



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

**01.01.2022 – 30.06.2022**



BDO Turkey  
Tel : +90 212 365 62 00  
Fax: +90 212 365 62 01  
e-mail: bdo@bdo.com.tr  
www.bdo.com.tr

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.  
Tic.Sicil Numarası : 254683  
Mersis Numarası : 0291001084600012  
Eski Büyükdere Cad. No:14 Park Plaza Kat:4  
Maslak 34398 Sarıyer/İstanbul

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REVIEW  
REPORT ON SEMI-ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH**

**To the General Assembly of  
Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret Anonim Şirketi and It's Subsidiaries**

We have been assigned to the review whether the financial information in the semi-annual report Gen İlaç ve Sağlık Ürünleri Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries prepared as at 30 June 2022 is consistent with the reviewed interim condensed consolidated financial information. Management is responsible for the preparation of the semi-annual report. Our responsibility is to express a conclusion on whether the financial information provided in the semi-annual report is consistent with the reviewed interim condensed consolidated financial information on which we have expressed our conclusion dated 16 August 2022.

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410 "Review on Interim Financial Information Performed by the Independent Auditor of the Entity". Our review includes the assessment as to whether the financial information included in the semi-annual report is consistent with the reviewed interim condensed consolidated financial statements and other explanatory notes. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Consequently, a review on the semi-annual financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying financial information included in the semi-annual report is not consistent, in all material respects, with the interim condensed consolidated financial information and the information presented in the explanatory notes to interim condensed consolidated financial information.

İstanbul,  
16 August 2022

**BDO Denet Bağımsız Denetim  
ve Danışmanlık A.Ş.**  
Member, BDO International Network

Taceddin Yazar, SMMM  
Partner

BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş., a Turkish joint stock company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Garantisi ile sınırlı bir Birleşik Krallık şirketi olan BDO International Limited'in üyesi ve bir Türk anonim şirketi olan BDO Denet Bağımsız Denetim ve Danışmanlık Anonim Şirketi, bağımsız üye kuruluşlardan oluşan BDO ağıının bir parçasını teşkil etmektedir.

## **1. GENERAL INFORMATION**

**Activity Period:** 01.01.2022 – 30.06.2022

**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

**Place of Incorporation:** Gen İlaç ve Sağlık Ürünleri Sanayi Ticaret A.Ş. (“GEN”, “Company” veya “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 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:** BDO Denet ve Bağımsız Denetim ve Danışmanlık 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 Turkey 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' 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, 2022 is presented below.

<b>Partnership Structure as of June 30, 2022</b>		
Partnership Structure	Capital Amount (TL)	Ratio(%)
Abidin Gülmüş	219.530.000	73.18
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	67.970.000	22.65
<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 (Sales-Marketing)
Yağmur Selin GÜLMÜŞ KOLAY	Vice President (Strategy& Corporate Development)
Nadir ULU	Vice President (R&D- Manufacturing)
Özgü BOZALP	Vice President (Foreign Trade)

#### **5. SUBSIDIARIES AND AFFILIATED COMPANIES**

##### **Affiliated Companies ("Group")**

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

<b>Affiliated Companies</b>	<b>Activity Location</b>	<b>Main Activity</b>
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 Turkey 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**

