

ANADOLU ISUZU

**STRONG STAKEHOLDER VALUE
A HEALTHY FINANCIAL STRUCTURE**



Contents

INTRODUCTION

- 2 Corporate Profile
- 4 2021 Financial and Operational Highlights
- 6 Message from the Chairman
- 8 Message from the President of the Automotive Group
- 10 Message from the General Manager
- 14 Anadolu Isuzu: From Past to Present
- 16 Anadolu Isuzu Shareholders
- 20 Anadolu Isuzu Product Portfolio
- 22 Characteristic, Bold and Smart D-Max
- 24 Truck Group
- 26 Light Truck Group
- 28 Buses and Midibuses
- 32 Defense Industry
- 34 The Economy in Turkey and the World
- 35 Industry Overview

ACTIVITIES IN 2021

- 38 In summary
- 39 Export Activities
- 42 Marketing and Dealer Network Development Activities
- 44 After-Sales Services
- 46 Supply Chain
- 48 R&D at Anadolu Isuzu
- 54 Production
- 56 Industry 4.0 and Digitalization Projects
- 60 IM Global Leader Company

SUSTAINABILITY

- 64 Human Resources
- 74 OHS/Employee Safety
- 76 Anadolu Isuzu and the Environment
- 80 Anadolu Isuzu Energy Policy
- 81 COVID-19: Anadolu Isuzu's Approach and Measures
- 83 Social Awareness Projects at Anadolu Isuzu

CORPORATE GOVERNANCE

- 84 Board of Directors
- 90 Senior Management
- 94 Organizational Chart
- 98 Other Information About Activities
- 106 Corporate Governance
- 128 Annex: 1
- 129 Annex: 2
- 130 Annex: 3
- 132 Sustainability Principles Compliance Report

FINANCIAL INFORMATION

- 138 Consolidated Financial Statements for the Period 1 January-31 December 2021 and Independent Auditor's Report

ANADOLU ISUZU

**FOR MORE INFORMATION
PLEASE VISIT OUR WEBSITE:**

www.anadoluisuzu.com.tr

TL MILLION

565

GROSS PROFIT



STRONG STAKEHOLDER VALUE A HEALTHY FINANCIAL STRUCTURE

Strategy

To achieve strong and rapid growth in the global Market, to offer a strong customer value proposition, to take market positioning to new horizons and to increase the efficiency of new business lines in all end-to-end processes

USD MILLION

120

EXPORTS

TL MILLION

76

R&D EXPENDITURE

LEADER IN MIDIBUS EXPORTS FOR

18

IN A ROW



DOMESTIC MARKET

4,051

VEHICLES SOLD

DOMESTIC MARKET

40%

MIDDLE CLASS TRUCK
MARKET SHARE

Anadolu Isuzu in brief

The foundations of Anadolu Isuzu were laid in 1965. Its activities started with the production of light trucks and motorcycles under the name of Çelik Montaj, and the production of Škoda light trucks continued until 1986.

Anadolu Isuzu assumed its current name through a license agreement signed with Isuzu Motors Ltd. in 1983, and production of Isuzu vehicles started at the Istanbul Kartal Plant in 1984.

Today, Anadolu Isuzu continues its activities as a joint venture of leading groups in Turkey and throughout the rest of the world:

- Anadolu Group (55.40%)
- Isuzu Motors Ltd. (16.99%)
- Itochu Corporation (12.74%)
- Other (14.87%)

Anadolu Isuzu operated in the commercial vehicle segment of the automotive industry, boasting a strong product range, after-sales services with high added value, and a widespread dealer and technical service network. Anadolu Isuzu makes trucks, light trucks, buses and pick-up truck and pursues an ambitious export strategy.

The Company carries out both the manufacturing and marketing of commercial vehicles with production facilities based in Şekerpınar, Çayırova. The annual total production capacity of Anadolu Isuzu's production facilities, built on a 300,000-square-meter land, is 19,000 vehicles per shift.

As of the end of 2021, Anadolu Isuzu provided high added-value services through its authorized services at 94 after-sales support points in 60 cities in Turkey, and at 124 different points in 37 countries abroad. In addition, three wholesale spare parts dealers continued to serve their domestic customers. Anadolu Isuzu had a total of 921 employees in 2021, while employing 141 staff in its R&D Center in the same period. Anadolu Isuzu shares have been trading on the BIST since 1997 with the "ASUZU" ticker.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

THE FOUNDATIONS OF
ANADOLU ISUZU WERE
LAID DOWN IN

1965



The annual total production capacity of Anadolu Isuzu's production facilities, built on a 300,000-square-meter land, is 19,000 vehicles per shift.



2021 Financial and Operational Highlights

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

FINANCIAL DATA (TRY)	2021	2020	2019
Sales Revenue	2,678,041,855	1,241,213,253	1,422,987,899
Gross Profit	564,599,132	251,665,127	258,868,134
Operating Profit	235,590,229	72,440,582	114,589,212
EBITDA	301,746,548	114,521,328	148,748,427
Profit Before Tax	203,149,977	532,551	2,788,954
Net Profit (Controlling Shares)	211,426,746	13,648,318	21,787,825

PROFITABILITY RATIOS (%)	2021	2020	2019
Gross Profit Margin	21.1	20.3	18.2
Operating Margin	8.8	5.8	8.1
Operating Margin	7.9	1.1	1.5
Return on Equity	15.2	2.4	3.9
Operating Expenses/Net Sales	12.3	14.4	10.1
Financial Expenses/Net Sales	1.2	6.2	7.9
EBITDA Margin	11.3	9.2	10.5

CURRENT RATIOS	2021	2020	2019
Current Ratio	1.3	1.1	1.0
Cash Ratio	0.4	0.3	0.2
Liquidity Ratio	1.0	0.7	0.7

SOLVENCY RATIOS (%)	2021	2020	2019
Trade Debt-to-Equity Ratio	72.6	91.6	74.8
Financial Debt-to-Equity Ratio	21.1	62.8	63.6
(Total Trade Debt + Total Financial Debt)/Equity	139.7	200.8	163.4
Debt-to-Asset Ratio	61.4	70.2	64.2
Equity-to-Asset Ratio	38.6	29.8	35.8

MARKET VALUE (TRY)	2021	2020	2019
ASUZU	2,899,680,000	1,512,000,000	1,022,280,000

CAPITAL AND SHAREHOLDING STRUCTURE

The shareholding structure of Anadolu Isuzu as of the end of 2021:

SHAREHOLDER'S NAME	CAPITAL (TRY)	SHARES (%)
Anadolu Group	46,535,401,00	55.40
Isuzu Motors Ltd,	14,275,509,00	16.99
Itochu Corporation	10,706,534,00	12.74
Other	12,482,556,00	14.87
Total	84,000,000,00	100,00

21.1

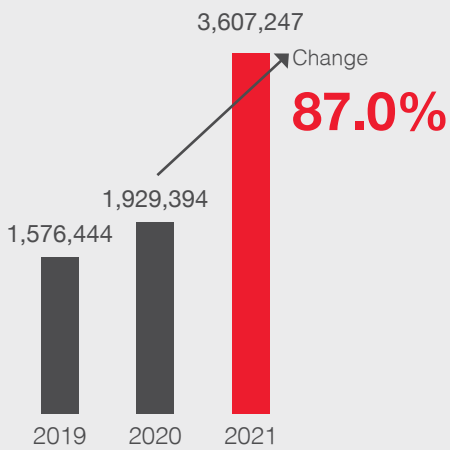
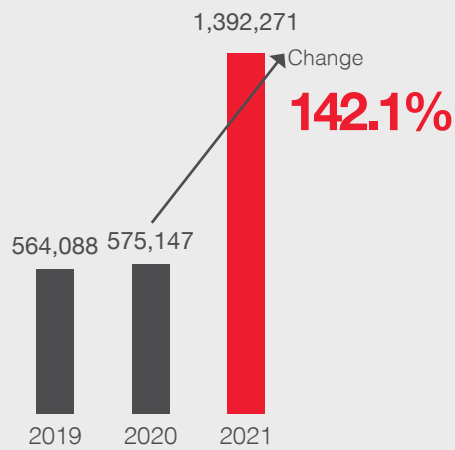
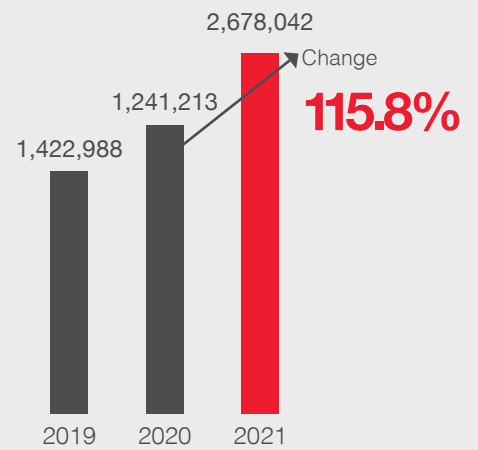
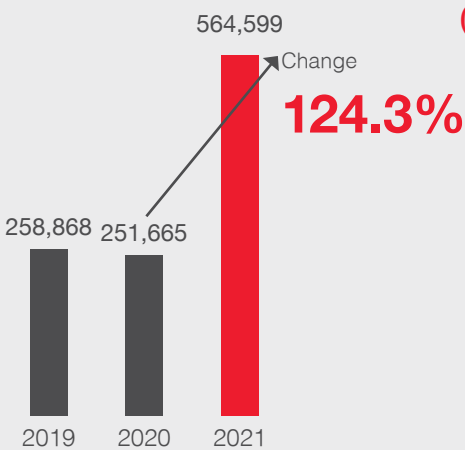
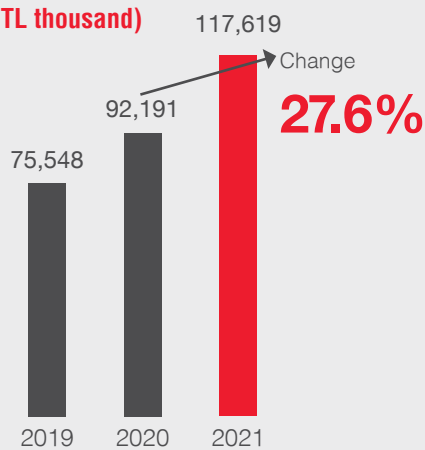
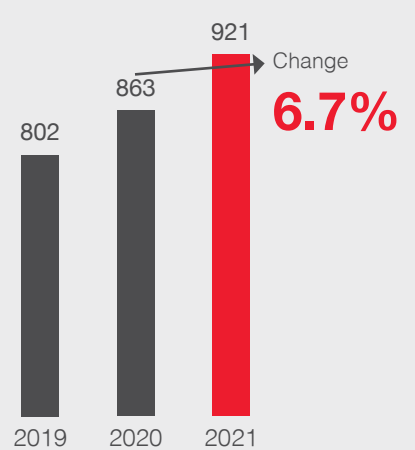
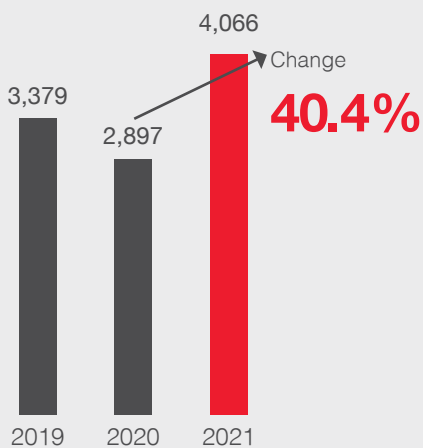
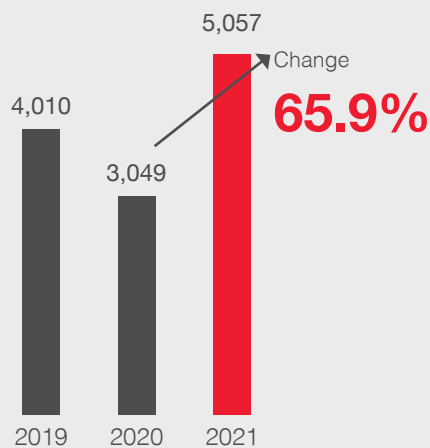
Anadolu Isuzu's gross profit margin in 2021 was 21.1%.

211.4

Anadolu Isuzu's net profit (controlling shares) in 2021 was TL 211.426,746.

1.3

Anadolu Isuzu's current ratio for 2021 was 1.3.

TOTAL ASSETS (TL thousand)**EQUITY CAPITAL (TL thousand)****NET SALES (TL thousand)****GROSS PROFIT (TL thousand)****INVESTMENT EXPENDITURES (TL thousand)****NUMBER OF EMPLOYEE (Person)****TOTAL PRODUCTION (Unit)****TOTAL SALES (Unit)**

Message from the Chairman

Esteemed Shareholders,

Recovery in the global economy

The Covid-19 pandemic entered a new phase in 2021 with the impact of the new vaccines and the widespread vaccination rollouts which followed. The experience gained in the health sector and the rapid research studies conducted by the scientific world increased our resilience in the fight against the virus which threatens humanity.

