

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of
Gersan Elektrik Ticaret ve Sanayi Anonim Şirketi,

1) Opinion

We have audited the annual activity report of Gersan Elektrik Ticaret ve Sanayi Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") for the accounting period 01.01.2023 - 31.12.2023.

In our opinion, the financial information included in the annual activity report of the board of directors and the analyses made by the Board of Directors regarding the Group's position by using the information included in the audited financial statements are, in all material respects, consistent with the audited full set consolidated financial statements and the information we obtained during the independent audit, and present the truth.

2) Basis for Opinion

The independent audit we conducted was carried out in accordance with the independent auditing standards published by the Capital Markets Board and the Independent Auditing Standards ("IASs"), which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibilities under these Standards are explained in detail in the section of our report titled *Responsibilities of the Independent Auditor Regarding the Independent Audit of the Annual Activity Report*. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA and the ethical provisions included in the legislation relating to independent audit. Other ethical responsibilities under the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence we have obtained during the independent audit constitutes a sufficient and appropriate basis for forming our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

In our auditor's report dated 4 April 2024 on the Group's full set consolidated financial statements for the accounting period 01.01.2023 - 31.12.2023, we expressed an unqualified opinion.

4) Responsibility of the Board of Directors Regarding the Annual Activity Report

Group management is responsible for the following regarding the annual activity report pursuant to Articles 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC"):

- a) It prepares the annual activity report within the first three months following the balance sheet date and submits it to the general assembly.
- b) It prepares the annual activity report in a manner that reflects the course of the Group's activities for that year and its financial position in all respects, accurately, completely, directly, truthfully and honestly. In this report, the financial position is evaluated according to the financial statements. The report also clearly indicates the Group's development and the risks it is likely to face. The assessment of the board of directors on these matters is also included in the report.

//Signature & Seal//

c) The activity report also includes the following matters:

- Events of special importance that occurred in the Group after the end of the activity year,
- The Group's research and development activities,
- Financial benefits such as salaries, premiums and bonuses paid to the members of the board of directors and senior executives, allowances, travel, accommodation and representation expenses, benefits in kind and in cash, insurances and similar guarantees.

The board of directors also takes into account the secondary legislation regulations made by the Ministry of Trade of the Republic of Türkiye and the relevant institutions when preparing the activity report.

5) Responsibility of the Independent Auditor Regarding the Independent Audit of the Annual Activity Report

Our objective is to express an opinion, within the framework of the provisions of the TCC and the Communiqué, on whether the consolidated financial information included in the annual activity report and the analyses made by the Board of Directors by using the information included in the audited financial statements are consistent with the Group's audited consolidated financial statements and the information we obtained during the independent audit, and whether they present the truth, and to issue a report containing this opinion.

The independent audit we conducted was carried out in accordance with the IASs. These standards require compliance with ethical provisions and that the independent audit be planned and performed to obtain reasonable assurance as to whether the consolidated financial information included in the activity report and the analyses made by the Board of Directors by using the information included in the audited consolidated financial statements are consistent with the consolidated financial statements and the information obtained during the audit, and whether they present the truth.

Report on Other Obligations Arising from Legislation

Pursuant to the third paragraph of Article 402 of the TCC, within the framework of ISA 570 "Going Concern", no matter has been encountered indicating that the entity will not be able to continue its operations in the foreseeable future.

The responsible auditor who conducted and concluded this independent audit is Barış ÖZKURT.

İstanbul, 4 April 2024

Ventera Bağımsız Denetim A.Ş.
(A member firm of BOKS International)

//Signature & Seal//

BARIŞ ÖZKURT
Responsible Auditor



GERSAN ELEKTRİK TİCARET VE SANAYİ A.Ş.

BOARD OF DIRECTORS' ACTIVITY REPORT

FOR THE ACCOUNTING PERIOD 1 JANUARY – 31 DECEMBER 2023

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1- GENERAL INFORMATION

Trade name	: Gersan Elektrik Ticaret Ve Sanayi A.Ş.
Trade registry number	: 217505
Head Office Address	: Istanbul Anadolu Yakası Organize Sanayi Bölgesi Gazi Bulvarı No:39 Tuzla/Istanbul
Contact Information	:
Telephone	: (0216) 593 00 50
Fax	: (0216) 593 00 60
e-mail address	: info@gersan.com.tr
Website Address	: www.gersan.com.tr

GERSAN A.Ş., one of the leading organizations in the electricity sector, manufactures systems and materials that carry, connect and protect conductors on the line extending from power plants to the socket at home. It started its production activities in this sector in 1980 as Gersan Ticaret. It has continued as GERSAN A.Ş. since 1985 and has 43 years of experience. As of 31 December 2023, 574 people are employed within the Group.