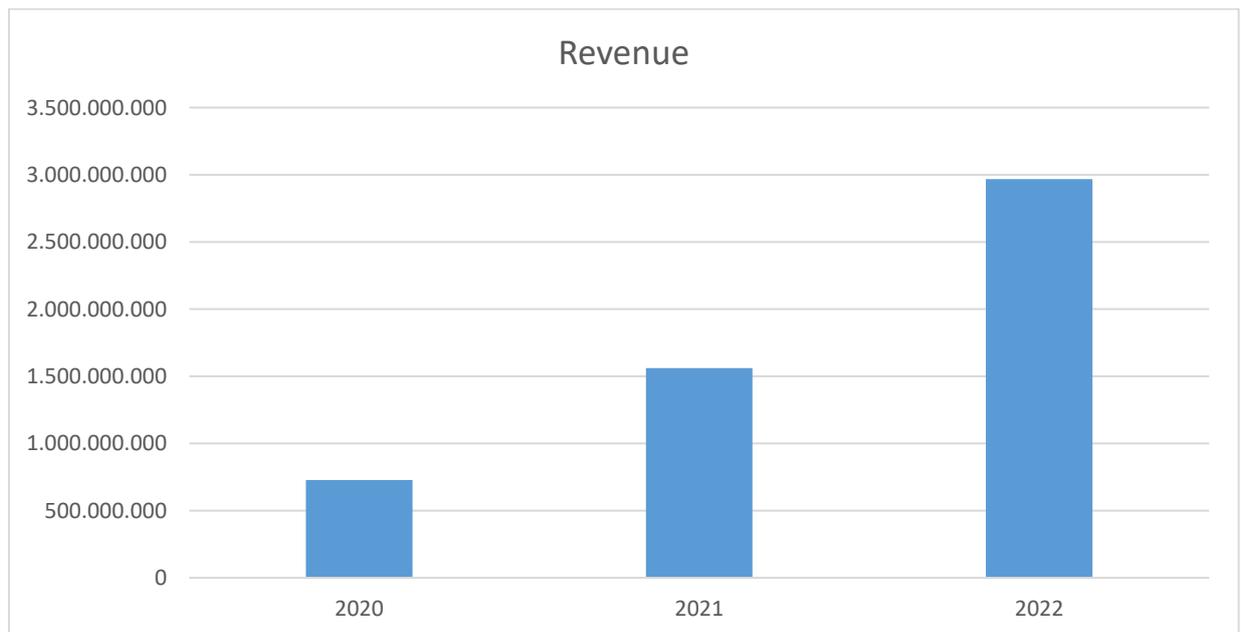
<b>Subsidiaries</b>	<b>Activity Location</b>	<b>Main Activity</b>	<b>Share Ratio(%)</b>
Apeiron Biologics AG	Austria	Drug Research and Development	0,60
Stimusul Inc.	USA	Medical Device Development	10,75
RS Araştırma Eğitim Danışmanlık İlaç Sanayi ve Ticaret A.Ş.	Türkiye	Drug Research and Development	11,70
Galventa AG	Switzerland	Drug and Food Supplement Research and Development	4,30
Neo Auvra Dijital Sağlık ve Biyoteknolojileri ve Hizmetleri Sanayi ve Ticaret A.Ş.	Türkiye	Biotechnological Medical Device Research and Development	9,09

## **6. MAIN FINANCIAL INDICATORS**

### **Sales**

As of 30.06.2022, the consolidated revenue of the group is TL 2,968,046,237. Compared to the same period of previous year, revenue increased by approximately 90%.