The global economy, having contracted significantly in 2020, revived with the winding down of restrictions and lockdowns. With the rapid rise in consumer demand on a global scale, the global economy started to recover in 2021. On the other hand, the supply of goods and services could not immediately meet the rise in demand. Problems related to logistics arose while there were record-breaking increases in prices of raw materials, commodities and energy on a global scale.

During the pandemic, most central banks implemented expansionary fiscal policies accompanied by low interest rates. The main objective of these policies was to support the macroeconomic cycle and households. However, these incentives, which provided significant relief initially, sparked a surge in global inflation after many years of low inflation, due to the excess liquidity entering the markets.

The Turkish economy continues to grow

As one of the few economies to announce positive GDP growth in 2020, Turkey maintained its growth performance in 2021 as well. With the contribution of the base year effect, economic growth was 11% in 2021. In this process, private consumption and exports became the driving forces of the growth performance. On the other hand, the most important issues facing the Turkish economy in 2021 were the global inflationary pressures and the ongoing depreciation of the TL.

Anadolu Isuzu continued its progress with its well-structured strategies in 2021 and achieved its best ever performance.

Anadolu Isuzu has resolutely succeeded in realizing its new breakthroughs in a difficult and volatile market, with its strong and competitive product range as well as its superior R&D and engineering power.

The growth momentum we achieved on both the export and domestic fronts became more tangible and we achieved our best ever financial and operational performance.

One of the building blocks of our country's automotive industry for 38 years

Anadolu Isuzu, which is focused on transforming its development, production and sales competencies into value in the most effective way possible, is cooperating strategically with the world's leading engine manufacturers.

Our journey, which started 38 years ago with our Japanese business partner, Isuzu, continues today with our identity as a global manufacturer serving in more than 45 different countries with an integrated value generation network at home and abroad.

Anadolu Isuzu is a leading economic actor which does not merely adapt to innovation and technological innovations, but develops and designs products and services with its own domestic and national assets.

As our sustainability efforts are gaining momentum, our contribution is strengthening

Sustainability is a strategic goal shared by all Anadolu Group companies and a common life and production model which it has internalized in all aspects.

Reflecting Anadolu Isuzu's efforts to leave a better world to future generations, its efforts in the field of sustainability have gained momentum with a focus of consolidating and strengthening our contribution to efforts to combat the climate crisis, which has recently accelerated on a global and local scale.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

38 years

Our journey, which started 38 years ago with our Japanese business partner, Isuzu, continues to this day with our identity as a global manufacturer serving in more than 45 different countries with an integrated value generation network at home and abroad.

Anadolu Isuzu will unwaveringly continue to contribute to the sustainable development of the Turkish economy with the production, employment and added value it creates.

This work on sustainability, which is based on our strong financial structure, will make it possible for Anadolu Isuzu to reduce its environmental footprint and further accelerate its contribution to climate action with the commercial vehicles we produce.

Anadolu Isuzu, which contributes to the sustainable development of the Turkish economy through production, employment and the added value it generates, will unwaveringly continue to support the global green ecosystem and Sustainable Development Goals.

We believe in and protect our country's economic potential

We are determined to maintain our investments, which fully comply with Anadolu Group's principles and values, and which will

strengthen our country's competitiveness, within the framework of our long-term plans. In the new global normal, we think that our country's economic potential has expanded greatly and we focus our work in this direction.

I would like to express my sincere thanks to my esteemed colleagues, business partners, dealers, authorized services and international distributors, who are the source of our strength, and to our customers and shareholders, who have constantly increased their trust in us.

Tuncay Özilhan
Chairman



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

Change, inflation and the new normal

The process of change and transformation which we have observed in almost every aspect of the global economy, which started with the pandemic, continued unabated in 2021.

The supportive fiscal policies implemented, the continuation of monetary expansion by central banks and the opening that started with vaccination rollout transformed the global economic growth seen in 2021 into a rapid recovery.

As a matter of fact, it is calculated that world trade in goods, which had decreased to USD 17 trillion in 2020 due to the pandemic, exceeded USD 20 trillion in 2021. The increase in goods prices undoubtedly supported this record growth. In 2020, our country also increased its share in the goods trade, with Turkey's exports exceeding USD 200 billion for the first time.

Although global trade continues to develop with the vaccination rollout and economic growth, the growth in world goods trade is expected to be slower in 2022 than in 2021 as the global economy exits the process of monetary expansion.

Looking at the Turkish Economy from a growth perspective, we note that our country exhibited a strong performance in the second year of the pandemic. The Turkish economy grew by 9.1% in the fourth quarter of 2021 compared to the same period of the previous year and ranked first in the G20 and third in the OECD.

A brand synonymous with quality and safety

Anadolu Isuzu, which has been a role model in our country's industry as well as providing permanent value to the Turkish economy and its stakeholders, has maintained a perspective in which customer satisfaction takes precedence above all else for more than half a century, realizing its targets and producing the commercial vehicles needed in the economic cycle with focus on quality and safety.

Anadolu Isuzu, which came into being 56 years ago as an enterprising and courageous private sector initiative, stands poised to become one of the leading companies of the cyclical economic order, and is in many ways ready to shape the markets of the future with its level of production, advanced R&D, innovation in the field of electric mobility and its integrated management approach.

In everything we do, we are guided by the basic philosophy of the Anadolu Group. Adding value to the lands we operate in and the people of these lands is the unwavering and fundamental philosophy adopted by the Anadolu Group at its establishment.

As we move towards our goals, we see sustainability and the requirements of a low-carbon economy as our guide and adopt these principles decisively. The 21st century requires us to deal with many parameters at the same time, such as climate change, rapidly dwindling natural resources and meeting the needs of a growing world population, which means integrated thinking and management is indispensable for Anadolu Isuzu.

The successful performances of our employees carry Anadolu Isuzu to a stronger and more competitive position in the global arena, and our commercial vehicles continue to contribute to the lives of tens of millions of people.

56 years

Operating for 56 years, Anadolu Isuzu stands ready to become one of the leading companies of the cyclical economic order which shapes the markets of the future, with the level of production it has reached, its advanced R&D, its innovation in the field of electric mobility and its integrated management approach.

Anadolu Isuzu will unwaveringly continue to contribute to the sustainable development of the Turkish economy with the production, employment and the added value it creates.

Our 2021 results, which point to the strongest performance our company has ever recorded, reflect a total success. Anadolu Isuzu, a publicly traded company, continued to improve its shareholder value with its performance.

We look the future with both caution and optimism

Even if there is volatility and stagnation in the short term, we believe in our country's potential and, therefore, the potential of the surrounding region. With this belief, we will continue to invest in the Turkish economy, to

produce and to do our part to build a better future. Against this backdrop, Anadolu Isuzu will maintain its progress in a cautious, risk-oriented but determined manner on the basis of its strong genetic structure that it has built over half a century.

We thank all our stakeholders for their contributions.

Bora Koçak
Automotive Group President



Message from the General Manager

THE NEW DIRECTION OF THE GLOBAL ECONOMY

The pandemic, which has shaped our lives since the beginning of 2020, has triggered a massive change on a world scale.

In the past two years, while masks, social distancing and hygiene became the codes of our lives, we have also been affected by Covid tests, new variants, travel curtailments and restrictions on social life. These conditions, the likes of which had never been experienced by anyone living today, not only affected our daily lives but also shaped the production and trade cycles.

The conditions presented by the new normal have deeply affected the global economy. Governments have aimed to support households by implementing grant and loan programs that have recently reached unprecedented volumes to prevent the negativity that the epidemic may cause. Although the measures taken provided relief in the short term, it was not possible to prevent the deterioration in supply chains and logistics networks, the rise in energy prices and supply-demand imbalances.

Abundant liquidity in the markets combined with supply-related problems, and with the effect of shocks arising from supply chains, global inflation rose above 5% in 2021. Inflation in the USA reached 7% in December 2021. This rate is the highest inflation rate recorded in the USA since 1982. These examples can be found around the world, and it is believed that inflation, which has risen above the target after many years in developed economies, may lead to steps towards tightening, especially in US monetary policy.

A STRONG RECOVERY IN THE TURKISH ECONOMY

In our country, the economic recovery that began in the second half of 2020 continued in 2021. While exports provided the biggest contribution to growth in 2021, they also played a role in the recovery of the current account balance, which had deteriorated in previous periods.

As a country integrated into the global economy and resistant to external shocks, Turkey is taking important steps towards becoming a regional production hub going forward.

Located in a strategic geographical position between Eastern and Western economies at the intersection of global logistics networks, our country stands poised to be a much more important player in the global supply chain.

A RECORD-BREAKING PERFORMANCE IN 2021

Anadolu Isuzu achieved a performance that made its stakeholders proud in 2021. The total turnover of our company increased by 116% to TL 2,678 million in 2021, with a 124% increase in gross profit and a surge of 163% in our EBITDA.

FOUR IN EVERY 10 MEDIUM DUTY TRUCKS SOLD IN TURKEY ARE MADE BY ANADOLU ISUZU

Anadolu Isuzu achieved significant success in the domestic market in 2021. In our country, the highest truck sales are realized in the middle class segment. For the logistics and transportation sectors, it is a basic need for trucks to have a powerful engine and high maneuverability, while providing the best service in metropolitan areas.

Anadolu Isuzu provides an uninterrupted, high quality and safe response to an important need with the range of truck models it produces in Turkey. We have maintained our leading position in the medium duty, 6-16 ton truck market in Turkey for over 10 years. According to figures provided by the Automotive Manufacturers Association, we have further increased our market share in this segment to over 40% in the 2020-2021 period.

We will resolutely remain the leading producer of vehicles that are critical for the efficient functioning of commercial life in our country.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

40%

We have maintained our leading position in the 6-16 ton truck market in Turkey for over 10 years. According to figures published by the OSD, we further increased our market share to more than 40% in the 2020-2021 period.

In 2021, when we carried our success in the export market to new horizons, our export income rose to a total of USD 120 million.

Anadolu Isuzu continued its successful progress in the non-truck commercial vehicle segments in 2021. Our renewed pick-up vehicle D-Max has received wide acclaim from our customers.

USD 120 MILLION IN EXPORT REVENUE

In 2021, when we took our success in the export market to new horizons, our export revenue increased to a total of USD 120 million.

Despite the negativity caused by the pandemic, Anadolu Isuzu exported 1,006 midibuses and buses to its foreign customers in 2021; the five biggest markets for products were Germany, Georgia, France, Moldova and Italy.

ANADOLU ISUZU SEES SIGNIFICANT INCREASE IN THE SHARE OF BUS EXPORTS FROM TURKEY

Our company has also maintained its number one place in the midibus segment export among all brands. With this success, which has become established, we were Turkey's leading exporter of midibuses for the 18th time, breaking a new record and setting the bar very high for the future.

The stars of our exports were our Citiport and Novociti Life models, with our total exports of these two models reaching 544 vehicles.



The 2021 performance and the strong added value we have generated have further strengthened Anadolu Isuzu's financial structure. Our company easily overcame the difficulties and fluctuations posed by the markets and once again confirmed it is ready for the conditions of the future with the right balance sheet and proactive risk management approaches.

WE HAVE TAKEN IMPORTANT STEPS IN OUR JOURNEY TOWARDS SMART FACTORIES

In a world where digitalization is becoming mainstream, Anadolu Isuzu is implementing a long-term project aimed at improving the level of digitalization in its own production processes and cycles, as well as in the vehicles it produces.

This project is being implemented in stages. The steps we took in 2021 provided valuable gains within the scope of Industry 4.0. The same steps support us to increase efficiency in many processes, from energy efficiency to resource optimization, and enable us to act with greater speed and agility.

These efforts, which prioritize remote access traceability and service, increase satisfaction not only in our production cycle but also in the after-sales services provided to the customer and in the dealer-distributor axis.

Our goal is to position Anadolu Isuzu at a much stronger, more competent and competitive point in its global journey.

UNINTERRUPTED PRODUCTION THROUGHOUT THE YEAR, MAINTAINING HIGH CUSTOMER SATISFACTION

The recent deterioration in supply networks on a global scale and difficulties in the supply of some inputs adversely affected the production and shipment planning of the sector.

However, we are pleased to note that we maintained our production without interruption in 2021, despite the extraordinary market conditions, and fully fulfilled our promises to our customers.

Our success is no coincidence; it is the result of Anadolu Isuzu's long-established supplier relations. In this sense, we have increased our work with the domestic ecosystem in order to keep up with disruptive technologies. Increasing the domestic added value with the responsibility which comes with our identity of being an industrialist is one of our most important goals.

OUR PRODUCTS ATTRACT WIDE GLOBAL ACCLAIM AND APPRECIATION

Anadolu Isuzu continued to reap the fruits of its R&D and production development studies, which it attaches great importance to, in 2021.

Our vehicles, which respond to the expectations of our customers and simultaneously prioritize comfort and safety, have not only been a preferred choice of our customers, but also provided valuable gains for our brand in international competitions.

The Kendo/Interliner, which contributes to the profit of its customers with its low fuel consumption while Sustainable Bus of Year 2022" award in the Intercity segment at the "Sustainable Bus Award" organization held in Europe. The Kendo, which has become one of our flagship products, won the 'Gold A' Design award in the A'Design Award competition in Italy in 2020, and the "best design" award in the product design category at the BIG SEE Awards 2021, organized to encourage creativity in Europe.