Since the day it started production, the Company has been providing its customers with all kinds of technical services and solutions at every stage from the production to the use of products, with its technical and academic personnel who are experts in their fields.

In the modern test laboratory within the Firm, tests are carried out in accordance with IEC/TS EN 61439 standards for temperature rise, electrical characteristics, structural strength, resistance to crushing, insulation resistance against abnormal heat, and EMC.

Its production based on international documents reaches various countries from Vietnam to Chile, from Argentina to Sri Lanka, from Algeria to Russia, from Morocco to the Turkic Republics, from Albania to Dubai and Qatar, with GOST, IEC, BS, TSE, EN, ISO and CE certificates.

Its quality policy is to provide quality products and services that will meet the demands of its customers in the most economical manner, to deliver them on time, and to ensure the continuity of service and quality. Its mission is to continuously produce quality and good materials. Its main objective is to become a world brand in our field.

Gersan-R OOO (former title Gersan-R Zao) (“Subsidiary”), 90% of the shares representing the capital of which were acquired at incorporation and the ratio in the capital share of which increased to 99.38% through a capital increase in this accounting period, started its operations in the city of Saint Petersburg, Russia on 11 August 2009. As of 29.09.2011, our Subsidiary continues its operations at the address 238440, Russia, Kaliningradskaya obl., Bagrationovskii r-n., pos.Razdolnoe, Papenburgskaya ul. 2.

The Company also has an office in Dubai Sharjah.

A- COMPANY’S CAPITAL, ORGANIZATION AND SHAREHOLDING STRUCTURE

Name-Surname (Title) of the Shareholder	Share Amount	Shareholding
Yüksel Kardeş	10.787.849,72	13,48
Other	69.212.150,28	86,52
	80.000.000,00	100.00

B- INFORMATION ON PRIVILEGED SHARES

None.

C- INFORMATION ON THE COMPANY'S MANAGEMENT BODY, SENIOR EXECUTIVES AND PERSONNEL
a)- Members of the Board of Directors

Name Surname	Position	Term of Office
Erkan İzgi	Chairman of the Board of Directors	29.05.2023 – 25.05.2025
Gülfem Oktay	Vice Chairperson of the Board of Directors	29.05.2023 – 25.05.2025
Yüksel Kardeş	Member of the Board of Directors	29.05.2023 – 25.05.2025
Neşat Şahin	Member of the Board of Directors	29.05.2023 – 25.05.2025
Menduha Öztürk	Member of the Board of Directors	29.05.2023 – 25.05.2025
Emre Emsen	Member of the Board of Directors	29.05.2023 – 25.05.2025
Selçuk Yılmaz Demirkıran	Independent Member of the Board of Directors	29.05.2023 – 25.05.2025
Mustafa Kemal Kesen	Independent Member of the Board of Directors	29.05.2023 – 25.05.2025

b)- Senior Executives of the Company
Erkan İZGİ
Chairman of the Board of Directors

He was born in Siirt on 17 March 1976.

Erkan İzgi graduated from the Faculty of Economics of Vision University in Macedonia and is pursuing a master's degree in business administration at Cyprus Science University.

Upon his father's death, he took over İzgi Group Companies. He currently serves as Chairman of the Board of Directors and Managing Partner in İzgi Group Companies.

He continues to work with British Petroleum, Shell, Opet and Total through İzgi Group Companies.

Erkan İzgi is also the founder and majority shareholder of İzgi Holding, which is a multi-faceted and diversified holding operating in many different fields with 24 LPG and Petroleum Products Distribution Centers, Semi-Refined Petroleum, Construction, Marine Logistics Transportation, Road and Highway Construction, Tunneling, Automotive Sales, Service and Distribution, Metal Processing and Manufacturing Facilities, Agricultural Livestock, Food Packaging and Distribution Centers, LPG distribution and Healthcare investments.