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

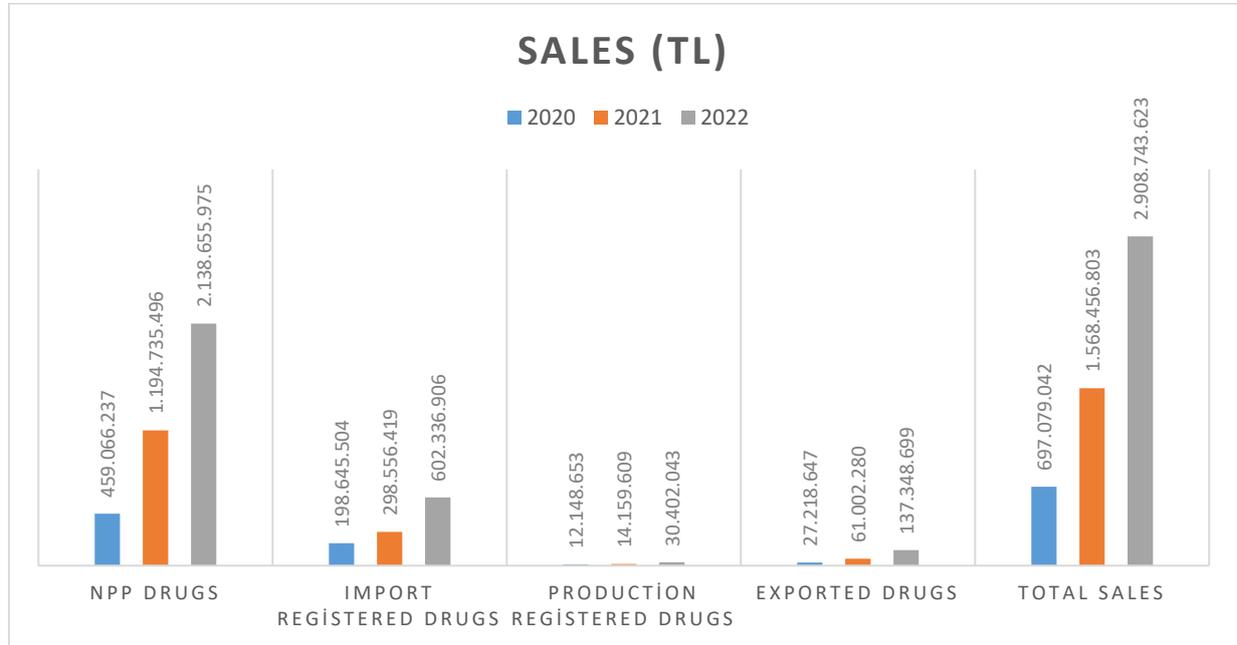


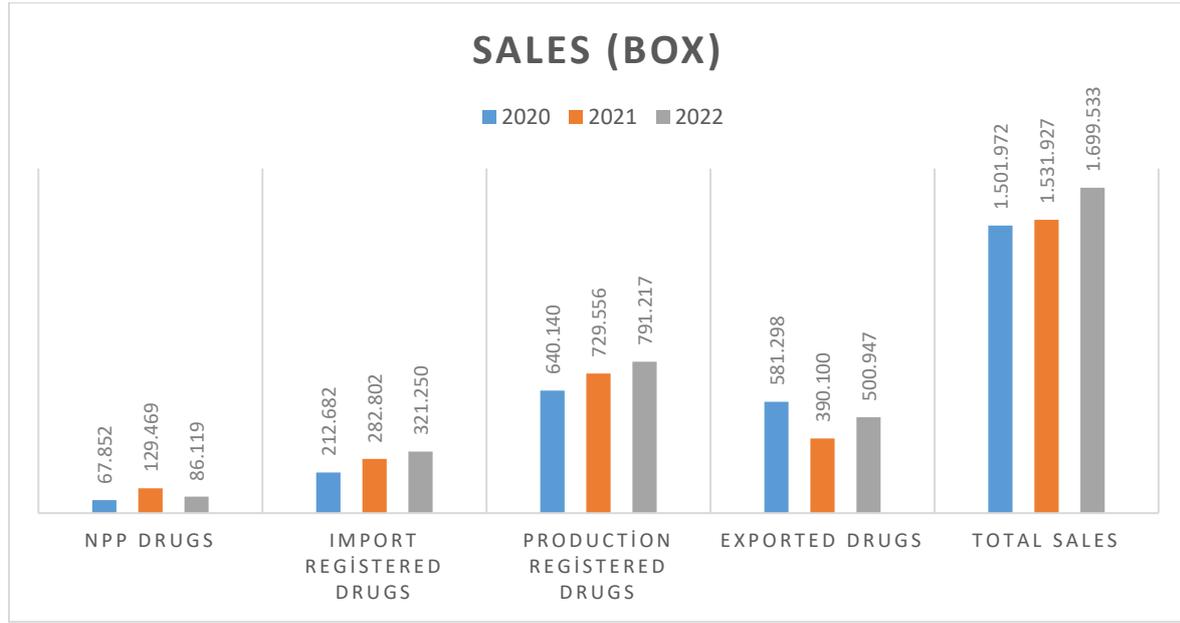
### Distribution of Sales

GEN's distribution of drugs sales has given below for the first half of the 2020, 2021, 2022 on a quarter basis.