One of the awards we received in 2021 which showcases our competence in R&D is the Special Jury Award presented by TESID for our VOICE product. The voice warning system, VOICE, is a strong example of Anadolu Isuzu's emphasis on innovation and driving safety.

WE ARE STAKEHOLDERS IN THE CLIMATE CRISIS

In the IPCC-Intergovernmental Panel on Climate Change, which published its Sixth Assessment Report in 2021, warned that in a scenario of increasing global temperatures,

18th time

We were Turkey's leading exporter of midibuses for the 18th time, breaking a new record and setting the bar very high for the future.

One of the main areas in which we will offer a positive contribution as a stakeholder in the climate crisis is the development of vehicles with alternative fuel systems and their introduction to the market, and ensuring energy efficiency in vehicles.

the incidence of extraordinary meteorological events and, in particular, heatwaves will increase around the world, while widespread ecosystem problems, especially drought, will have significant and devastating consequences.

On the other hand, there is also a strengthening in the perception of short-, medium- and long-term physical and transition risks arising from the climate crisis. The correct and careful management of risks by both public authorities and private sector companies is of tremendous importance. In 2021 in particular, we started to see many actions to support the efforts to address the climate crisis, and new legal regulations entered force.

The most important of these is the European Green Deal, which also has the potential to affect our country, along with the Carbon Border Adjustment Mechanism. This mechanism is of considerable interest to Turkey, which sends more than 40% of its exports to the EU, and indeed our own industry. Turkey is in the position to be of the EU's commercial partners to be most affected by the Carbon Border Adjustment Mechanism.

Anadolu Isuzu prioritizes the climate crisis in all axes and intensively continues its necessary investment and R&D studies intensively. In addition to reducing emissions from our production cycle, one of our goals is to be a role model in raising awareness of the climate crisis throughout our supply chain.

One of the main areas in which we will offer a positive contribution as a stakeholder in the climate crisis is the development of vehicles with alternative fuel systems and their introduction to the market, and ensuring energy efficiency in vehicles.

Anadolu Isuzu has achieved significant progress in the field of alternative fuel vehicles in the last two years and will continue to set itself apart in its sector.

INVESTMENT IN PEOPLE IS OUR PRIORITY

Our human resources are our most important asset. We owe our well-deserved reputation and position in the market, which we have built in our industry and in the global markets, to our human resources, who are devoted to Anadolu Isuzu and work with such devotion.

While focusing on the future, we continue to develop our human resources and equip them with the most up-to-date competencies. Our efforts and investments in this direction increase grow with each passing year, and we are moving towards the future with projects which we believe are the best practices in our industry.

Another issue which we attach great importance to at the human resources level is occupational health and safety. We aim to achieve a working environment which befits human life and dignity in all departments of Anadolu Isuzu, and we care about the health of our employees.

TO THE FUTURE WITH STEADY STEPS

We are determined to achieve many new successes with the right steps we have taken within the scope of our strategic roadmap, our tradition of forward-looking investments which take global developments and disruptive technological change into account, the importance we attach to production, R&D and Digitalization, and as the strength we derive from our employees, customers and business partners, who are our main stakeholders.

I would like to thank our customers who have joined us on this path, our Sales and Service business partners who represent our brand in the field, our employees who have provided the most important contribution to our success, our investors who have always trusted us, and our shareholders for their unwavering support.

Tuğrul Ankan
General Manager

1965

Çelik Montaj is founded.

1981

The title "Anadolu Otomotiv Sanayi" is registered.

1983

A technical assistance agreement is signed with Isuzu Motors Ltd.

1984

Manufacturing of trucks begins under the Isuzu Motors Ltd. license

1985

The first vehicle to be manufactured in Turkey under a Japanese license, the NPR 59, is launched.

1986

A partnership agreement is signed between Isuzu Motors Ltd., Itochu Corporation and Anadolu Endüstri Holding, paving the way for the first-ever Turkish and Japanese partnership in the automotive industry.

1987

Production of the midibuses designed by AIOS (Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.) starts.

1989

Vehicle production begins for municipalities.

1991

Production of the NKR-WIDE light trucks starts.

1994

Exports begin.

1995

Total quality management is introduced. The title is changed to Anadolu Isuzu.

1996

The ISO-9002 certification is obtained. The foundations for the new factory are laid.

1997

Company shares begin trading on Borsa Istanbul.

1999

Production starts at the new plant in Şekerpinar, Kocaeli. Production of NQR trucks begin.

2000

Production of Turkuaz buses begins.

2002

Production of NQR tri-axle trucks begins.

2003

Bus exports to the European Union start. The ISO 9000: 2000 quality certification is obtained.

2004

Isuzu celebrates 20th year of manufacturing in Turkey. Sales of D-Max pick-ups begin. The 20th anniversary sees the production of the 80,000th Isuzu vehicle.

2005

The 2000th Turkuaz bus is rolled off the assembly line. N-Series trucks and light trucks are renovated. D-Max pick-ups are renovated. The Royal bus is named Roybus with the addition of a turbo engine.

2006

Production of the brand-new Turkuaz buses begins. Look and engines of NPR, NQR and NQR 3D are renovated. Look and engines of Roybus, Classic and Urban are renovated.

2007

The Euro 4 engine begins to be used in the TURQUOISE model exported to EU countries. The front and back designs of the vehicle are renovated. The first 9-meter bus, Citimark, is launched. The interior and exterior designs of the D-Max 4x4 and 4x2 are renovated. The 100,000th Isuzu vehicle rolls off the assembly line.

2008

A memorandum of understanding, confirming the intention for expanding the cooperation between Isuzu Motors Ltd. and Anadolu Isuzu, is signed in Japan. Production of Anadolu Isuzu's first 9-meter bus, Citimark, starts. Isuzu Manufacturing Management (IMM), the global joint production system of Isuzu Motors Ltd, is commissioned at the Anadolu Isuzu truck plant.

2009

Isuzu celebrates 25th year of manufacturing in Turkey. Our new buses at Euro 4 emission class, Novo, Novo Lux and Novo Ultra, are introduced. Our N-Series vehicles at Euro 4 emission class, NLR, NLR LONG, NNR, NNR LONG, NPR, NPR LONG and NPR HP, are introduced. Anadolu Isuzu becomes an R&D Center, taking its place among the first accredited R&D Centers in Turkey.

2010

The capacity of NPR, the most significant Anadolu Isuzu vehicle in the truck segment with a gross vehicle weight of 7.5 tons, is increased to 8 tons. Three new NPR models, the NPR 8, NPR 10 and NPR 3D, are launched.

2011

The next-generation public transport vehicle, the 9.5-meter Citibus, is launched.

2013

New Visigo and renovated Novo buses are launched.

2014

The first domestic pick-up D-Max rolls off the assembly line. The new 12-meter public transportation vehicle Citiport is launched and production begins.

2015

The new 15.7-ton TORA is launched, making the transition to the upper segment in trucks. Citiport is named “most comfortable and ergonomic bus in Europe.”

2016

The Novo S, designed specifically for workplace and school transportation, is launched. Within the frame of the EU regulation, the light truck segment sees a transition from Euro 5 to Euro 5b+, while the truck and bus segments see a transition from Euro 5 to Euro 6. Anadolu Isuzu’s new and independent R&D Center was officially opened.

2017

Anadolu Isuzu becomes the patent application champion in the first half of the year. Numerous launches are carried out during the year. These include the introduction of the New Isuzu D-Max and the smart mobility system. IMM Certification is updated to cover the entire production range of Anadolu Isuzu. BBC Top Gear recognizes the D-Max as the Pick-Up of the Year.

2018

Anadolu Isuzu reaches the highest international sales of the previous 24 years in 2018 with an export volume of \$110 million. The AOS brand is launched. At the A’Design Award & Competition, one of the world’s most prestigious design awards, Visigo received the Platinum Award, while Citiport and Novociti Life received the Gold Award, bringing home three awards at once. Anadolu Isuzu expands into the defense industry. Anadolu Isuzu introduces the domestic 4x2 D-Max to the market.

2019

Anadolu Savunma brands are showcased at IDEF.

The first sustainability report is published.

Anadolu Isuzu achieves the single biggest midibus export in the Turkish automotive history.

Isuzu breaks its own record in exports.

Anadolu Isuzu is named the “only facility in Europe in the truck and pick-up segment” and “only facility in the world in the bus segment with IM certification.”

2020

The third-generation all-new D-Max is launched online. Anadolu Isuzu becomes the leading midibus exporter of Turkey for the 17th year in a row, setting an almost unbreakable record. The new vehicles Kendo/Interliner 13 CNG and Grand Toro are well received by customers. Anadolu Isuzu becomes one of the 21 business partners in seven countries of the “5GMED” project, which will bring a 5G distribution model to the Mediterranean corridor for the mobility of the future. Practices to reduce virus spread in vehicles are put in place within the scope of the COVID Prevention Package.

2021

Anadolu Isuzu achieved a leading position in midibus exports in Turkey for the 18th time, setting the bar Sustainable Bus” competition.

A special distance learning and technical support project was developed for Anadolu Isuzu Authorized Services and Distributors. The first distance learning work was successfully carried out at the Anadolu Isuzu Technology Center, which was established with the goal of providing fast, high-quality and innovative after-sales services using technology in the most effective way.

The first phase of the Smart Factory project, implemented in line with the vision of digital transformation and Industry 4.0, has been completed. The first electric-powered Novociti VOLT was delivered to France.

- Activities in 2021
- Sustainability
- Corporate Governance
- Financial Information

ANADOLU GROUP

With the vision of being “the star that connects Anatolia to the world and the world to Anatolia”, Anadolu Group continues its activities in 19 countries with nearly 80 companies and 86 production facilities, 6 R&D centers and more than 80,000 employees in the nine sectors: brewing, soft drinks, retail, agriculture, automotive, stationery, quick service restaurants, real estate, and energy. Founded in 1950 by the Yazıcı and Özilhan families, the Group is one of the largest driving forces of the Turkish economy with its substantial figures, production power and diverse projects. Having established partnerships with world-leading brands and companies such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, McDonald’s, Honda, Honda Marine, Kohler and Johns Hopkins Medicine, the Group continues its operations in line with the mission of becoming a multinational and entrepreneurial group.

Operating in various fields such as agriculture, education, health, sports, culture and arts and tourism within the frame of its social responsibility approach, the Group contributes to society through the Anadolu Foundation, Anadolu Health Center and Anadolu Efes Sports Club. With the From Anadolu to the Future brand established in 2019, the Group carries out comprehensive studies that showcase its vision for a sustainability-oriented future.

With its culture of partnership with global brands and multi-national companies, expertise in branded consumer products, experience as a major regional player in a wide geography and a strong understanding of corporate governance, Anadolu Group adds value to every field of operation with its sustainability approach while it continues its rapid and healthy growth.



THE STAR THAT LINKS ANATOLIA TO THE WORLD AND THE WORLD TO ANATOLIA



ANADOLU GROUP

OUR FOUNDING PHILOSOPHY

COLLECTIVE MIND



The business philosophy of our Group stems from the collective mind of our founders and it is based on a culture of cooperation and collective decision-making. The diversity of our employees and our stakeholders strengthens our collective mind. We enrich our collective mind by embracing different ideas and competencies and combining them with our experience from the past. We conduct our business with collective mind, we decide together and we build our future together with our collective mind.

OUR VALUES

WE ALWAYS FOCUS ON HUMAN



In the foundations of our management perspective and stakeholder relations, there is always a human-oriented approach. We respect our people, esteem and support their ideas. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. We always prioritize quality and endeavour to present our people the best in every area.

WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH



Our group is formed by reliable, honest, ethical and responsible individuals. Our companies adopt a fair and egalitarian approach in all their activities, decisions and implementations in and out of their organizations. We do not allow discrimination on any subject. We are transparent and accountable in all our actions. We take possession and responsibility of our business.

WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT



With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We work with passion and excitement to grow and develop our business. We encourage our employees to be creative and empower them to experiment. We endeavor to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER



In all our operations, we strive to produce value in a sustainable manner for our world and our stakeholders. In addition to the economic value we produce, we are always involved in activities that will create positive impact on social and environmental areas. Our principal mission is to fulfil our responsibility to carry our people and our society forward and leave a better world to the future generations.



ISUZU



ISUZU MOTORS LTD. COMMENCED OPERATIONS IN 1916.

One of the representatives of Japanese culture possessing the necessary virtues such as discipline, harmony, loyalty and business ethics, Isuzu Motors Ltd. takes its name from the Isuzu River near the Ise Shrine of Mie, the oldest shrine in Japan.

Isuzu Motors Ltd. is one of the leading commercial vehicle and diesel engine makers in Japan and the entire world. Sold in more than 130 countries around the world, Isuzu products lead the market in at least one product category in 23 countries.

ISUZU MOTORS LTD. FOCUSES ON R&D AND ITS CUSTOMERS

Aiming to provide high-quality products and services to its customers and develop new technologies that will contribute to the requirements of the industry, Isuzu Motors Ltd. produced Japan's first-ever air-cooled diesel engine 100 years ago, and has always made a difference with its pioneering, predictive and innovative structure.