Erkan İzgi also continues to serve as Member of the Board of Directors of Birlik Vakfı, Puis Bursa Provincial President, founding member of Mutlu Yuva Mutlu Yaşam Derneği, founding member of Beyaz Ay Derneği, and member of the BTSO energy committee.

Gülfem OKTAY
Vice Chairperson of the Board of Directors

She was born in Istanbul in 1979. She graduated from Istanbul University - Department of Economics in 1997. While continuing her university education, she completed internships in the foreign trade departments of Eczacıbaşı, Garanti Bankası and Gersan Elektrik Ticaret ve Sanayi

A.Ş. She completed her education in the Department of Foreign Trade at Istanbul Ticaret University in 2002 and currently continues to serve as Export Manager and member of the board of directors at Gersan Elektrik Ticaret ve Sanayi A.Ş.

Yüksel KARDEŞ

Member of the Board of Directors

He was born in Adana in 1953. He graduated from Ankara University, Faculty of Science, Department of Chemical Engineering in 1975. He started his business life as site chief on the Adana, Kozan, Feke, Saimbeyli and Tufanbeyli energy transmission line. He served on the energy transmission line in Adana, Mersin, Ovacık, Aydınçık and Gezen. Between 1979 and 1987, he served as Factory Manager at GALDEM A.Ş. as a company shareholder. Since 1987, he has continued to serve as a member of the Board of Directors at Gersan Elektrik Tic. ve San. A.Ş. as a founding shareholder.

Neşat ŞAHİN

Member of the Board of Directors

He was born in Istanbul in 1978. He graduated from the Mechanical Drawing and Construction Department of Sakarya University Sakarya Vocational School in 2000. He started his business life in the technical project design department at Famer A.Ş. between 1998 and 2000. He has been serving as Factory Manager in our Firm since 2000.

Menduha ÖZTÜRK

Member of the Board of Directors

She was born in Ankara in 1966. She started her master's degree in the Department of Marketing at Yeditepe University in 2006. She graduated from Anadolu University, Faculty of Economics and Administrative Sciences, Department of Business Administration.

She started her professional life at Yapı Kredi Bank in 1990 and worked as a manager in the Foreign Trade Department and Training Department of the same Bank. She provided training on foreign trade. In the following years, she worked as Foreign Currency Loans Unit Manager and in the Commercial Banking Sales Department of Yapı Kredi Bank until 2010. Menduha Öztürk, who received Business English training at Cambridge Bell Scholl in 2006, has a good command of English.

Emre EMSEN

Member of the Board of Directors

He was born in Istanbul in 1978. He graduated from Bilfen High School for secondary and high school education, was admitted to the Department of International Economics in St. Petersburg, Russia, and successfully graduated from this department in 2003.

Between 2013 and 2016, he served as Factory Manager at Gersan-R Zao,

Between 2016 and 2018, in the Foreign Trade Department at Gersan Elektrik Ticaret ve Sanayi A.Ş.,

Between 2018 and 2021, as Business Development Manager at Gersan Elektrik Ticaret ve Sanayi A.Ş.,

Since 2021, he has been serving as Deputy General Manager at Gersan Elektrik Ticaret ve Sanayi A.Ş.

He speaks Russian and English, and is married with 2 children.

Mustafa Kemal KESEN

Independent Member of the Board of Directors

He was born in Diyarbakır in 1977. He graduated from Kadıköy Anadolu High School in 1994, was admitted to Istanbul University, Department of Business Administration in English in the same year, and successfully graduated from this department in 1998.

He started his professional career as an assistant inspector at Koçbank in 1998 and continued his career as a manager in the internal audit of domestic and foreign financial companies under the roof of Koç Finansal Hizmetler A.Ş., which consists of all financial companies of Koç Holding, until 2010.

Between 2006 and 2008, he was selected for the Young Talents executive program prepared by Unicredit, the Italian partner of Koç Finansal Hizmetler A.Ş., in cooperation with Bocconi and Politecnico Di Milano universities in Milan, where the faculty members of these universities gave practical and theoretical courses, and successfully completed this program in Milan.

Between 2010 and 2011, he served as Business Development Manager at Çelebi Havacılık Holding.