Sales (TL)	1Q 2020	2Q 2020	1Q 2021	2Q 2021	1Q 2022	2Q 2022
NPP Drugs	283.344.049	175.722.188	635.739.100	558.996.396	829.734.873	1.308.921.102
Import Registered Drugs	110.220.632	88.424.872	130.624.009	167.932.410	303.380.073	298.956.833
Production Registered Drugs	7.239.984	4.908.669	7.536.092	6.623.517	11.917.257	18.484.786
Exported Drugs	17.021.347	10.197.300	33.906.820	27.095.460	56.720.295	80.628.404
<b>Total Sales</b>	<b>417.826.013</b>	<b>279.253.029</b>	<b>807.809.020</b>	<b>760.647.783</b>	<b>1.201.752.498</b>	<b>1.706.991.125</b>

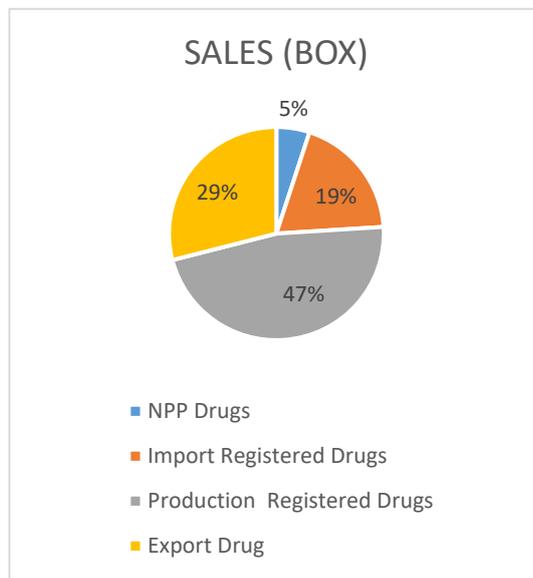
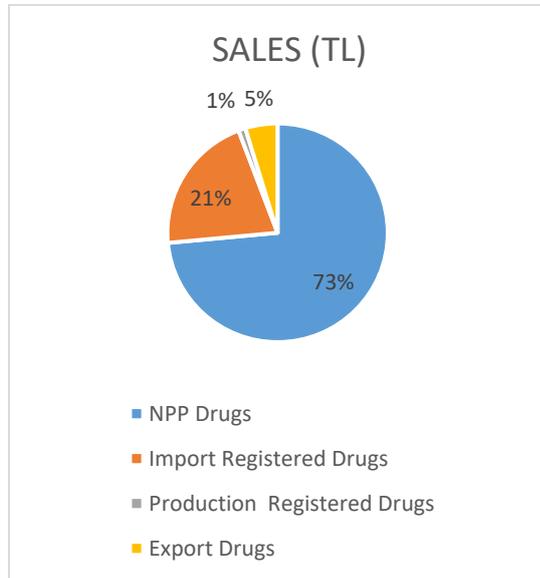
Sales (Box)	1Q 2020	2Q 2020	1Q 2021	2Q 2021	1Q 2022	2Q 2022
NPP Drugs	44.634	23.218	58.4342	71.127	42.211	43.908
Import Registered Drugs	118.573	94.109	132.758	150.044	163.774	157.476
Production Registered Drugs	425.697	214.443	423.189	306.367	318.155	473.062
Exported Drugs	323.055	258.243	54.530	335.570	252.790	248.157
<b>Total Sales</b>	<b>911.959</b>	<b>590.013</b>	<b>668.819</b>	<b>863.108</b>	<b>776.930</b>	<b>922.603</b>





### Distribution of Sales

The distribution of sales by product group as of June 30,2022 has presented below.



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

### Income Statement

	1Q 2020	2Q 2020	1Q 2021	2Q 2021	1Q 2022	2Q 2022
<b>Gross Profit</b>	<b>54.996.680</b>	<b>71.545.345</b>	<b>125.542.302</b>	<b>111.883.251</b>	<b>255.040.258</b>	<b>285.356.829</b>
Gross Profit Margin	12,70%	24,26%	15,57%	14,82%	20,71%	16,44%
<b>Operating Profit</b>	<b>35.456.784</b>	<b>45.920.768</b>	<b>89.831.305</b>	<b>73.839.396</b>	<b>134.551.108</b>	<b>232.678.135</b>
Operating Profit Margin	8,19%	15,58%	11,14%	9,78%	10,92%	13,40%
<b>EBITDA</b>	<b>33.226.171</b>	<b>50.636.954</b>	<b>99.633.665</b>	<b>84.170.508</b>	<b>191.140.746</b>	<b>202.583.543</b>
EBITDA Margin	7,67%	17,18%	12,36%	11,15%	15,52%	11,67%
<b>Net Profit</b>	<b>23.998.826</b>	<b>43.134.302</b>	<b>81.753.862</b>	<b>52.317.108</b>	<b>167.705.750</b>	<b>249.524.545</b>
Net Profit Margin	5,54%	14,62%	10,14%	6,93%	13,61%	14,37%



