completed during this period and regulatory submissions were carried out to the relevant authorities. It is foreseen that the necessary official processes will be completed for the evaluation and inclusion of 5 more projects within the scope of R&D Center activities in the second quarter of 2024.

Sul-238 Alzheimer's Disease Treatment Project

In line with our company's innovation and global growth strategies, a Phase 1 clinical study of the innovative investigational drug SUL-238, the first member of the drug class, was initiated in humans for the first time. As it is known, our company GEN has the right to research, develop, manufacture and commercialise SUL-238 in preclinical and clinical phases for the treatment of Alzheimer's Disease and other neurodegenerative diseases. In this context, as a result of our meticulous pre-clinical studies, our Ethics Committee and Turkish Medicines and Medical Devices Agency clinical trial applications were approved and the first SUL-238 dosing in the Phase 1 clinical trial to be conducted in healthy volunteers was carried out on 19 February 2024. The formulation and R&D stability studies of the investigational products to be used in the Phase 1 clinical trial were carried out in our GEN R&D Laboratories, and the clinical trial products to be used in this trial were manufactured in our GEN Production Facility. After the successful completion of this phase, it is expected that SUL-238 will improve the cognitive functions of Alzheimer's patients in Phase II and Phase III clinical trials by reversing the impaired mitochondrial functions in brain cells / preventing the progression of the disorder.

GN-037 Topical Cream / "Safe and Effective Drug Formulation for the Treatment of Psoriasis"

The Phase II clinical study evaluating the clinical efficacy and safety of GN-037 topical cream product, the formulation of which was developed in our GEN R&D laboratories and which is our company's another innovative research drug in the clinical research development phase, in the treatment of mild to moderate plaque psoriasis was completed on 3 March 2024. The details of this study can be accessed from the link below:

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

The full text of the article presenting the results of the Phase I study which was published on 10 May 2023 can be accessed from the link below:

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

The patent application evaluation process with the invention title "Safe and Effective Drug Formulation Used in the Treatment of Psoriasis" is ongoing.

TUBITAK & Technology Oriented Industrial Move Programme Projects

The R&D activities of our projects, which officially started as of 1 April 2023 within the scope of the Technology-Oriented Industrial Move Programme, were continued during the period in full accordance with the project schedule. Technical and financial reports for the relevant period were prepared and submitted to TUBITAK, and the related period was successfully completed for all our projects by completing the monitoring reviewer visits.

Within the framework of our cooperation with Ankara University Faculty of Pharmacy, which started in 2022 within the scope of "TUBITAK 2209-B University Students Research Projects Support Programme for Industry", theoretical and practical lectures covering analytical method development and validation studies were carried out in the first quarter of 2024. Our project activities subject to cooperation were accelerated under the roof of GEN R&D Laboratory.

The project "Development of Computer Aided New Synthesis of Plerixafor Active Pharmaceutical Ingredient (API)", which was entitled to receive TUBITAK 1501 Industrial R&D Projects Support, was carried out in cooperation with GEN, MEDDENOVO and PEPTITEAM. Technical and financial reports for the relevant period were prepared and submitted to TUBITAK and the relevant period was successfully completed by completing the monitoring reviewer visits. Currently, GEN is the marketing authorization holder of Injection solution containing the active substance plerixafor. It is aimed by this project to carry out also the synthesis of the active substance in Türkiye as a preliminary stage.

Registration Activities: In the period between 01.01.2024 and 31.03.2024, a total of 2 product licensed on behalf of our Company; 1 in Serbia and 1 in Türkiye.

Updated GMP Certificate: The disclosure made by GEN on the Public Disclosure Platform on 04.01.2024: An inspection was carried out by the German Health Authority at the existing EU GMP (European Good Manufacturing Practices) certificates for our sterile production area were updated.

https://www.kap.org.tr/en/Bildirim/1232389

Increase in GEN's Shares in Neo Auvra: As a result of its investment, GEN increased its shares Neo Auvra Dijital Sağlık ve Biyonik Teknolojileri ve Hizmetleri Sanayi ve Ticaret A.Ş. of which it is a 12,39% shareholder to 32,39%.

https://www.kap.org.tr/en/Bildirim/1246394

The Drug Named VOXZOGO has been added to the GEN Product Portfolio: GEN İlaç is exclusively authorized for he import, sale and distribution of the drug VOXZOGO of Biomarin, one of the GEN's business partners in Türkiye.

https://www.kap.org.tr/en/Bildirim/1248097

Phase 1 Clinical Studies Have Started in the SUL-238 Pharmaceutical Project: Within the framework of the cooperation agreement signed between GEN and the Sulfateq Company to develop treatments for Alzheimer's disease and neurodegenerative diseases; Phase-1 clinicaltrial of SUL-238, the first member of its class and an innovative investigational drug has been started in humans for the first time.