Prioritizing R&D in its growth strategy, the company has focused on diesel engines for more than 70 years. Throughout its history, Isuzu Motors Ltd. has provided its customers and the global industry with a variety of technological innovations in the field of diesel engines.

Having produced more than 26 million diesel engines to date, Isuzu Motors Ltd. has an annual production capacity of more than 1 million diesel engines worldwide.

With a wide range of products, the company manufactures products ranging from a 1,000 cc power unit to 24-liter heavy-duty vehicles and marine engines.

As one of the largest diesel engine manufacturers in the world with three other European manufacturers, Isuzu Motors Ltd. has also made a name in environment-friendly diesel technology research.

For more information about Isuzu Motors Ltd, please visit www.isuzu.co.jp/world.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information



**ITOCHU
CORPORATION:
A global giant
dating back to
1858**





GOOD FOR THE SELLER, GOOD FOR THE BUYER, GOOD FOR SOCIETY

Founded in 1858 by a linen merchant named Chubei Itoh. Itoh's business culture, which adopts the Sampo Yoshi management philosophy that aims to be "good for the seller, good for the buyer and good for society," has evolved in 150 years into today's ITOCHU-style sustainability.



Today, Itochu Corporation is a global group that provides services with more than 100,000 employees at 120 different locations in 63 countries. The company has investments in various industries such as textile, metals, machinery, energy, chemicals, mining, forestry products, information technologies and finance.

With more than 200 affiliates and more than 100 subsidiaries, Itochu Corporation provides service with its Istanbul branch as well as its Ankara office, which opened in 1963.

A SOLUTION PARTNER THAT TAKES ON MAJOR PROJECTS IN TURKEY

Supporting mega projects around the world as a solution partner, Itochu Corporation specializes in generating financial resources. Contributing to the advancement of developing countries, the company has played a role in the implementation of major projects in Turkey such as the Haliç Bridge, the Fatih Sultan Mehmet Bridge and Bursa Thermal Power Plant.

Itochu Corporation reinforces its presence with more than 150 years of experience, international perspective and strength. As part of its mission of respecting the individual, society and the future with its commitment to global benefit, the company carries out infrastructure projects in developing countries, and assumes critical roles in the continuous development of societies and individuals through social responsibility projects.

For more information about Itochu Corporation, please visit www.itochu.co.jp/en.

PICK-UPS

VERSATILE D-MAX

Introduced with the motto “redesigned for your dreams,” D-Max is a pick-up that stands out with its superior safety features and off-road capability. With various difference-making features, the D-Max is a versatile vehicle that provides added value to SMEs and tradespeople, and responds to the needs of individual users with its state-of-the-art features and driving comfort. D-Max makes a difference with its powerful Isuzu engine, safety equipment, modern design and state-of-the-art features, and provides benefits to its users for years to come.

TRUCKS

- NPR
- NPR Long
- NPR10
- NPR10 Long
- NPR3D
- NQR 90

WIDE PRODUCT RANGE

Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with numerous features. Standing out with Anadolu Isuzu’s widespread after-sales network and affordable spare parts, the trucks are popular among customers thanks to their low total cost of ownership.

LIGHT TRUCKS

- N-Wide
- N-Wide Long

A PARTNER FOR SMEs

Offering transport efficiency and comfort for customers in all segments, and primarily for SMEs, Anadolu Isuzu light trucks come in two customer-favorite models.

MIDIBUSES BUSES

PRODUCTS FOR EFFICIENCY AND PROFITABILITY

Anadolu Isuzu produces midibuses and buses that provide solutions for public transportation, tourism and shuttle transportation. Isuzu buses are designed and manufactured with the goal of presenting an efficient and profitable business model to the operator and providing a comfortable and safe travel experience to passengers and on-board personnel.

Anadolu Isuzu aims to offer economic solutions to its users with its midibuses developed for workplaces, schools, tourism and public transportation, and with technical and equipment features that meet a wide range of industry requirements.

D-Max stands out with its powerful engine, robustness, aesthetic appearance, superior safety measures, comfort and functionality, and appeals to the eye with its modern design.



Anadolu Isuzu manufactures a wide range of trucks with different carriage capacities and chassis lengths. It responds to a wide variety of needs with its extensive range of superstructure options. Trucks which stand out with their widespread after-sales network and affordable spare parts cost have attracted appreciation from customers.



- Grand Toro
- Turkuaz/Turquoise
- Novo/Novo S
- Novo Lux/Novo Ultra
- Novociti
- Novociti Life
- Novociti Volt
- Citiport 18
- Citiport 18 CNG
- Citiport 12
- Citiport 12 Hyper
- Citiport 12 CNG
- Citiport 12 CNG Hyper
- Kendo/Interliner 13 CNG
- Kendo/Interliner 12.3
- Visigo
- Visigo Hyper
- Visigo Interurban



Anadolu Isuzu offers its customers comfort, safety and driving pleasure with its high-value product range.

Characteristic, Bold and Smart D-Max

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

The third-generation all-new D-Max was launched in 2020. Offering equipment, traction system and gear options, the new Isuzu D-Max has a powerful 1.9-liter Isuzu engine.

Put on the Turkish market in 2004, the D-Max has sold a total of 35,911 units by the end of 2021.

ISUZU D-MAX FOR ALL BUMPY RIDES

The new D-Max, manufactured with more than 100 years of Isuzu experience in vehicle design and production, comes with two different traction systems (4x2 and 4x4), two different transmission options (six-speed manual and six-speed automatic) and four different equipment options (V-GO, V-LIFE, V-JOY and V-CROSS).

Put on the Turkish market in 2004, the D-Max has sold a total of 35,911 units by the end of 2021.

LOAD CARRYING AND TOWING CAPACITIES OF D-MAX

The load carrying capacity of Isuzu D-Max varies between 1,075 and 1,120 kilograms depending on the model. It has a towing capacity of 2,500 kilograms in 4x2 models and 3,500 kilograms in 4x4 models.

VERSATILE D-MAX

The versatile D-Max is a strong business partner that provides solutions for both SMEs and tradespeople, and responds to the needs of individual users. D-Max was designed for the combination of comfort and functionality with its sporty look, Bi-LED lamps and standard accessories.

D-Max offers a comfortable ride and maximum safety with its equipment and technical features.

Providing 163 ps, 360 Nm/2,000-2,500 rpm flat torque, the 1.9-liter D-Max's engine is not only powerful, but also durable and economical. Allowing the driver to have full control of the steering wheel, the vehicle draws attention with its new Bi-LED lamps, heated front seats, electric driver seat, keyless entry and starting system, high-beam assist, adaptive cruise control, traffic sign



EQUIPPED D-MAX MODELS

The equipped models of the D-Max offer a 9" touchscreen multimedia system, which supports AndroidAuto and AppleCar Play wirelessly, as standard.



recognition system, turn assist, self-leveling headlamp system, lane keeping support, hill start assist and hill descent control, smart cruise control, dual-zone automatic digital air conditioning, central airbag and electric wing mirrors foldable with the press of a button.

The 9-inch touchscreen multimedia system that offers wireless Android Auto and Apple CarPlay support is offered as standard equipment in the equipped D-Max models.

In addition to superior safety systems such as EBD, ABS, AEB, BAS, ESC and TCS, the D-Max comes with an impact-absorbing overhang, impact-absorbing bars that reduce impact from the sides, and a reinforced cabin frame.

With the D-Max, Anadolu Isuzu introduced the groundbreaking "shift-on-the-fly" system that enables switching to the 4x4 mode with a single button. Continuously improving its

engineering advantages, D-Max generates the same power as its predecessor with its new 1.9-liter diesel engine, 6-speed manual and automatic transmission options, while offering lower fuel consumption, a silent cabin and a comfortable ride.

D-Max offers a comfortable ride and maximum safety with its equipment and technical features.

SUITABLE FOR URBAN ROADS

The versatile D-Max is a strong business partner that provides solutions for both SMEs and tradespeople, and responds to the needs of individual users.

D-Max was designed for the combination of comfort and functionality with its sporty look, Bi-LED lamps and standard accessories.



Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with numerous features. Standing out with Anadolu Isuzu's widespread after-sales network and affordable spare parts, the truck group is popular among customers thanks to their low total cost of ownership.

NPR

With a useful chassis length of 4.2 meters and a gross vehicle weight of 7.5 tons, the NPR fully meets the needs of drivers with its next-generation, low fuel consumption Isuzu engine, while providing high performance at the same time. With its 150 PS engine power, 375 Nm torque Isuzu engine and its durability, it adds value to the business of its users for many years.

NPR LONG

Attracting experienced drivers, the NPR10 LONG is preferred for urban and close interurban distances. In addition to its dynamic and flexible structure, the vehicle provides its customers with a full air brake system, low operating costs, lower fuel consumption, less maintenance requirements, more load carrying capacity and more storage space, and it is widely popular in public and private sectors.

NPR10

NPR10 trucks make drivers feel the performance with 190 PS engine power and 510 Nm torque. With a gross vehicle weight of 9,800 kilograms and an air brake system, the NPR10 is the choice of those looking for the best in urban transportation. The vehicle is popular due to its ambitious features such as full air front and rear disc brake system, large load carrying capacity and superior maneuverability.

NPR10 LONG

Attracting experienced drivers, the NPR10 LONG is preferred for urban and close interurban distances. In addition to its dynamic and flexible structure, the vehicle provides its customers with a full air brake system, low operating costs, lower fuel consumption, less maintenance requirements, more load carrying capacity and more storage space, and it is widely popular in public and private sectors.



From comfort to capacity, from efficient transportation to durability and safety, the Anadolu Isuzu truck group offers a wide variety features.

WIDE PRODUCT RANGE, WIDE AFTER-SALES NETWORK

Anadolu Isuzu truck group offers a wide range of products that live up to customer demands and expectations with a variety of features. Standing out with a widespread after-sales network and affordable spare parts, Anadolu Isuzu trucks are popular among customers thanks to their numerous advantages.



NPR3D

The NPR3D stands out with its large load carrying capacity and cost-effectiveness. Allowing passage through narrow streets, the NPR3D provides significant features such as large carrying load capacity with the third axle, gross vehicle weight of 12,500 kilograms, 190 PS power and 510 Nm torque, full air, dual-circuit disc brake system, electronic braking limitation, automatic brake pad adjustment and safety systems such as AEBS, ABS, ASR and ESC.

From comfort to capacity, from efficient transportation to durability and safety, the Anadolu Isuzu truck group offers a wide variety features.

LARGE LOAD CARRYING CAPACITY AND SUPERIOR MANEUVERABILITY

From comfort to capacity, from efficient transportation to durability and safety, the Anadolu Isuzu truck group offers a wide variety features. Anadolu Isuzu trucks also provide companies with increasing added value in terms of transportation expenses.



Indispensable for urban transportation with their high maneuverability and durability, Isuzu light trucks are designed to meet any and all customer needs. Successfully passing through any road under the heaviest loads, Isuzu light trucks continue to be solid partners.

N-WIDE

Providing ease of use with its wider and deeper cabin and emphasizing driver comfort with its advanced suspension system, the N-WIDE stands out with its useful chassis length of 3.5 meters and the next-generation, powerful and durable Isuzu engine with 150 PS engine power and 375 Nm torque.

N-WIDE LONG

In addition to requiring less maintenance, the N-WIDE LONG also offers advantages such as affordable spare parts and fuel savings. With its useful chassis length of 4.3 meters, the N-WIDE LONG offers a solution for those who want large volume.

EFFICIENT TRANSPORTATION, COMFORTABLE USE

Anadolu Isuzu light trucks offer transport efficiency and comfort for customers in all segments, and primarily for SMEs. The agile light trucks produced by Anadolu Isuzu also meet the volume needs of individual and fleet users.

The Anadolu Isuzu pickup truck group places importance on driver comfort with its advanced suspension system, which provides ease of use thanks to its wider and deeper driving cabin.





Anadolu Isuzu buses offer efficient transportation and comfortable use. Anadolu Isuzu buses are widely used in many areas from public transportation to tourism. With their low fuel consumption and low operating costs, Anadolu Isuzu midibuses appeal to customers in all segments. In addition to their agile structures, midibuses meet the needs of individual and fleet users and serve as one of the most popular transportation solutions in personnel transportation services.

VISIGO

Visigo, Anadolu Isuzu's 9.5-meter long tourist bus, has become popular both in Turkey and abroad with its aesthetic interior/exterior design and first-class comfort. The bus offers an ideal solution for tour groups looking for a luxurious trip with a passenger capacity of 37 to 39 people.

VISIGO INTERURBAN

Sharing the same platform with Visigo, Visigo Interurban offers solutions for the needs of personnel transportation rather than tourism with its unique interior design and more economical comfort. The Visigo Interurban at Class2 can also carry standing passengers. The Visigo Interurban is a disabled-accessible vehicle, as it comes with an additional middle door and wheelchair lift.