### Balance sheet

TL	30.06.2021	31.12.2021	30.06.2022
<b>Total Current Assets</b>	<b>600.105.106</b>	<b>1.463.551.547</b>	<b>1.406.757.498</b>
Total Non-Current Assets	440.011.055	655.869.305	801.802.177
<b>Current Liabilities</b>	<b>394.799.497</b>	<b>794.984.835</b>	<b>579.325.741</b>
Non-Current Liabilities	53.513.077	40.214.550	53.285.668
<b>Total Liabilities</b>	<b>448.312.574</b>	<b>835.199.385</b>	<b>632.611.409</b>
Equity	591.803.587	1.284.221.467	1.575.948.266
<b>Current Ratio</b>	<b>1,52</b>	<b>1,84</b>	<b>2,43</b>
Net Financial Debt/Equity	27,08	-0,29	-0,30

## 7. **PROMINENT ACTIVITIES**

Details about prominent activities of the Company between January 01, 2022 and June 30, 2022 has presented below.

**Research ve Development Activities:** In the first half of the 2022, total amount of expenses and investment expenditures for R&D activities was recorded as 11.049.045,12 TL.

21 R&D personnel (2 technicians, 3 support personnel, 16 researchers) work in the Gen Ilac R&D Center. 42% of R&D personnel have completed their graduate degree and 28% of them are maintaining their graduate degree education.

During the period between January 01, 2022 and June 30, 2022 43 ongoing projects maintained by Gen Ilac R&D center. In addition, during this period, the latest technical and financial reports of 2 TÜBİTAK 1501 projects were presented and the completion phase of the projects are started.

4 projects which maintained by aiming the being first generic/biosimilar drug in the Türkiye and/or in the world are in the evaluation process within the scope of ‘Teknoloji Odaklı Sanayi Hamlesi Programı (“Hamle”)’ which carried out by Republic of Turkey Ministry of Industry and Technology. Presentation was made 2 Hamle projects for the evaluation of the Republic of Turkey Ministry of Industry and Technology commision. It has been projected that presentation for remaining 2 projects will be held on third quarter of the 2022.

**Registration Activities:** In the first half of the 2022, numbers of the products which registered in Türkiye or abroad in the name of GEN, has presented below on country basis.

Country	Registration Number
Türkiye	3
Uzbekistan	5
Azerbaijan	3
Kazakhstan	5
Denmark	1
<b>Toplam</b>	<b>17</b>

**Covid-19 Safe Production Certificate:** Gen Ilac production facility has been entitled to receive TSE Covid-19 Safe Production Certificate by meeting the requirements of TSE Covid-19 Hygiene, Infection Prevention and Control Certification Program on 05.05.2022.

**Signing of a Distributorship Agreement with Galventa AG:** An exclusive distributorship agreement has signed between GEN and Galventa AG about sales and distribution of the over the counter product which developed by the Galventa AG on certain regions. This product can be used by the people who have awakening difficulties. (<https://www.kap.org.tr/tr/Bildirim/1019169>)

**Opening of a Representative Office in Georgia:** GEN has decided to open a representative office in Tbilisi, the capital of Georgia, to carry out marketing activities of products which are manufactured or registered by GEN or products which will be manufactured or registered by GEN and to carry out market research. (<https://www.kap.org.tr/tr/Bildirim/996543>).