Between 2012 and 2014, he carried out company acquisition processes within the scope of all domestic and foreign hospital investments as Investment Management Manager at Acıbadem Sağlık Grubu. In addition, within the scope of the Hospital Management Agreement signed for Acıbadem Sağlık Grubu to open and manage the largest and most comprehensive private hospital investment in the region located in the city of Sulaymaniyah in Northern Iraq, he served as a senior executive as Chief Corporate Operations Officer (CCO), to whom all central functions (Human Resources, Purchasing, Information Technologies, Finance, Project Management, Marketing, Corporate Communications) were affiliated, at this hospital in Sulaymaniyah between 2013 and 2014.

In addition to the businesses he has been carrying out as an entrepreneur since 2014, he provides services on various matters through his business development company.

Selçuk Yılmaz DEMİRKIRAN

Independent Member of the Board of Directors

He was born in Ankara in 1952. After completing his primary, secondary and high school education in Ankara, he graduated from Ankara University, Faculty of Science, Department of Chemical Engineering in 1976. Selçuk Yılmaz Demirkıran, who is married and has 2 children, speaks English.

2023- Present He served as Independent Member of the Board of Directors at Gersan Elektrik Ticaret ve Sanayi A.Ş.

2017- 2021 He served as Independent Member of the Board of Directors at Gersan Elektrik Ticaret ve Sanayi A.Ş.

Between 2015 and 2017, he took a break from his working life.

Between 2001 and 2015, he served as a member of the board of directors in the companies of the Şişecam group.

Between 2009 and 2013, he served as vice president in the Şişecam Group.

Between 2005 and 2009, he served as factory manager at Trakya Cam Factory.

Between 2001 and 2005, he served as factory manager at Otocam Factory.

Between 1997 and 2001, he served as production manager at Trakya Cam Mersin Factory.

Between 1981 and 1997, he served as production engineer and chief at Çayırova Şişecam Factory.

Between 1977 and 1981, he served as production engineer at Türkiye Şeker Fabrikası A.Ş.

D- FIELD OF ACTIVITY OF THE COMPANY

The Company is included in the 52nd Occupational Group of Manufacture of Electrical Equipment, Electrical Distribution and Control Devices under 27.12.00 (Nace Code) and manufactures the following product types.

- Cable Support Systems (Suspension System)
- Cable Trays and Ladder Carriers
- Bus-Bar Trunking Systems
- Earthing and Connection Components
- Underfloor Duct and Junction Box Systems
- Electrical Distribution Panels
- Hot-Dip Galvanizing
- G-Charge Vehicle Charging Systems
- G-Bus Automation System
- Led-Bus Lighting System
- Medium Voltage Bus-Bar Systems
- Smart Torque Bolt
- UVC Led Systems



ELEKTRİKLİ ARAÇ ŞARJ SİSTEMLERİ



G-BUS OTOMASYON



2- FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE MANAGEMENT BODY AND SENIOR EXECUTIVES

All kinds of rights, benefits and remuneration provided by the Group to the members of the Board of Directors: Gross attendance fees in the amount of TL 4,893,807 were paid to the members of the Board of Directors for the period 01.01.2023 – 31.12.2023. Although there are no criteria determined in this respect, remuneration is made in proportion to their authorities and duties. No rewarding practice is applied that would reflect the performance of the financial rights of the members of the Board of Directors.

3- RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY

With G-Charge, which was established as a domestic fixed and mobile charging stations brand in Türkiye, it is ensured that it is included in electrical projects in terms of use in the closed parking areas of projects, primarily mass housing and shopping centers, or also in roadside fuel stations and rest facilities, with respect to charging stations for electric vehicles, which are one of the technologies of the future. In this context, support is provided to sectoral studies as a Founding Member of the Türkiye Electric and Hybrid Vehicles Association (TEHAD). Within the scope of ARTICLE 6 (5) of the Parking Regulation, Principles for the Arrangement of Regional and General Parking Lots, published by the Ministry of Environment and Urbanization in the Official Gazette dated 22 February 2018 and numbered 30340, which will enter into force on 1 June 2018; sectoral progress will be achieved with the provision: *“In regional and general parking lots and in parking lots belonging to shopping malls, at least one out of every 50 parking spaces shall be arranged as suitable for electric vehicles (including the charging unit). Administrations may decide to increase the number of electric vehicle parking spaces according to need”*.