https://www.kap.org.tr/en/Bildirim/1250351

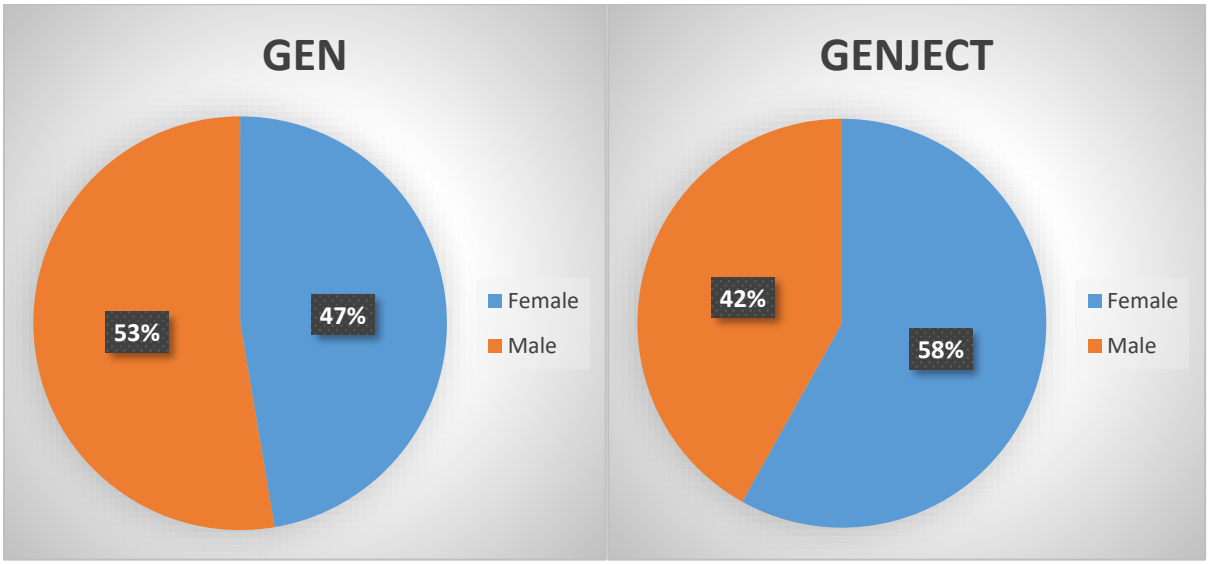
GEN's Increase of Authorized Capital Ceiling Application: GEN, applied to the Capital Markets Board (SPK) on 20.02.2024 to increase the registered capital ceiling from 1.250.000.000 TL to 5.000.000.000 TL. SPK and after Republic of Türkiye Ministry of Commerce General Directorate of Domestic Trade has approved on 18.03.2024 and 26.03.2024 our application.
https://www.kap.org.tr/en/Bildirim/1250838
https://www.kap.org.tr/en/Bildirim/1259949
https://www.kap.org.tr/en/Bildirim/1262798

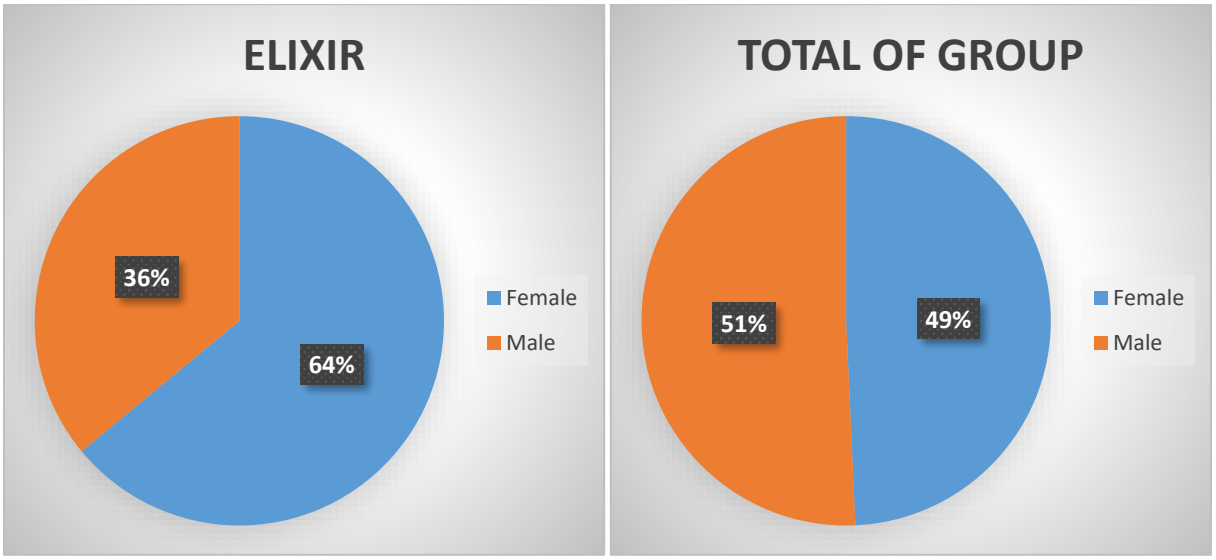
8. EMPLOYEE STATUS

As of 31.03.2024, the number of personnel working within the group is 623. The Group's employee distribution is as follows.