**Becoming a Shareholder in Neo Auvra Dijital Sağlık ve Biyonik Teknolojileri ve Hizmetleri Sanayi Ticaret A.Ş.:** Neo Auvra is a local startup company which produces cyber-physical systems and Technologies for digital holistic health, digital medicine and well-being. Neo Auvra developed a product, by collating unique VR and AR based Metaverse infrastructure sciences like Biomedical, neuro-science, cognitive psychology, psychometry combined with wearable detecting elements and biometric observation equipments. As a result of this infrastructure Neo Auvra is the only company which produce technology for holistic measurement, evaluation and reporting of people’s cognitive, emotional and physiological condition. GEN become shareholder of the compant 9,09%. (<https://www.kap.org.tr/tr/Bildirim/996167> )

**Signing an Agreement with the Social Security Institution of the Republic of Turkey:** GEN signed an agreement starting from February 01,2022 concerning supply of a drug with active substance "Nusinersen Sodium" used for treatment of SMA disease (<https://www.kap.org.tr/tr/Bildirim/994595> )

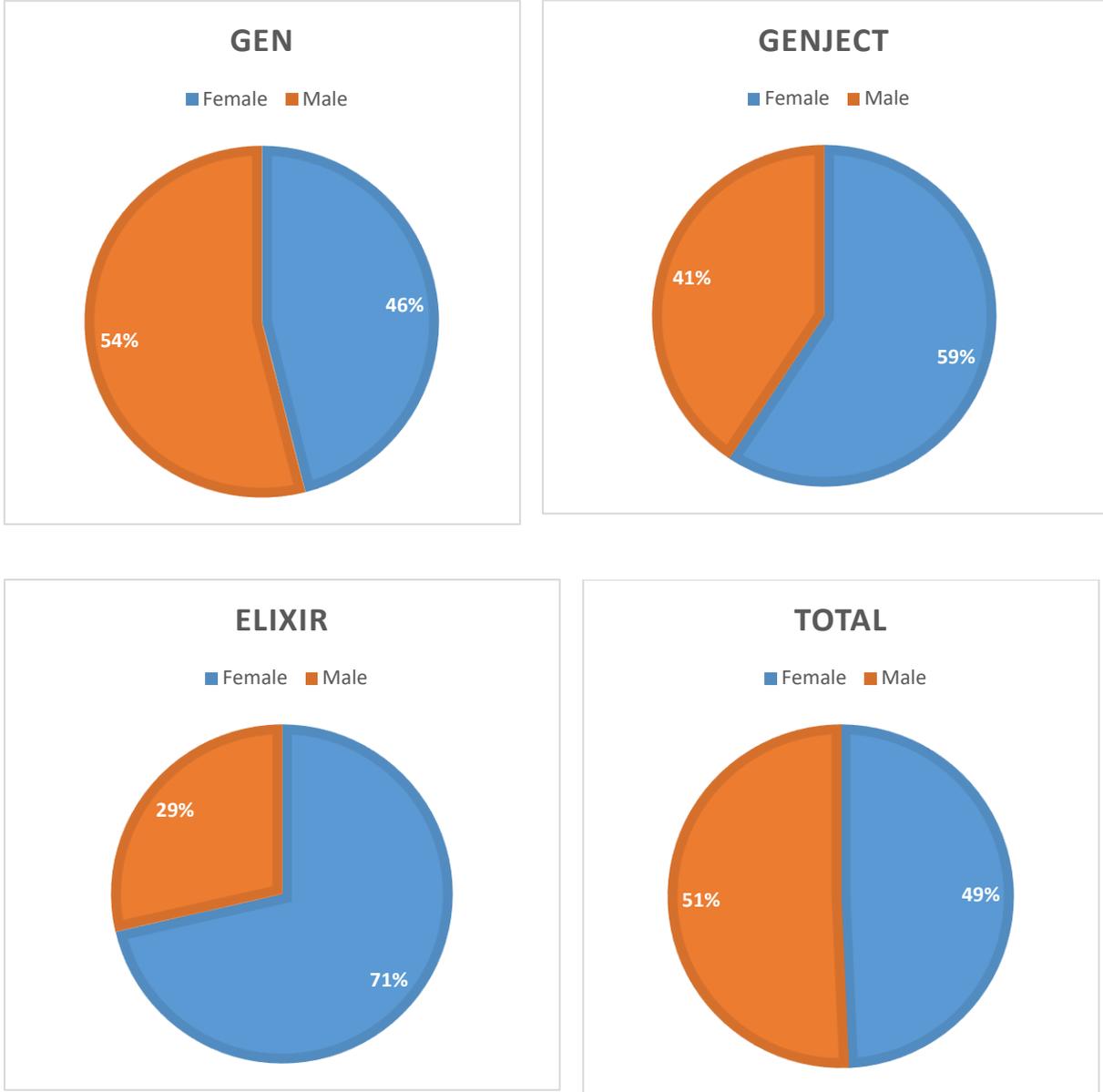
**Signing of Local Representative and Service Agreement with Moderna Switzerland GMBH("Moderna"):** GEN signed an “Local Representative and Services Agreement” with Moderna on May 13, 2022 with regard to assist facilitating business with respect to the possible supply of the mRNA based vaccine which developed by Moderna in Turkey. (<https://www.kap.org.tr/tr/Bildirim/1030538> ve <https://www.kap.org.tr/tr/Bildirim/1030699> )