The project titled “Development and Application of Charging Unit Prototypes with Busbar System, AC/DC Conversion and DC Fast Charging (MODE 4) Features” of our vehicle charging systems department, where our R&D activities are continuing rapidly, has been completed, and with the development of a fixed electric charging station with AC/DC conversion for the first time in Türkiye, it has become a product that can also be supplied for buses and heavy vehicles, primarily electric or hybrid automobiles. In this context, product diversity and supply are created by carrying out joint studies with users and manufacturers of electric automobiles, buses and heavy vehicles.

For the future, our R&D department continues to work on new projects in the fields of vehicle charging, led lighting, security systems and automation system integrations. In addition, significant contributions and collaborations are being carried out in studies aimed at including electric vehicle charging stations within the accredited scope of national testing facilities.

The Firm, which continuously increases its R&D activities in terms of production, marketing and product diversity, has, during this period, become capable of exporting more than 50% of its products in international markets by making capacity increase and modernization investments and obtaining TYPE tests for all of its products from international laboratories.

Pursuant to subparagraph (a) of the first paragraph of Article 10 of Corporate Tax Law No. 5520, 100% of the expenditures incurred by enterprises within their own organizations within the framework of research and development activities exclusively aimed at the search for new technology and knowledge are taken into account as R&D Deduction in determining the corporate income of the relevant companies.

4-COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS RELATING TO THE ACTIVITIES

a) Information on the investments made by the Company in the relevant accounting period:

Within the scope of the investment incentive certificate no. 508500, which we received on 03 February 2020, our investment plan for Modernization – Expansion in the Çaycuma Organized Industrial Zone, for Machinery – Equipment and Building – Construction investments in the amount of TL 18,300,000, has been put into implementation. As of 31.12.2023, the amount of investment in progress is TL 28,769,164.

b) Information on the Company’s internal control system and internal audit activities, and the opinion of the management body on this matter:

Whether the activities of our Company are carried out in accordance with the laws, the articles of association and internal company procedures is periodically checked by the Early Detection of Risk Committee, as well as by the existing departments within the Company.

c) Information on the Company's direct or indirect associates and shareholding ratios:

Subsidiary / Associate	Field of Activity	Shareholding
Gersan Şarj Sistemleri Sanayi Ve Ticaret A.Ş.	Charging Station Production, Construction, Electromechanical	% 70,00
Gersan-R OOO / Russia	Production of Electrical Materials	% 99,38
Gersan Elektrik Oman LLC/Sultane of Oman	Production of Electrical Materials	% 19,00
Gersan-Alan Ordinary Partnership	Electrical, Construction Contracting Works	% 50,00

d) Information on the Company's Own Shares Acquired

There are no own shares acquired by the Company during the accounting period 01.01.2023-31.12.2023.

e) Explanations on Special Audit and Public Audit

The Group has its six-month and twelve-month financial statements independently audited within the framework of the mandatory regulations of the Capital Markets Board regarding financial reporting and independent audit.

There has been no special audit or public audit carried out during the accounting period.

f) Explanations on Administrative or Judicial Sanctions Imposed on the Company and the Members of the Management Body Due to Practices Contrary to the Provisions of Legislation

There are no administrative or judicial sanctions imposed on the Company and the members of the Board of Directors.

g) Donations Made and Social Responsibility Projects

During the accounting period 01.01.2023 – 31.12.2023, the Company has donations and aids amounting to TL 229,784.00 in line with its Donation and Aid Policy.

5- FINANCIAL POSITION

Main Items of the Balance Sheet and Income Statement			
Income Statement	31.12.2023	Change	31.12.2022
Net Sales	1.459.655.352	-9,17%	1.606.956.605
Gross Profit	209.622.586	-37,39%	334.783.492
Operating Profit	97.851.631	-62,31%	259.636.420
Net Profits for the Period	-114.261.374	294,12%	-28.991.287
Balance Sheet	31.12.2023	Change	31.12.2022
Current Assets	663.614.702	-12,90%	761.887.768
Non-Current Assets	439.874.444	-1,87%	448.278.669
Short-Term Liabilities	574.132.840	1,70%	564.554.713
Long-Term Liabilities	80.577.933	-44,69%	145.675.316
Equity	448.778.373	-10,23%	499.936.408

6- RISKS AND THE ASSESSMENT OF THE MANAGEMENT BODY

a) Information on the Risk Management Policy to be Implemented by the Company Against Foreseen Risks

The Early Detection of Risk Committee establishes risk management and processes that can minimize risks in line with the interests of the Company, also by taking the opinions of the members of the Board of Directors. The Committee consists of two persons, one being Chairman Mustafa Kemal KESEN and the other being member Gülfem OKTAY, and continuously checks the functioning and effectiveness and, when necessary, conveys problems and solution proposals regarding the risk management and internal control mechanism to the Board of Directors.