Visigo models, lengths and engine power:

- Visigo / 9.5 m, 248 hp
- Visigo Hyper / 9.6 m, 320 hp
- Visigo Interurban / 9.5 m, 248 hp
- Visigo Interurban Hyper / 9.6 m, 320 hp

CITIPOINT 18 & CITIPOINT 12

Public transportation vehicle Citiport is the biggest bus manufactured by Anadolu Isuzu. The vehicle offers unique solutions for the needs of municipal and private public bus carriers serving in the public transportation sector. Citiport, which won "Europe's most ergonomic and comfortable vehicle" award at the Busworld Kortrijk 2015 International Fair in Belgium, stands out from its counterparts with its aesthetic exterior design and spacious interior layout. Articulated Citiport 18, the largest of the Citiport family, has a carrying capacity of 155 passengers. The other member of the product family, Citiport 12, comes with a 341 horsepower engine in the HYPER version.

Citiport models, lengths and engine power:

- Citiport 18 / 18 m, 370 hp
- Citiport 18 CNG / 18 m, 320 hp
- Citiport 12 / 12 m, 300 hp
- Citiport 12 / Hyper 12 m, 341 hp
- Citiport 12 / CNG 12 m, 280 hp
- Citiport 12 / CNG 12 m, 320 hp
- Citiport 12 / Euro 5 12 m, 289 hp

VISIGO

Visigo, Anadolu Isuzu's 9.5-meter long tourist bus, has become popular both in Turkey and abroad.





KENDO/ INTERLINER

The Kendo/Interliner offers an ideal solution for close interurban transportation, school buses, airport transportation and personnel shuttles.

KENDO/INTERLINER

With a length of 13 meters, the Kendo/Interliner offers an ideal solution for close interurban transportation, school buses, airport transportation and personnel shuttles.

The Kendo/Interliner has become popular with its comfort, technology, equipment, aerodynamics and modern design. While protecting nature with its environment-friendly CNG engine, it also contributes to customer profits with low fuel consumption.

The Kendo/Interliner CNG was awarded the "Sustainable Bus of the Year 2022" award in the Intercity segment at the "Sustainable Bus Award" event held in Europe. The Kendo, which has achieved tremendous success with its design, won the 'Gold A' Design award in the A Design Award competition in Italy in 2020, the BIG SEE Awards organized to encourage creativity in Europe and the "best design" award in the

in best in the product design category of the "Dizayn Turkey" awards in 2021. Passenger capacities;

- 63 seats, 13 CNG
- 59 seats, 12.3 diesel
- Kendo/Interliner models, lengths and engine powers:
- Kendo/Interliner 13 CNG: 13 m, 320 hp
- Kendo/Interliner 12.3 Diesel: 12.3 m, 370 hp

CITIBUS

Another solution Anadolu Isuzu offers for public transportation is the 9.5-meter Citibus. Thanks to its affordable price, low fuel consumption and operating costs, and durable infrastructure and superstructure, it is widely used in low population areas and lines where there is no need for a 12-meter bus.

Citibus models, lengths and engine powers:

- Citibus: 9,5 m, 211 hp
- Citibus Euro 5: 9,5 m, 204 hp



KENDO/ INTERLINER CNG

In the "Sustainable Bus Award" organization held in Europe, it was awarded the "Sustainable Bus of the Year 2022" award in the Intercity segment.

GRAND TORO

Developed by Anadolu Isuzu in line with the personnel and tourism transportation requirements in Turkey and Europe, the Grand Toro emerges as an innovation in the 8.5-meter midibus segment. A size above the Turkuaz midibuses with a higher 35 to 37 passenger capacity, the Grand Toro provides comfort for its passengers together with low fuel consumption, and modern interior and exterior design. It was deemed worthy of the 'Silver A'Design award at the A'Design Award competition in Italy in 2020, and the Product Design award at the BIG SEE Awards 2021, organized to encourage creativity in Europe. Grand Toro can be manufactured with VIP and elevator configurations for special projects.

Grand Toro models, lengths and engine powers:

- Grand Toro Euro6: 8.5 m, 206 hp
- Grand Toro Euro6 Class2: 8.5 m, 206 hp
- Grand Toro Euro6 RHD: 8.5 m, 206 hp

TURKUAZ

A size above the Novo class midibuses with a passenger capacity of 31 to 33 people, Turkuaz is the ideal midibus for the tourism industry. Offering plenty of comfort to both the driver and the passenger with its appearance, interior design, luggage capacity and standard equipment, Turkuaz is known as the flagship of midibuses used for tourist transportation.

Turkuaz can be produced with VIP and elevator configurations for special projects.

Turkuaz models, lengths and engine powers:

- Turkuaz Euro 5-6: 7,7 m, 190 hp
- Turkuaz Interurban Euro 5-6: 7,7 m, 190 hp
- Turkuaz Euro 2: 7,7 m, 175 hp

NOVO / NOVO S

With its capacity of 27 to 29 passengers, the Novo S midibus has been popular throughout the industry with its low fuel consumption and operating costs. Thanks to its more durable engine and higher level of passenger comfort compared to minibuses, it has become one of the most popular transportation solutions for shuttle services.

Novo models, lengths and engine powers:

- Novo Euro 6: 7.3 m, 190 hp
- Novo Euro 5: 7.3 m, 155 hp

NOVO LUX / NOVO ULTRA

Sharing the same platform with Novo S, yet boasting a higher level of comfort with its interior design and standard equipment, the Novo Lux appeals to workplace and tourism carriers who want to offer their passengers a more comfortable travel experience. Offering versatile use with its advanced equipment, the vehicle serves both workplace and touristic purposes. The rear air suspension offered with the Novo Ultra version provides even more comfort.

Novo Lux/Ultra models, lengths and engine powers:

- Novo Lux/Ultra Euro 5: 7.3 m, 155 hp
- Novo Ultra Interurban Euro 6: 7.3 m, 190 hp

NOVOCITI

With a length of 7.5 meters, the Novociti addresses the needs of urban transportation in lower population towns and historical metropolises with narrow streets with its superior maneuverability, low investment, operating costs and fuel savings. Novociti is also the first vehicle in its class to have a wheelchair ramp. Novociti is the best-selling model domestically in its segment and demonstrates the same level of success in foreign markets.

Novociti models, lengths and engine powers:

- Novociti Euro 6: 7.5 m, 190 hp
- Novociti Euro 5: 7.5 m, 155 hp

LOW FUEL CONSUMPTION AND LOW OPERATING COST

With their low fuel consumption and low operating costs, Anadolu Isuzu midibuses appeal to customers in all segments.

In addition to their agile structures, midibuses meet the needs of individual and fleet users and serve as one of the most popular transportation solutions in personnel transportation services.





AESTHETIC DESIGN, MAXIMUM PASSENGER COMFORT

Anadolu Isuzu buses offer efficient transportation and comfortable use.

Anadolu Isuzu buses are widely used in many areas from public transportation to tourism.

NOVOCITI LIFE

Novociti Life was developed to deliver a new look to the existing Novociti model in line with the changing living conditions and new requirements in the city. While maintaining the maneuverability, low operating cost and fuel economy of the previous model, the vehicle eliminated all obstacles in urban travel with its low floor made possible with its rear-engined monocoque body. Thanks to its design that removes all steps, urban transportation has become easier than ever for elderly passengers and those with walking disabilities.

Novociti Life length and engine power:

- Novociti Life: 8 m, 186 hp

NOVOCITI VOLT

Designed as a 100 percent electric vehicle for the midibus segment, the Isuzu Novociti Volt offers a silent and comfortable journey with zero carbon emission thanks to its fully-electric drive system. Included in the category of environment-friendly vehicles, the Novociti Volt is equipped with Acoustic Vehicle Alerting Systems (AVAS) aimed at ensuring the safety of pedestrians, preventing noise pollution and increasing awareness.

Offering two different battery capacities to the user, Novociti Volt provides a range of up to 300 km with a battery capacity of 211 kWh, and a range of 380 kilometers with a battery capacity of 268 kWh. Thanks to the positioning of the battery packs on the ceiling, the vehicle's range can be extended or shortened. The electric motor located at the rear end of the vehicle has a power of 255 kW and a torque value of 2500 Nm.

Novociti Volt models, lengths and engine powers:

- Eight meters, low floor
- e-motor 270 kW, 2500 Nm
- 211 kWh and 268 kWh LFP Battery



Defense Industry

Anadolu Isuzu manufactures trucks for the defence industry under the Anadolu Defence brand, from 4x4 models up to 14x14 models, to meet the requirements of the Turkish Armed Forces in the field of logistics.

With their superior cross-country capabilities, high strength and suitability for multiple purposes, these vehicles are produced with domestic facilities to serve the logistics activities of the Turkish Armed Forces.



Seyit Tactical Wheeled Military Vehicles

In order to ensure the uninterrupted logistics supply of the Turkish Armed Forces and to deliver useful loads to the desired regions on time, the Seyit Tactical Wheeled Military Vehicles, which range from 4x4 vehicles up to 14x14 vehicles with rough terrain capability, offer high durability and are suitable for multi-purpose use. The vehicles, which are produced using domestic facilities, have been introduced into service with the Turkish Armed Forces.

Seyit Tactical Wheeled Military Vehicles, which can reach speeds exceeding 90 km/hr with different engine options ranging from 400 hp to 600 hp, have a range of over 500 km, the ability to pass through 120 cm of unprepared water, and operate on forward gradients of up to 60% and side gradients of up to 30%. While offering a carriage capacity of up to 16 tons per axle with its superior axle technology, Seyit stands out as the most suitable solution to ensure that payloads are at the right place at the right time in difficult terrain conditions, thanks to its independent suspension.

SEYIT

The Seyit Tactical Wheeled Military Vehicles, which range from 4x4 vehicles up to 14x14 vehicles and are produced using domestic facilities, have been introduced into service with the Turkish Armed Forces.





The new normal

Since the pandemic started to affect our lives in 2020, it has become more difficult than ever to forecast the economic outlook and the future. In this process, the world economy has undergone a period which is unprecedented and destined to have profound and long-term effects. The world economy, which is undergoing a fragile recovery process after the contraction experienced in 2020, recorded growth of 5.9% in 2021 according to the Global Economic Outlook update published by the IMF in January 2022.

As of 2020, most central banks converged their interest rates to zero, and extensively deployed expansionary fiscal policies to support the economy and households. These policies, which provide relief while supporting a return to a path of growth in 2021, have led to a change in balances, strengthening supply-side inflationary trends and while leading to an emergence of vulnerabilities due to the high level of liquidity supplied to the markets.

In the medium term, disruption in the supply chain, rising energy prices, rising inflationary trends and the increasingly tangible consequences of the climate crisis will determine mega trends and even suppress growth in places.

In 2021, global inflation exceeded 5%, while reaching 7% in the US in December – the highest recorded in the US since 1982. This example is replicated in many places around the globe, and with inflation exceeding target

levels for the first time in many years in developed economies, steps are being taken towards monetary tightening, especially in the USA.

There is a strong possibility that 2022 will witness a shift in gear where governments significantly revise their fiscal policies.

The growth journey continues

While Turkey was one of the few countries to record positive growth (along with China) in 2020, the recovery continued with added momentum in 2021, with economic growth reaching 11%. This success has been achieved as a result of Turkey's continued use of its advantageous geographical location, dynamic population demographics and strong production networks which support growth even in times of high uncertainty.

While exports provided the biggest contribution to growth, they also ensured that the current account balance, which had deteriorated in the past, remained at controllable levels in this period.

Policy makers in Turkey aimed to prepare the production structure and workforce for new trends by implementing the Turkish Economy Model in 2021.

According to the Global Economic Outlook update published by the IMF in January 2022, the global economy grew by 5.9% in 2021.

In 2021, total production decreased by 2% to 1,276,140 vehicles, with automobile production falling by 8% to 782,835 vehicles.

Global supply chain problems lead to decrease in automotive production in 2021

As a result of the supply shortage caused by the global recovery in 2021, the supply chain crisis and its repercussions in our country have also affected the activities of the automotive sector. The difficulties in the raw material supply chain have become evident in the supply of chip-semiconductor materials, especially in the automotive sector, and caused production shutdowns throughout the year.

In 2021, total production decreased by 2% and automobile production by 8%, while production reached 1,276,140 units with automobile production of 782,835 units.

The total market contracted by 3% compared to the previous year in 2021, with sales of 772,722 units. Car sales decreased by 8% to 561,853 units.

Continued growth in the commercial vehicle market

Production increased by 11% in the commercial vehicle group in 2021, while there was an increase of 40% in the Heavy Commercial Vehicle group and an increase of 9% in the Light Commercial Vehicle group.

Looking at the production of commercial vehicles carrying goods and passengers on a product group basis, there was a 66% increase in the truck segment, a 12% increase in the pickup truck segment and a 9% increase in production in the midibus segment, while there was a 9% decrease in production in the minibus segment and a 30% decrease in the bus segment.

The commercial vehicle market expanded by 13%, the light commercial vehicle market by 8% and the heavy commercial vehicle market by 51%. A breakdown of the distribution of heavy commercial vehicle sales finds that truck sales increased by 56% to 32,665 units, bus sales by 17% to 1,214 units and midibus sales by 13% to 1,493 units.

Automotive sector remains Turkey's biggest exporter for a 16th year, accounting for 13% of exports.

According to TIM data, total automotive exports increased by 14.9% in 2021 to reach USD 29.3 billion. According to figures provided by the Turkish Exporters Assembly, total automotive industry exports maintained their first place in the export ranking with a 13% share in 2021, carrying this success for Turkish exporters to a 16th year.