Firm	Number of Employees
Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret A.Ş.	524
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	74
Elixir İlaç Araştırma Geliştirme A.Ş.	25
Total	**623**

Distribution of Gender





9. LEGAL EXPLANATIONS

Lawsuits and Sanctions

According to the consolidated financial statements as of March 31, 2024 of the Company provision distributed amounting to TL 168.997 for the Lawsuits which may affect company's financial situation and activities significantly.

10. CHANGE TO THE ARTICLES OF ASSOCIATION MADE DURING THE PERIOD

There is no any change in the artincles of association within the period January 01, 2024 and March 31, 2024.

11. GENERAL ASSEMBLIES HELD DURING THE TERM

There is no any General Assemblies Held between 01.01.2024 – 31.03.2024 term.

12. 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).

13. 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 possşbilities 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 5.695.095.143 as of March 31, 2024.

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.

14. STOCK INFORMATION

Stock Code: GENIL

Bunlletin Name: GEN ILAC

Bazaar: YILDIZ PAZAR

Indices: BIST 500 / BIST DIVIDEND / BIST ALL SHARES-100 / BIST ALL SHARES / BIST ANKARA / BIST STARS / BIST BUYBACK / BIST W. AND RETAIL TRADE / BIST SERVICES

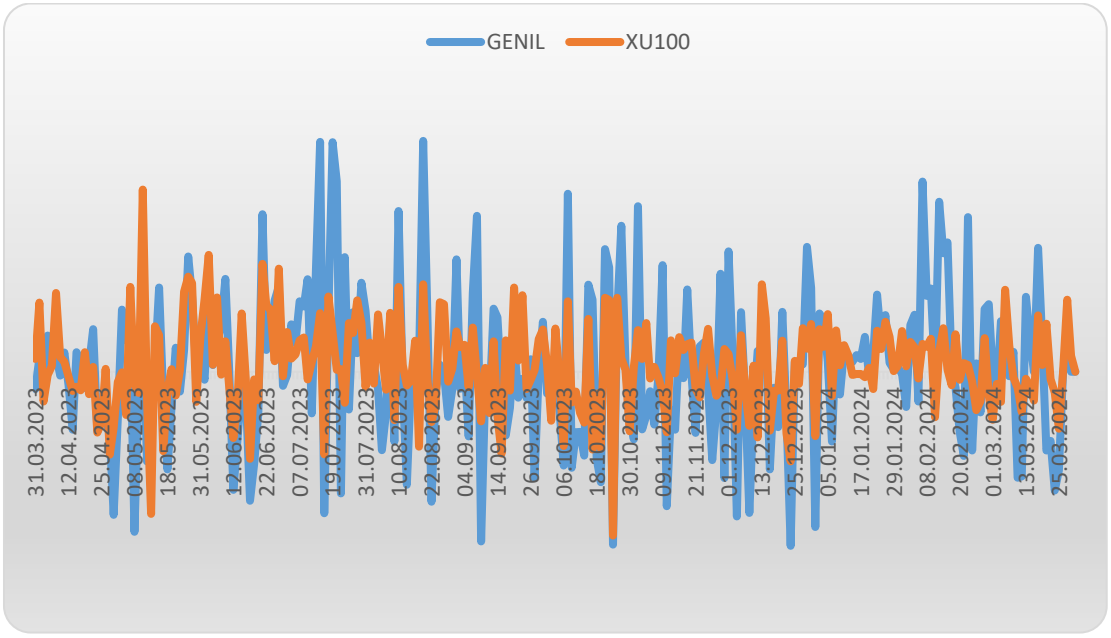
First Transaction Date: 05.08.2021

31.03.2023 Price: 46,46[1]

29.03.2024 Price: 66,90[2]

Revenue: 44%

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



[1] The adjusted closing price on 31.03.2023.
[2] The adjusted closing price on *29.03.2023.*

15. CONTACT INFORMATION

GEN Investor Relations Department – yatirimciiliskileri@genilac.com

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Can Onur DEMİRALP – *Investor Relations Specialist*

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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, 2024 and March 31, 2024 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.