The Early Detection of Risk Committee convened 6 times during the accounting period 31.12.2023.

b) Operating and Financial Structure Ratios

Operating Ratios	31.12.2023	31.12.2022
Gross Profit Margin	14,36%	20,83%
Operating Profit Margin	6,70%	16,16%
Net Profit Margin	-7,83%	-1,80%
Financial Structure Ratios	31.12.2023	31.12.2022
Current Ratio	1,16	1,35
Leverage Ratio	59,33%	58,69%
Short-Term Liabilities / Total Liabilities	87,69%	79,49%
Total Liabilities / Equity	145,89%	142,06%

7- PROFIT DISTRIBUTION POLICY

The Company's profit distribution policy is determined within the framework of the Capital Markets Legislation and its Articles of Association, and in profit distribution, a balanced and consistent policy is followed between the interests of the shareholders and the Company in accordance with the Corporate Governance Principles.

Dividend is distributed equally to all existing shares as of the distribution date in proportion to their shares, regardless of their issue and acquisition dates. No privilege is applied in profit distribution.

Pursuant to the decision approved by the Board of Directors of our Company, Gersan adopts a policy of distributing dividends to its shareholders in cash and/or in the form of bonus shares, not less than the measures prescribed by the Capital Markets Legislation and permitted by other relevant legislation. Therefore, the Company has determined as a policy to distribute profit over the distributable profit amount calculated according to the principles determined by the Capital Markets Board, taking into account performance and investment needs as well as sectoral, national and international conditions, to the extent that it will enable the optimization of the financial structure and to the extent permitted by investments required by growth or extraordinary developments in economic conditions.

It is among the main objectives of our Company to maintain this profit distribution policy, except for the investment and other fund needs required by the long-term growth of the Company and special circumstances required by extraordinary developments in economic conditions.

Dividend may be paid in a single payment or in installments, provided that this is resolved at the general assembly meeting at which its distribution is decided.

The time of payment of the dividend is decided by the general assembly upon the proposal of the board of directors.

The General Assembly may also authorize the Board of Directors at the meeting where profit distribution is discussed to make decisions regarding the time of distribution of profit and its payment in installments.

The Board of Directors may decide to distribute dividend advance in accordance with the relevant legislation and the provisions of the articles of association. In the payment of dividend advance, action is taken within the framework of the provisions of the relevant legislation.

8– SUBSIDIARIES, ASSOCIATES AND OFFICES WITHIN THE GROWING STRUCTURE

Gersan-R OOO (Former Title Gersan R-Zao)

Our Gersan Russia company, which previously operated in St. Petersburg, moved to this city, which was declared a free zone as of the end of 2011, in order to benefit from incentives. The company, in which Gersan Türkiye has a 99.38% participation, also has the authority to operate in 17 different sectors other than its own field of activity. It is the only Turkish company in the Kaliningrad region that has completed its investment obligations and had them approved by the competent authorities. Our company is a company employing an average of 4 people, consisting of approximately 32 decares of open area, 6 decares of closed area, 3 warehouses, 1 guesthouse and 1 administrative building, with electricity, water and natural gas connections.

Our company in Russia will benefit from incentives until 2032, and the tax incentive is as follows. For the first 6 years, it will be exempt from tax; for the second 6 years, 50% of the tax incurred will be paid; and for the third 6 years, 6.74% of the turnover will be paid as tax.

The countries benefiting from the incentive are Belarus, Russia, Kazakhstan and Vietnam. The newly joined countries are Armenia, Tajikistan and Kyrgyzstan. Efforts for the inclusion of Uzbekistan, Turkmenistan and Azerbaijan are continuing. VAT exemption is available in Crimea and Belarus.

Gersan Electric Oman LLC

Due to the fact that the necessary land allocation was not made for the factory project that our Company planned to establish in the State of Qatar, our Company started the establishment procedures of the company titled “Gersan Elektrik Oman LLC” in the Sultanate of Oman, which addresses the same market and also covers this market, and completed the establishment procedures on 29.11.2016; however, the company is inactive.