## **8. EMPLOYEE STATUS**

As of 30.06.2022, the number of personnel working within the group is 570. 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.	456
Genject Sağlık Ürünleri Kimya Sanayi Ticaret A.Ş.	86
Elixir İlaç Araştırma Geliştirme A.Ş.	28
<b>Total</b>	<b>570</b>

## Gender Distribution



## 9. LEGAL EXPLANATIONS

### **Lawsuits and Sanctions**

According to the consolidated financial statements as of June 30, 2022 of the company provision distributed amounting to TL 19.694.748 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://www.genilac.com.tr/kurumsal-yonetim-dokumanlari>) accessible.

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

During the Ordinary General Assembly held on March 31, 2022 it has been decided that distribute 36,87% of the net distributable profit as cash dividend and in April 13, 2022 distribution made as shown below.

<b>Share Group Info</b>	<b>Cash Dividend To Be Paid For Share With Par Value of 1 TL - Gross (TL)</b>	<b>Cash Dividend To Be Paid For Share With Par Value of 1 TL - Gross (%)</b>	<b>Withholding Rate (%)</b>	<b>Cash Dividend To Be Paid For Share With Par Value of 1 TL - Net (TL)</b>	<b>Cash Dividend To Be Paid For Share With Par Value of 1 TL - Net (%)</b>
Group A,Not Processed, TREGENL00016	0,36666666	36,666666	10	0,32999999	32,999999
Group B,GENIL, TREGENL00024	0,36666666	36,666666	10	0,32999999	32,999999

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

There is no change in the articles of association within the period January 01, 2022 and June 30, 2022.

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

The Ordinary General Assembly of our Company for the 2021 Accounting Period was held on March 31, 2022.

Prominent issues discussed at the General Assembly Meeting are summarized below.

Dividend Distribution, Donation and Aid policies were adopted and entered into force at the General Assembly and the Remuneration Policy for Members of the Board of Directors and

Senior Executives and Disclosure Policy which adopted by the Board of Directors of the Company were presented to the shareholders.

The current members of the Board of Directors were discharged and members were elected to the board of directors for a period of 3 years.

The minutes of the General Assembly is accessible at the Public Disclosure Platform (<https://www.kap.org.tr/tr/Bildirim/1014561> )

#### **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>Early Detection of Risk Committee</b>	
<b>President</b>	Tolga KIZILTAN	<b>President</b>	Bernay ÖZAVCI
<b>Member</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://www.genilac.com.tr/kurumsal-yonetim-dokumanlari>).

##### **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 Capital Markets Board Corporate Governance Communiqué are entered into force.

Current versions of these Policies and Procedures can be accessed from our company's corporate website (<https://www.genilac.com.tr/kurumsal-yonetim-dokumanlari> ).

## **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 operates 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 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 1.575.948.266 as of June 30, 2022.

### **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 01.04.2022 and 30.06.2022 within the framework of the decision of the Board of Directors on share buybacks taken on 20.10.2021 presented. In the said period, a nominal amount of TL 950,000 was repurchased and the average cost of the shares purchased was TL 13.81.