Total automotive exports increased by 2% on a unit basis to 937,005 vehicles, accounting for 73% of total production. Automobile exports decreased by 5.2% to 565,361 units, while exports of commercial vehicles increased by 16.2% to 371,644 units.

While exports of buses and minibuses decreased by 31.0% and 1.4%, respectively, in 2021 exports increased by 54.2% in the midibus segment, by 67.4% in the truck segment and by 17.9% in the pick-up truck segment.

Activities in 2021

- 38 In summary
- 39 Export Activities
- 42 Marketing and Dealer Network Development Activities
- 44 After-Sales Services
- 46 Supply Chain
- 48 R&D at Anadolu Isuzu
- 54 Production
- 56 Industry 4.0 and Digitalization Projects
- 60 IM Global Leader Company

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information





A SUSTAINABLE AND STRONG PERFORMANCE

Anadolu Isuzu continued its activities unwaveringly in line with its global vision in 2021.

The Turkish automotive market exhibited a volatile performance under the fluctuating global and national economic conditions.

Anadolu Isuzu further strengthened its financial structure in this process and achieved a healthy operational performance.



In summary

Total turnover of TL 2.7 billion

Anadolu Isuzu maintained its activities in 2021 in line with its global vision with its total turnover increasing to TL 2,678 million.

Anadolu Isuzu maintained its financial stability in 2021, achieving a healthy operational performance despite the negative effects of the Covid-19 pandemic and the volatilities in global and national economic conditions as well as the stuttering progress of the Turkish automotive industry.

On the other hand, the company followed financial strategies aimed at balancing in the face of the fluctuations in exchange rates and interest rates, especially in the last quarter of the year. Anadolu Isuzu continued its moves to reinforce shareholder value with a risk-oriented approach.

A strong performance in the domestic market

Turkey's commercial vehicle brand, Anadolu Isuzu, continued to complement its successes in the domestic market in 2021.

Having achieved significant growth in bus and minibus exports in 2021, Anadolu Isuzu replicated this success with its strong share in the medium-duty segment in the domestic market.

Maintaining its production in the commercial vehicle segment during the pandemic, Anadolu Isuzu successfully completed the first phase of the Smart Factory project which it launched at its Şekerpinar plant in Gebze to further improve its production quality.

The medium-duty models which Anadolu Isuzu manufactures and sells on the basis of 'tailor-made production' in a way that best meets different needs are in increasing demand in the market every year with their extremely high-performance engines and high maneuverability.

Isuzu medium-duty trucks came to the forefront in 2021 with their advantages in terms of durability, power and low operating costs, which are critical in commercial use.

Anadolu Isuzu's total sales in the medium-duty truck segment reached 2,505 in 2021. Maintaining its leadership in the medium-duty, 6-16 ton truck segment in Turkey for more than 10 years, Anadolu Isuzu's market share in this segment exceeded 40% in 2021.



Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

Anadolu Isuzu's total turnover in 2021

TL 2,678 million.

Export Activities

In 2021, Anadolu Isuzu's export revenues amounted to USD 120 million, consisting of USD 115 million from vehicle sales and USD 5 million from spare parts sales.

As a result of the global impact of the Covid-19 pandemic, schools and workplaces closed all over the world from first quarter of 2020, thus disrupting public transportation activities and precipitating a record plunge in tourism revenues. During the pandemic, the EU market - one of Anadolu Isuzu's most important export markets - contracted by 26%. The contraction in markets outside Europe was even greater.

Despite the ongoing effects of the Covid-19 pandemic on the sector in 2021, Anadolu Isuzu still realized USD 120 million in export turnover, with the export of 1,006 vehicles.

Ten countries accounted for 90% of Anadolu Isuzu's total export sales revenues in 2021, led by Germany, Georgia and France in terms of turnover.

A 42% share of exports in its segment among domestic brands

Based on OSD data, Anadolu Isuzu recorded a 42% market share in exports among domestic brands producing in the segments which Anadolu Isuzu operates in. The company maintained its leading position in midibus segment exports among all domestic and foreign brands, thus capturing a leading position in Turkey's midibus exports for the 18th time and breaking a record, setting the bar high for the future.

Citiport and Novociti Life offer the highest contribution to midibus exports in 2021.

Anadolu Isuzu continued its stable sales in the midibus product group in 2021 as well. The Citiport and Novociti Life models provided a particularly significant contribution to exports with the sale of a total of 554 vehicles. According to OSD data, Anadolu Isuzu continued to hold the title of Turkey's leading midibus exporter, outperforming its competitors in 2021, while its share in the midibus export market was 52%.

France market success

Anadolu Isuzu sold more vehicles in the minibus & midibus segment to France in 2018, 2019 and 2020 than any other Turkish brand, and maintained this success in 2021, reaching first place among all its competitors with a 42% market share in the same segment.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

A strengthening position in Georgia

Anadolu Isuzu has strengthened its position in Georgia, where it has been operating since 2019, winning the Tbilisi Transport Company's small bus tender with its Georgian distributor in 2021.

100 Citiport busses sold to the Chisinau Municipality

Anadolu Isuzu once again proved that it is the sought-after name in public transport tenders in Europe, winning the tender for the purchase of 100 buses opened by the Chisinau Municipality in Moldova in 2021. The tender, which envisages the delivery of 100 Citiport busses in 2021, also covered the provision of after-sales services for the vehicles.

A vigorous entry into the German Market

Anadolu Isuzu, Turkey's commercial vehicle brand, pulled off a strong entry into the German market, which is the third largest bus market in the world and the largest in Europe.

The first delivery of electric vehicles to France

Anadolu Isuzu carried out the first international delivery of its electric midibus, the Novociti VOLT, in 2021. The Novociti VOLT, which will be used for public transportation in France, successfully responds to the priority demands of cities such as zero emissions, low levels of noise and modern services with its electric motor and impressive design.

Meeting of customers in Marrakech

The organization of the customer brand meeting with the participation of guests from France, Spain and Belgium in cooperation with the French distributor, FCC, was held between 18-21 October, 2021 in Marrakech, Morocco with the participation of 56 guests.

Anadolu Isuzu has strengthened its position in Georgia, where it has been operating since 2019, by winning the Tbilisi Transport Company's small bus tender with its Georgian distributor in 2021.



Brand meeting event

The customer brand meeting event, with the participation of guests from France, Spain and Belgium in cooperation with the French distributor, FCC, was held between 18-21 October, 2021 in Marrakech, Morocco with the participation of 56 people.

Participation in the 15th Polish Kielce Fair (TRANSEXPO)

We participated in the fair, which is held biannually in Kielce, Poland, with the Citiport CNG Demo, the Kendo CNG Demo and the Grand Toro Diesel vehicles.

Delivery of busses to Israel

Anadolu Isuzu has delivered 48 busses to four different operators in Israel, with the busses including the Citiport, Novociti Life and Novo Ultra Nees models, which are designed according to specific needs and offer separate features for disabled passengers.

New distributor for Ukraine

Anadolu Isuzu appointed Soycan Group as the representative for Ukraine and Belarus in 2021.

Spanish press visit

A group of five journalists from the Spanish automotive press, through the Anadolu Isuzu Spain distributor, came to Istanbul in November and visited the Anadolu Isuzu factory.

Sustainable Bus of the Year 2022 Award - Kendo CNG

The Kendo/Interliner CNG, developed by Anadolu Isuzu to best respond to customer needs in the domestic and international markets, won the "Sustainable Bus of the Year 2022" award in the Intercity segment of the "Sustainable Bus Award" organization, organized by seven important commercial vehicle magazines published in Italy, France, the UK, Germany, Spain, Romania and Slovenia.

Gold Exporter Award

Anadolu Isuzu, which uninterruptedly maintains its production and deliveries in difficult conditions of the pandemic, was the winner of the "Golden Exporter" award at the "OIB Export Success Awards 2020" organized by the Uludağ Automotive Industry Exporters' Association (OIB).

A very encouraging start for Anadolu Isuzu's newly released vehicles

The Kendo/Interliner 13 CNG and the Grand Toro, which were launched online in 2020, received wide acclaim from customers in 2021.

Anadolu Isuzu has continued its promotional activities despite all the negative conditions of the pandemic.

Customer demonstrations (demo tour) of the Grand Toro and Kendo/Interliner 13 CNG vehicles, which were brought to the market in 2020, got underway in October 2020 in France. In a year when many fairs had been postponed or canceled, the most important promotion channel was online launch events and demo tour activities planned throughout Europe, and the European Demo Tour, covering a total of 22 countries, continued until July 2021.

Truck exports continued in 2021 as well.

In 2021, truck exports continued in addition to bus and midibus models; 114 more Isuzu trucks produced by Anadolu Isuzu rolled onto roads in Europe.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

Anadolu Isuzu continuously develops and strengthens its dealer and service structure in order to transform customer satisfaction into customer loyalty.

ANADOLU ISUZU ALWAYS PRIORITIZES CUSTOMER SATISFACTION.

Anadolu Isuzu always prioritizes customer satisfaction. Projects are implemented to ensure the continuity of customer satisfaction and strengthen customer loyalty.

Requests from the company, call center and digital channels are taken seriously and finalized as soon as possible. In addition, feedback from the dealers and authorized services is sought regularly, with improvements carried out in line with the information and suggestions received, thus further strengthening the ties with the dealer organization

ANADOLU ISUZU CONTINUES TO DEVELOP ITS DEALER NETWORK AND SERVICES THROUGH DISTANCE LEARNING

In 2021, training through distance learning continued to be provided for personnel working in the dealers, service centers and international distributors. Advanced vocational training has been organized for employees who completed their basic vocational training in previous years.

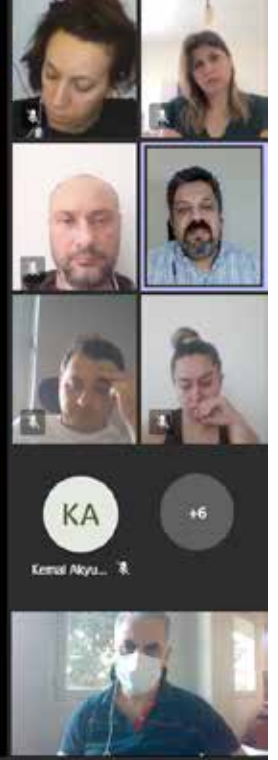
The knowledge garnered gained from this training has been gradually put into practice, providing dealers and service personnel with suitable ground to carry out their work more professionally. Similarly, information was provided on automotive technology, product and system usage, and KVKK, IYS and ETK through distance learning.

Anadolu Isuzu always prioritizes customer satisfaction. Projects are implemented to ensure the continuity of customer satisfaction and strengthen customer loyalty.



Dealer audits continued in 2021 in order to further improve the current positioning of Anadolu Isuzu vehicle sales dealers, to identify areas open to improvement and ensure that they reach a better position, thereby strengthening the brand image and ensuring customer satisfaction.

OUR BUSINESS PARTNERS



AUDIT OF SALES DEALERS PAVES THE WAY FOR CONTINUOUS DEVELOPMENT.

Dealer audits continued in 2021 in order to further improve the current positioning of Anadolu Isuzu vehicle sales dealers, to identify areas open to improvement and ensure that they reach a better position, thereby strengthening the brand image and ensuring customer satisfaction. In the dealer audits carried out by an independent firm, discussions covered a wide range of topics including corporate identity, facilities, sales management, organization, the sales process, the website, second-hand operations after-sales and Covid-19 measures.

ANADOLU ISUZU CONTINUES TO SUPPORT ITS DEALERS AND AUTHORIZED SERVICES IN TACKLING COVID 19

Regular information was given to the service centers and dealers regarding the work to effectively tackle Covid 19, the issue which dominated the agenda throughout 2021.

SIGNIFICANT GAINS IN DEALER STANDARDIZATION

Work on standardization of the vehicle dealers was stepped up, achieving a large degree of harmony in the external appearance of the dealerships. The interiors of all dealers have been renewed with updated vehicle visuals. In addition, new dealers and service networks were added to expand the service delivery area of our customers.

WE KEEP IN TOUCH WITH OUR CUSTOMERS WITH EFFECTIVE CUSTOMER RELATIONSHIP MANAGEMENT.

Anadolu Isuzu is committed to providing personalized and exclusive service and a good experience to all customers. Thanks to its strong CRM structure, it has managed to monitor customers from every channel and create a loyal customer base. In addition, it takes quick and confident steps to reach new customers in the market.

After-Sales Services

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

Anadolu Isuzu is focused on meeting the after-sales demands and expectations of its domestic and international customers to the highest level and as rapidly as possible with its high-quality service network in all of the segments it serves.

CONTINUOUSLY IMPROVING CUSTOMER SATISFACTION

Anadolu Isuzu is focused on meeting the after-sales demands and expectations of its domestic and international customers to the highest level and as rapidly as possible with its high-quality service network in all of the segments it serves. Believing that the actual service begins after the sale and in the importance of maintaining customer satisfaction, Anadolu Isuzu continued to expand its after-sales services structure in 2021.