Gersan Şarj Sistemleri Sanayi Ve Ticaret A.Ş. (Former Title Gersan Elektromekanik Ve İnşaat Sanayi Ticaret A.Ş.)

On 17.09.2008, the Company acquired 70% of the shares representing the capital of Gersan Şarj Sistemleri Sanayi Ve Ticaret A.Ş. (“Subsidiary”). Due to these shares, the voting right held by the parent company in the general assemblies of the said subsidiary is 70%.

Gersan Şarj Sistemleri Sanayi Ve Ticaret A.Ş. operates in the fields of charging station production, electromechanical and construction contracting.

The Subsidiary operates at the address Anadolu Yakası Organize Sanayi Bölgesi, Gazi Bulvarı, No:39 Zemin Kat Tuzla, İstanbul.

As of 31.12.2023, the subsidiary consolidated under the parent company and the effective share ratio of the parent company are shown below.

Title of the Company	Capital	Nominal Participation Amount	Shareholding Ratio
Gersan Şarj Sistemleri Sanayi Ve Ticaret A.Ş.	5.000.000,00	3.500.000,00	% 70

Gersan - Alan Ordinary Partnership

Gersan-Alan Ordinary Partnership was established by Gersan Elektrik Tic. ve San. A.Ş. and Alan Engineering İnşaat Elektromekanik Sanayi ve Ticaret A.Ş., with a capital of TL 10,000 and equal shares of 50% - 50%, pursuant to the ordinary partnership agreement dated 20.09.2016, at the address İstanbul Anadolu Yakası Organize Sanayi Bölgesi, Gazi Bulvarı, No:39 Tuzla, İstanbul, to operate in electrical and mechanical works and construction contracting works. It had no activity in this accounting period.

Gersan A.Ş. – Gersan Georgia JSC Joint Venture

Gersan A.Ş. – Gersan Georgia JSC Joint Venture was established by Gersan Elektrik Ticaret ve Sanayi A.Ş. and Gersan Georgia JSC, pursuant to the agreement dated 29.03.2018, which provides the possibility of joint control of the said ordinary partnership, at the address 59 Tsereteli Ave. Tbilisi 0105 Georgia, to operate in electrical and mechanical works and construction contracting works. Its establishment capital is USD 20,000, and the shares of the parties in the ordinary partnership were determined as equal shares (50%-50%)

Offices, Branches and Representative Offices

The Group has branches in the United Arab Emirates, the Republic of Ivory Coast and the Republic of Cameroon.

Gersan Elektrik Ticaret ve Sanayi A.Ş. Sharjah Branch

Our Company has a branch at P6-093 Saif Zone P.O. Box 9677 Sharjah, United Arab Emirates. The branch obtains projects and works in the Middle East and Gulf countries and directs them to our Company. It has no capital and provides services with approximately 15 personnel.

Gersan Elektrik Ticaret ve Sanayi A.Ş. Cameroon Yaoundé Branch

The Company opened a branch at the address 189, rue 1788 Bastos-Yaoundé, Republic of Cameroon, pursuant to the board of directors resolution of the Company's Board of Directors dated 06.09.2021 and numbered 2021/11. The capital of the branch is 10,000,000 West African CFA Francs (approximately EUR 15,000). The branch was opened to engage in construction, electrical mechanical, contracting and other works written in the company's articles of association

Gersan Elektrik Ticaret ve Sanayi A.Ş. Ivory Coast Abidjan Branch

The Company opened a branch at the address Marcory Zone 4C Bietry 26 BP28 Abidjan, Republic of Ivory Coast, pursuant to the board of directors resolution of the Company's Board of Directors dated 07.10.2021 and numbered 2021/13. The capital of the branch is 10,000,000 West African CFA Francs (approximately EUR 15,000). The branch was opened to engage in rough and fine construction works and electrical and mechanical works within the scope of the hospital construction work.

9-EVENTS AFTER THE REPORTING PERIOD

❖ Süleyman YILDIRIM was appointed on 27/02/2024 to the position vacated upon the resignation on 26/02/2024 of Menduha ÖZTÜRK, who was serving as a Member of the Board of Directors in our Company.

❖ Özlem PAMUKÇU was appointed on 27/02/2024 to the position vacated upon the resignation on 27/02/2024 of Mustafa Kemal KESEN, who was serving as an Independent Member of the Board of Directors in our Company.