<b>Code of Share Subject to Buy-back</b>	<b>Transaction Date</b>	<b>Nominal Value of Shares Subject to Transaction (TRY)</b>	<b>Ratio To Capital (%)</b>	<b>Transaction Price (TRY / Unit)</b>	<b>Privileges, If Any, Associated With These Shares</b>
Group B, GENIL, TREGENL00024	24.02.2022	300,000	0,1	13.23	-
Group B, GENIL, TREGENL00024	01.03.2022	100,000	0,033	13.3	-
Group B, GENIL, TREGENL00024	02.03.2022	100,000	0,033	13.66	-
Group B, GENIL, TREGENL00024	03.03.2022	100,000	0,033	14.39	-
Group B, GENIL, TREGENL00024	07.03.2022	150,000	0,05	13.95	-
Group B, GENIL, TREGENL00024	14.03.2022	100,000	0,033	14.48	-
Group B, GENIL, TREGENL00024	15.03.2022	100,000	0,033	14.77	-
Group B, GENIL, TREGENL00024	17.05.2022	125,000	0,042	17.99	-

## **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 PARTICIPATION 30 / BIST ALL SHARES / BIST 100

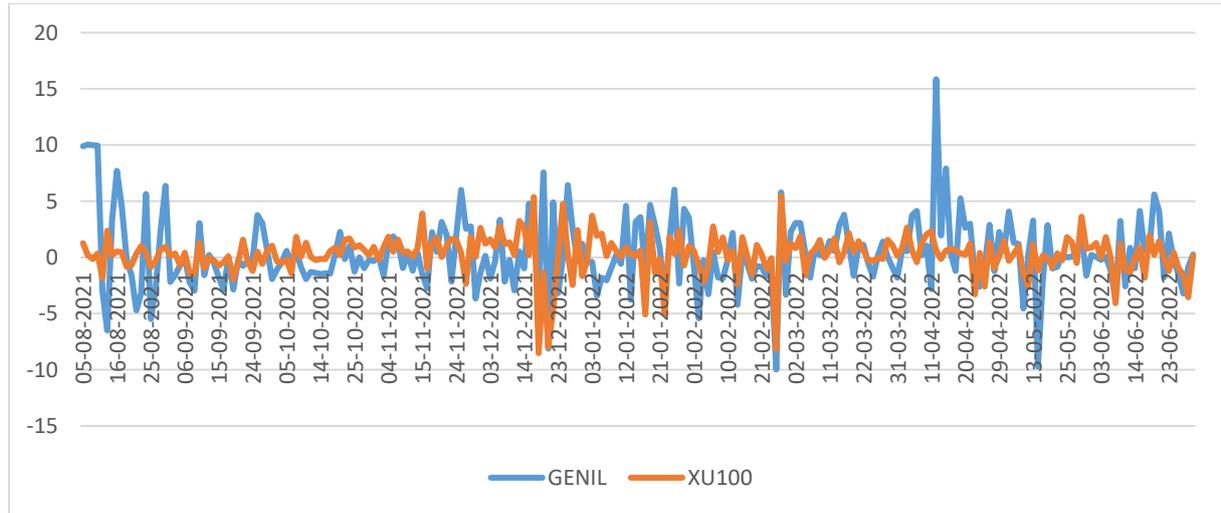
**First Transaction Date:** 05.08.2021

**First Transaction Price:** 10,51<sup>1</sup>

**Closing Price:** 19,15<sup>2</sup>

**Revenue:** 82,2%

Comparative performance of GENIL with BIST 100 index has presented below.



<sup>1</sup> The first transaction price according to the adjusted price.

<sup>2</sup> The closing price dated 30.06.2022 according to the adjusted price.

## **18. CONTACT INFORMATION**

GEN Investor Relations Department – [yatirimciiliskileri@genilac.com](mailto:yatirimciiliskileri@genilac.com)

Ali KETENCİOĞLU – *Investor Relations Manager*

[a.ketencioglu@genilac.com](mailto:a.ketencioglu@genilac.com)

0505 177 10 07

Elif YÜCEL – *Investor Relations Specialist*

[e.yucel@genilac.com](mailto:e.yucel@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, 2022 and June 30, 2022. 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.