Digital transformation activities continued, including remote technical training programs, a new online communication system for overseas distributors, domestic dealer online system developments, a vehicle notification system for malfunctions and spare parts, an online wholesale spare parts sales platform, tablet in service/distributor development and inspections. The transition to check sheet and remote connections and technical support (PRO-EYE) systems were carried out effectively.

The activation of the Anadolu Isuzu After-Sales Services Technology Center in 2021 has paved the way for faster and more accurate technical repair when compared to methods used in the past. Remote technical support, remote training with active participation, technical solution videos and remote warranty parts inspection service was implemented.

The PRO-EYE project, which enables faster intervention in customer vehicles and faster support for Anadolu Isuzu services, was awarded first prize in the field of working methods of the future at the IDC CIO awards.

The Anadolu Isuzu After-Sales Services Technology Center

Pro Eye system

Anadolu Isuzu prioritized digital transformation projects in After Sales Services functions and implemented a wide array of projects.

A digital sales platform, which can be accessed from the link, <https://yedekparca.isuzu.com.tr>, was launched. The platform will serve the entire domestic market, except for Anadolu Isuzu authorized services. Through this sales platform, original and ANT spare parts were supplied to more than 350 points in the space of just three months.

Our digital sales platform <https://yedekparca.isuzu.com.tr>

A BI System has been established where instant detailed performance reports covering Anadolu Isuzu authorized services can be monitored.

Anadolu Isuzu prioritized digital transformation projects in After Sales Services functions and implemented a wide array of projects.



With the Power BI project, instant sales reports, warehouse performance and stock performance reports which provide access to instantly changing data can be observed and analyzed.



BI snapshot

With the Power BI project, instant sales reports, warehouse performance and stock performance reports which provide access to instantly changing data can be observed and analyzed. Spare part stocks were strengthened, resulting in 10% increase in availability and 90% rate of satisfaction in spare parts at domestic and international service points.

A foreign DMS system was established, and improvements carried out in the order process and observable stock tracking for Anadolu Isuzu distributors.

INTERNATIONAL DMS SYSTEM

Anadolu Isuzu, which has ensured sustainable customer satisfaction, has contributed greatly to the success of its after-sales service team, which is distinguished by its extensive service network and development-oriented and devoted employees.

The number of customer complaints reaching the complaint line decreased by 21% in 2021. As of the end of 2021, Anadolu Isuzu was delivering high value-added services through its authorized services at 94 points in Turkey and 60 different points in 37 countries abroad. In addition, three wholesaler spare parts dealers continued to serve their domestic customers.

The integration of innovative solutions into processes without abatement, to manage import and export operations between continents and countries in a healthy manner.

During the COVID-19 pandemic, which has presented many variables such as changes in demand, prices, supply times, suppliers' production capacity and parts availability, Anadolu Isuzu has strengthened its spare part requirement planning and inventory control system with digital transformation for rational use of its existing resources, while providing regular service to its customers.

In this context and within the framework of the digital transformation, stock and warehouse management tools have been developed, providing added value in spare parts availability and the capacity to deliver to more than 300 different special points.

The developed MRP system strengthened stocks, ensured that optimal stock levels were maintained and services were put in place to enable the following up of cargo with the order tracking process.

Anadolu Isuzu has organized periodic campaigns to further increase customer satisfaction, which has always been a top priority.

The service campaigns have also attracted a great deal of interest on global service network.

Isuzu Japan campaign brochures were translated into English and shared with other distributors as examples.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

In line with customer demands, the production of hundreds of different models in five different vehicle segments from two factories and four separate production lines on the same site is carried out with a sensitive, meticulous and agile planning approach.

A KEY FUNCTION THAT CONTRIBUTES TO THE COMPETITIVENESS OF ANADOLU ISUZU

Anadolu Isuzu's supply chain activities cover three main functions.

- Production Planning
- Domestic and overseas purchasing,
- Internal and External Logistics

The Company's Supply Chain Directorate aims to contribute to the competitiveness of the Company by meeting the changing and diversifying customer expectations and demands in the most affordable and fastest manner.

In line with customer demands, the production of hundreds of different models in five different vehicle segments from two factories and four separate production lines on the same site is carried out with a sensitive, meticulous and agile planning approach.

In addition, Anadolu Isuzu organizes joint indirect procurement activities with both group companies and the Holding. The synergy generated through these studies is aimed to provide significant gains on the commercial and economic axes. On the other hand, the company closely follows legislation published on foreign trade, and Anadolu Isuzu is provided with exemptions from various taxation in accordance with the advantages from the incentives.

A SUPPLY APPROACH COMPATIBLE WITH PRODUCTION CONDITIONS

While Anadolu Isuzu sells mass-produced trucks, light trucks and pick-ups, its midibuses and buses are mostly sold with tailor-made production. The Company has restructured all of its material requirement planning, supply and integrated logistics systems to fully and optimally meet the requirements of this trend. For this purpose,

in 2021, it integrated the Advanced Planning system, which covers the end-to-end process from demand to production planning.

Anadolu Isuzu is a company that sets its sight on exports and carries out the majority of its exports to Europe, which demands high quality. Accordingly, the Company establishes its entire supply network with suppliers that meet the high quality expectations of the European market.

MORE THAN 40,000 DIFFERENT INPUTS

While 27,000 items with different domestic and overseas requirements are used in production planning, 15,000 items are supplied to meet the requirements for spare parts.

COLLABORATION WITH MORE THAN 400 SUPPLIERS

In order to operate in the relevant markets under the most competitive conditions, Anadolu Isuzu emphasizes optimum material supply in terms of costs, quality and logistics. As of the end of 2021, Anadolu Isuzu was working with more than 300 suppliers from Turkey and more than 100 suppliers abroad.

Commercial relations with 20% of the suppliers have been ongoing for more than 30 years. Most of the domestic suppliers are located in the Marmara Region. The Company also has strategically significant suppliers in other regions of Turkey, especially in the Aegean.

Our trade collaboration with both domestic and international suppliers of major product groups has been mutually expanded with long-term agreements. Under this value chain created with a win-win approach, our commercial relations with our suppliers have been transformed into strategic business partnerships.

As of the end of 2021, Anadolu Isuzu was working with more than 300 suppliers from Turkey and more than 100 suppliers abroad.



The most digital solutions most appropriate for current needs are determined and integrated into the process, primarily involving Smart Shelf and Picking systems, Kit Delivery, Online Shipment Tracking, and Advanced planning systems.

THE DIGITAL TRANSFORMATION AND INDUSTRY 4.0

Anadolu Isuzu's Supply Chain Directorate has a structure that closely follows technological developments and aims to adapt them to the relevant processes. The most digital solutions most appropriate for current needs are determined and integrated into the process, primarily involving Smart Shelf and Picking systems, Kit Delivery, Online Shipment Tracking, and Advanced planning systems.

EFFICIENCY PROVIDED BY THE MILK-RUN SYSTEM

Anadolu Isuzu widely uses the Milk-Run system in the Marmara and the Aegean regions with the aim of maintaining its logistics performance at the highest level. With each passing period, the Milk-Run system becomes a more essential part of the Anadolu Isuzu supply chain, with management and reporting provided using the digital system.

THE INCREASING SIGNIFICANCE OF TRANSPORT

While most of imports arrive by sea from Japan and Thailand, the type and volume of supplies from different regions is increasing. Accordingly, the ratio and significance of road transportation among other modes of transportation is increasing for Anadolu Isuzu. Airlines have a small share in supply options.

Anadolu Isuzu provides full integration with its customers in product delivery, serving four continents and 26 countries in export vehicle logistics, and three continents and 34 countries in spare parts logistics. As a precaution against increasing transportation costs, the Company always seeks different transportation methods and aims to be an organization which carries out trailblazing practices in the industry.

Increasing productivity end-to-end

Within the Anadolu Isuzu Supply Chain Directorate, technological innovations are closely followed in order to optimize supply and logistics operations, and the company aims to increase efficiency with electronic tracking and control systems.

PROPORTION OF LOCAL CONTENT

One of Anadolu Isuzu's main goals is to increase the proportion of local content in all products.

Within the scope of the Move Project, localization work was carried out in 2021 in 28 parts groups, mostly for electronic items, with 21 different suppliers.

WORK ON DEFENCE PROJECTS

In addition to exports, Anadolu Isuzu has also started to take part in defence projects for the Turkish Armed Forces. Within the scope of its goal of developing domestic and national solutions suitable for these projects, the Company has directed its existing suppliers to this field and started joint R&D activities.

In addition to the existing facilities and capabilities of the supply portfolio, new sub-system manufacturers suitable for the requirements of defence projects have been included in the system and validation processes have been completed.

INCREASING END-TO-END EFFICIENCY

The Anadolu Isuzu Supply Chain Directorate closely follows technological innovations in order to optimize supply and logistics operations, and aims to increase efficiency with electronic monitoring and control systems.

Within the scope of its corporate strategy, Anadolu Isuzu prioritizes and continuously invests in R&D activities.

R&D IS ONE OF THE BUILDING BLOCKS OF ANADOLU ISUZU'S STRATEGY.

Ever tougher national and international competition and changing market conditions are increasing the significance of R&D and innovation for all economic actors. By reducing companies' foreign dependence, R&D enables the development of innovative technologies and contributes to the national economy.

Increasing the competitiveness of companies in domestic and international markets, R&D studies boost total performance in many areas such as cost management, efficiency and customer satisfaction, and especially sustainability. R&D centers, which allow companies to improve their competitive thresholds, are also essential for adapting to global technologies in product and production quality, and in sustainability practices.

Companies operating in the automotive industry, intertwined with technology, closely follow the rapidly developing and changing market trends and customer expectations and carry out studies accordingly.

ANADOLU ISUZU R&D CENTER

Within the scope of its corporate strategy, Anadolu Isuzu prioritizes and continuously invests in R&D activities.

As one of Turkey's first R&D centers to be registered by the Ministry of Industry and Technology of the Republic of Turkey, the foundations of Anadolu Isuzu's R&D Center date back to 2009. Prior to 2009, the center operated as an engineering department. With the investment made in 2015, the Anadolu Isuzu R&D Center attained a modern facility with a full array of technological equipment and was turned into a fully-equipped R&D center.

A FUNCTION THAT CONTRIBUTES TO THE PROFITABILITY AND SUSTAINABLE FUTURE OF THE COMPANY

With 6,220 square meters of indoor space, the modern building of the R&D Center has one of the largest new test centers in Turkey and Europe, a prototype workshop and office & meeting spaces.

The R&D Center Directorate consists of two directorates, 10 supervisors and 26 teams conducting activities in the following areas:

Vehicle Development

- Power Pack Systems
- Moving Parts
- Air Conditioning Systems
- Armor Systems
- Interior Trim
- Body and Exterior Trim
- Custom Vehicles Workshop

Product and Verification

- Testing, Virtual Analysis
- Homologation
- Operational Documentation
- System
- P&D
- Custom Vehicles
- Prototype Workshop

Electrical-Electronic Systems

- Software
- Hardware
- New Systems
- Design Office
- Commercial Vehicles Project Management
- Defense Industry Project Management
- Intellectual Property Rights and Incentives

Companies operating in the automotive industry, intertwined with technology, closely follow the rapidly developing and changing market trends and customer expectations and carry out studies accordingly.



R&D Center

the R&D Center continues to offer innovative products and services on an international platform with its dynamic and expert human resources, and creates value for the customers.

With 141 employees at the end of 2021, the R&D Center continues to offer innovative products and services on an international platform with its dynamic and expert human resources, and creates value for the customers.

INNOVATIONS WHICH HAVE BEEN BROUGHT TO LIFE WITH R&D SUPPORT

As in all sectors, the importance of smart systems and software in the automotive sector is increasing day by day.

In this context, many systemic and software elements, which had been carried out by outsourcing in the previous period, are increasingly being solved internally thanks to the opportunities provided by developing R&D competence and increasing knowledge. Algorithms obtained as a result of consumption simulations and the analysis studies developed, and which have started to be applied within the body of R&D, have paved the way for reductions in fuel consumption.

In addition to advantages such as increased customer satisfaction and effective use of resources, results that will set us apart from the competition have been achieved. The Center's know-how will continue to facilitate

cost savings and added value by facilitating compliance with the targeted requirements and changing regulations in future projects.

The need for energy, which is one of the most important factors in the economy and development, is growing in our country as well as in the whole world. Most of the energy needs of vehicles are met through fossil fuels. In parallel with this, the increase in exhaust emissions, one of the most important causes of air pollution, is leading to a rapid increase in demand for vehicles which run on alternative fuels. Anadolu Isuzu continues to develop and produce vehicles which can run on alternative fuels in line with its sustainability and environmental strategies.

The preliminary conceptual designs of the studies, which represent an important axis of Anadolu Isuzu's future strategy and are in the feasibility stage, were carried out in 2021.

Within the scope of the company's sustainability strategy, mitigation efforts continued to maximize the range and number of passengers in current and future vehicle projects. On the other hand, research studies on the use of bio composites and recycled materials are carried out in the R&D Center.

Another effect of the pandemic was observed in the supply chain issues which have been experienced on a global scale. In this process, alternative solutions have been offered for parts which could not be supplied, or which could not be supplied in the planned time. Travel restrictions, another challenge presented by the pandemic, have rendered it impossible to carry out tests of vehicles abroad. Alternative solutions have been developed to facilitate the testing through domestic means, achieving time and cost savings. The resolution of the processes through domestic means has also contributed to the development of the automotive industry in Turkey.