❖ Within the scope of the share transfer protocol signed on 01/03/2024 between Chairman of the Board of Directors Erkan İZGİ and Member of the Board of Directors Yüksel KARDEŞ, 8,787,848 GEREL shares belonging to Yüksel KARDEŞ were transferred to Erkan İZGİ. As a result of this transfer, Erkan İZGİ's shares/voting rights in the capital of Gersan Elektrik Ticaret Ve Sanayi A.Ş. reached 10,787,848, and his share/voting ratio reached 13.48%.

10- PUBLIC DISCLOSURE OF PERSONS IN POSSESSION OF INSIDE INFORMATION

Information abuse is determined by taking into account the Capital Markets Legislation and CMB regulations. In ensuring the balance between transparency and the protection of company interests, great importance is attached to all company employees paying attention to the rules regarding the use of inside information.

In this respect, it is prohibited for the Chairman and Members of the Company's Board of Directors and all personnel of the Financial Affairs Directorate, as well as those who may possess information during the performance of their duties due to their professions, to use such information for the purpose of obtaining benefits for themselves or third parties. As of the report date, the list of persons who are in a position to have access to inside information is given below.

Name Surname	Position
Erkan İZGİ	Chairman of the Board of Directors
Gülfem OKTAY	Vice Chairperson of the Board of Directors
Yüksel KARDEŞ	Member of the Board of Directors
Neşat ŞAHİN	Member of the Board of Directors
Menduha ÖZTÜRK	Member of the Board of Directors
Emre EMSEN	Member of the Board of Directors
Erdoğan GÜNGÖREN	Financial Affairs Director
Önder AKPINAR	Accounting-Finance Manager, Investor Relations Unit Manager
Yahya ENGİN	Chief Legal Counsel
Mustafa Serdar ŞALCI	Domestic Sales and Project Senior Manager
Zülal BİLGİN	Investment Incentive Specialist, Investor Relations Unit Executive

11-STATEMENT AND REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Gersan acts with the awareness of the benefit and importance of the Corporate Governance Principles in terms of capital markets and publicly traded companies. With its overseas activities and the increase in the share of exports in sales, compliance with international standards is of great importance for sustainable and stable growth. Therefore, corporate governance also contributes to increasing the management quality of companies, reducing and better managing risks, and enhancing reliability and prestige in financing and capital markets.

As Gersan, best efforts are made to comply with the "Corporate Governance Principles" within the framework of the communiqués published by the Capital Markets Board.

Within the framework of the relevant laws and CMB Corporate Governance Principles, Gersan ensures that its shareholders are informed in a timely, accurate, complete, understandable,

analyzable and easily accessible manner, excluding confidential information and information in the nature of trade secrets, also by taking into account the rights and interests of the company.

The Corporate Governance Committee of our Company continues its efforts to improve our corporate governance practices. Work is being carried out for the principles that have not yet been put into practice, and it is planned to implement them following the completion of administrative and legal works. There has been no conflict of interest due to the corporate governance principles that have not yet been implemented.

12-EXPLANATIONS WITHIN THE SCOPE OF THE SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

With the amendment made to the Corporate Governance Communiqué No. II-17.1, which entered into force upon its publication in the Official Gazette dated 03/01/2014 and numbered 28871, and which entered into force upon its publication in the Official Gazette dated 2/10/2020 and numbered 31262, it has been made mandatory to include in annual activity reports explanations as to whether the sustainability principles published by the Capital Markets Board are implemented, if not, the reasoned explanation thereof, and the effects arising in environmental and social risk management due to non-compliance with these principles in full, and, if there is a significant change in the said explanations during the period, to include the relevant change in interim activity reports.

In this context, there is no significant change in the Sustainability Principles Compliance status during the period 01/01/2023 – 31/12/2023.

13- ADDRESS INFORMATION

Head Office

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E-Mail : info@gersan.com.tr

Factory

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Subsidiary Factory (Russia)

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United Arab Emirates (Branch)

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E-Mail : infomiddleeast@gersan.com.tr

Republic of Ivory Coast (Branch)

Marcory Zone 4C Bietry 26 BP28 Abidjan

Republic of Cameroon (Branch)

189, rue 1788 Bastos-Yaounde Republic of Cameroon Republic of Ivory Coast