At Anadolu Isuzu, successful projects which meet the needs and expectations of customers continue to be carried out by integrating the digital transformation process and technological developments into the work flow. The R&D Center continues to provide the necessary data and content to these ongoing studies and contributes to the optimization and efficiency of the system.

Climate change, which will reshape economies in the long term, along with the focus on excessive consumption of resources, is starting to render current functioning unsustainable. This situation has led to the development of climate change policies in the EU and USA and the harmonization of other public policies

around the concept of sustainability. Against the backdrop of climate change, with the support of developing technology, regulatory transitions in the automotive sector in areas such as safety and emissions require the adaptation of products.

The R&D Center at Anadolu Isuzu carries out joint projects with start-ups and suppliers within the framework of strategic collaborations in order to increase its knowledge and follow technological developments in the world more closely.

Anadolu Isuzu wins Jury Special Award from TESID

The voice warning system, VOICE (Vehicle Of Integrated Communication Environment), was developed in line with Anadolu Isuzu's emphasis on innovation. VOICE, born from the idea that the innovations added to the vehicles with the aim of increasing safety and comfort take up too much space on the display screen and distract the driver, won the Special Jury Award at the 19th "Innovation and Creativity Awards" held by the Turkish Electronic Industrialists' Association (TESID) in 2021.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

Research studies on the use of bio composites and recycled materials are carried out in the R&D Center.



Anadolu Isuzu has submitted applications for a total of 356 patents, including 56 utility models and 175 design registrations.



Design Awards for Kendo/Interliner CNG and Grand Toro

International and national design awards are not limited to aesthetics or style, but are given to holistic designs that make a difference and include innovation by evaluating the product with all its features.

Thanks to the content created with great effort during the application, development areas are observed, and competition requirements shaped by trends have an important place in understanding the direction to be taken. In addition, each application creates know-how for the next vehicle.

Anadolu Isuzu's Kendo/Interliner CNG and Grand Toro models, which have 2nd generation design lines, received a total of six design awards, five of which are at the international level and one at the national level. Recognition in the A'Design, BIG SEE, Design Turkey and Sustainable Bus competitions offer reliable and effective references to increase brand value and awareness worldwide.

ANADOLU ISUZU CONTINUES ITS SUCCESS IN THE AUTOMOTIVE INDUSTRY IN THE TURKISH PATENT LEAGUE.

Anadolu Isuzu continues its success in the automotive sector, having received patents as a result of its R&D activities. To date, Anadolu Isuzu has submitted applications for a total of 356 patents, including 56 utility models and 175 design registrations. The Company has a total of 96 patents registered by the TPI, with a total of 19 utility models and 172 industrial designs. In 2021, 19 patents, 11 utility models and 10 industrial designs were registered.

IMPROVED EXPORT PERFORMANCE WITH R&D SUPPORT

Industry 4.0 is a comprehensive approach which is focused on production processes and affects all business processes, in contrast with previous industrial revolutions which had significant effects.

This approach ensures that individual, customer-specific criteria are included in the design, configuration, ordering, planning, production and operation phases; it offers the potential to meet individual customer needs where even one-off products can be produced profitably. Promising to transform existing business models with the technologies it provides, Industry 4.0 leads



new opportunities for Anadolu Isuzu's export markets strategy. Thanks to the tailor-made boutique work, it is possible for the product configuration to be tailored more to customer preferences.

The tailor-made approach to product design allows customization with alternative components to meet various customer requirements. In this perspective, configuration supports increasing efficiency in R&D, export markets and entry into new markets, with the task of selecting a combination of parts or designing from scratch to find a viable and complete product structure within the overall architectural alternatives.

Anadolu Isuzu has played an active role in potential sales by examining the tender specifications coming from the markets as well as the R&D product designs specific to customer demands and preparing their feasibility, and provides all kinds of technical information and document support to the sales teams.

Within the scope of these studies, 2,650 vehicles were produced with 520 different designs and 140 tender specifications were examined.

CONFERENCES AND COLLABORATIONS WITH UNIVERSITIES

Anadolu Isuzu R&D center continues its collaboration with Middle East Technical University (METU), Istanbul Technical University (ITU), Koç University, Sabancı University, Okan University, Gebze Technical University and Gazi University, some of the best universities in Turkey.

Within the scope of the projects developed with the aforementioned institutions, the Company focuses on collaboration between industry and academia, enabling work with specialist academics.

On the other hand, the Anadolu Isuzu employees continuing their master's and doctorate studies are provided with the support they need to realize their dissertations within the framework of the collaboration between the company and universities.

Having participated in six national and international conferences in 2021, R&D Center representatives have contributed to Anadolu Isuzu's recognition on national and international platforms.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

Having participated in six national and international conferences in 2021, R&D Center representatives have contributed to Anadolu Isuzu's recognition on national and international platforms.

Collaboration between Industry and Academia

Within the framework of the collaboration between the company and universities, Anadolu Isuzu offers opportunities for undergraduate, graduate and doctorate students to gain experience in the R&D Center.

The experience, knowledge and achievements gained through the activities carried out within the R&D body were presented in national and international scientific events, publications, university panels and workshops. Thanks to its pioneering and experienced staff in the industry, the R&D Unit receives invitations to attend relevant events as a speaker where it shares its experience. It also fulfills its responsibilities to dynamic generations which will create the future of the automotive industry, which is the driving force of Turkey's economy.

FUTURE GOALS

The short, medium and long-term goal of Anadolu Isuzu R&D Center is to further improve its added value and its efforts carried out in synergistic cooperation with other departments in line with market needs and customer expectations.

Another goal for the center is to implement projects which will strengthen Anadolu Isuzu's position in existing markets and enable it to gain a presence in new markets. By following technological changes and global trends, the R&D center will continue to expand and develop its product range in line with customer requirements, safety needs and regulatory and legislative changes on emissions, mitigation, new materials, sustainability and efficiency. It will work both in-house and in collaboration with other organizations. The R&D Center is also focused on supporting Anadolu Isuzu's work in new segments such as alternative fuel vehicles.

As in the rest of the world, the automotive sector in Turkey is experiencing difficulties due to changing global conditions. The R&D Center offers new solutions to overcome and adapt to changing conditions. The Center will continue to develop its capabilities to meet the needs of the emerging conditions and to contribute to the development of the Turkish automotive industry by drawing up alternative scenarios.



In 2021, the rate of delivery in the truck and bus assembly plants improved by 25% and 8% year-on-year, respectively.

ISUZU LEAN PRODUCTION PROJECTS AND DELIVERY TIMES

In 2021, the rate of delivery in the truck production plant improved by 25% year-on-year. The rate of deliveries in the bus plant increased by 8%. The bus plant also achieved a 6% increase in production efficiency compared to 2020.

KAIZEN ACTIVITIES

Kaizen is a word formed by combining two Japanese words; Kai (change) and Zen (good). Kaizen is a philosophy of continuous improvement.

With Kaizen (Continuous Improvement) work, which is one of the major steps for the IM (Isuzu Monozukuri) System, improvements are put in place and projects launched with a focus on efficiency, quality, ergonomics, cost reduction and process. In Kaizen project work, it is essential to seek the views of employees at all levels and involve them in the process in order to produce effective and permanent solutions and sustain the application. We proactively undertake worker- and environmentally- friendly technological investments within the scope of our Kaizen work.

The Technical Directorate at Anadolu Isuzu has adopted the Kaizen philosophy since its establishment, and has contributed



significantly to employee improvement projects.

The 726 Kaizen applications in 2021 achieved efficiency, occupational safety, quality and cost gains.

DIGITAL TRANSFORMATION AND MODERNIZATION PROJECTS

MES STEP 1-SMART FACTORY

The Smart Factory project, which was implemented in line with the digital transformation vision, was completed successfully. The smart factory project paves the way for the management of the complex production flow and large production areas due to the variability and diversity created by “tailor-made manufacturing” with the 3D digital twin, while providing all information for the production of personalized products to the operators with the support of the Internet of Things (IoT).

Every layer of the Smart Factory project, designed specifically for Anadolu Isuzu’s production areas and business processes, has been developed with advanced technology applications from the planning stage all the way to the application of the processes.

The project goes beyond similar applications in the sector with its high level of visualization and the level of detail reached by the “digital twin” application, which offers a one-to-one projection of all production processes.

Thanks to the established IoT infrastructure, the Smart Factory project allows instantaneous and flawless vehicle and process tracking to the highest level of precision. Different departments such as production, quality, sales and export departments have instant access to all information they need about production and delivery. The advanced functions

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

MES STEP 1

Every layer of the Smart Factory project, designed specifically for Anadolu Isuzu’s production areas and business processes, has been developed with advanced technology applications from the planning stage all the way to the application of the processes.

MES STEP 2

Work on the MES STEP 2 project, which includes the rollout of the MES Step 1 project to the bodywork and paint shop departments, and the inclusion of machine communication within the scope of the smart factory project, has got underway.

of the project significantly reduce paper consumption and help Anadolu Isuzu achieve its paperless production target.

The Smart Factory project won first prize in the inventors and digitalization categories at the Bi-Fikir organization and was deemed worthy of an award in the “Best Innovation Project of the Year” category in the innovation category at the global IDC event.

MES STEP 2

Work on the MES STEP 2 project, which includes the rollout of the MES Step 1 project to the bodywork and paint shop departments, and the inclusion of machine communication within the scope of the smart factory project, has got underway. The installation of IoT infrastructure and the machine transformation has been completed, with work on the project continuing with field tests, the integration of systems and platform creation.

EV Safe Zone

Battery assembly processes are carried out in a controlled and safe manner in the Safe Zone area established for Novociti Volt, the first electric vehicle produced within Anadolu

Isuzu. In contrast with other assembly stations, the Safe Zone allows only trained and appropriately equipped personnel to work with its card entry system. The IoT infrastructure, which also feeds the smart factory system location information field, enables the live and effective monitoring of electric vehicles.

Anadolu Isuzu also constantly monitors possible fire risks related to high voltage on a 24/7 basis with advanced image processing technology within the scope of its OHS measures. The cameras also detect possible smoke and fire at their source, activating the fire detection system inside the factory and fire alarms in the area. At the same time, the fire, security and OHS teams along with all managers responsible for the area are informed in an automatic short message and phone call.

Authorized personnel working in the Safe Zone may communicate all risky situations which may arise in the area to the relevant individuals and health teams immediately through their special personnel cards with SOS buttons.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

Anadolu Isuzu continues its journey of digital transformation, which it started in 2020, with firm steps with over 100 projects this year.

SMART FACTORY Phase 2 - Increasing Industry 4.0 maturity level

Anadolu Isuzu continues its work on digitalization initiated to create more efficient business models.

The company carried forward its smart factory concept vision, which it started with the MES - Phase 1 project in 2020, by completing the MES - Phase 2 project in 2021.

In Phase 1, the most critical aspects of tailor-made manufacturing, “bringing dynamic information to the operator level” and “real-time 3D production tracking”, were completed with the factory’s digital twin. In Phase 2, studies are carried out rapidly with the objective of creating Big Data by duplicating the collected and stored data, analyzing each item of data in detail, and supporting energy and environmental sustainability policies in order to continuously increase efficiency in production processes.

Anadolu Isuzu is taking firm steps towards its vision of creating a unique smart factory concept, which is a leader in its sector, with various digitalization projects such as employee health, the forklift tracking system and the forklift collision system carried out in parallel with these projects.

Energy Systems Management - An optimized and greener factory

Steadfast in its approach to sustainability principles, Anadolu Isuzu implemented a project in 2021 to bring the energy systems it had established some years ago to the stage of data generation, in order to create both greener operations and more optimized

costs. The Company aims to increase efficiency and reduce costs through the data obtained from energy systems.

Advanced Planning and Optimization System

Adopting a tailor-made production strategy, Anadolu Isuzu meets the diverse needs of its customers in the shortest time possible. In doing so, the supply of materials with different lead times from hundreds of domestic and foreign suppliers should be planned with carefully crafted harmony for each order in accordance with the customer’s special and differing requirements. Variations and fluctuations in the supply chain render this task even more complex. Carrying out this process with an optimized stock level is another target constraint.

With the advanced planning and optimization system commissioned this year, all scenario-based procurement plans can be completed based on data and with the support of artificial intelligence.

Thanks to the system, Anadolu Isuzu’s planning department is able to carry out optimized supply chain planning based on different scenarios in a matter of minutes.

Spare Parts E-Commerce Platform Phase I (B2B2C)

Reaching different markets through more channels is crucial when it comes to increasing turnover in spare parts sales. The first phase of the project, which was initiated with the aim of activating the e-commerce capabilities, which are increasingly used in Anadolu Isuzu, for spare parts sales, was commissioned in 2021.

Anadolu Isuzu continues its work on digitalization initiated to create more efficient business models.



With the advanced planning and optimization system commissioned this year, all scenario-based procurement plans can be completed based on data and with the support of artificial intelligence.

Warehouse 4.0 Project Phase I

In the first phase of the Warehouse 4.0 project, which plans to achieve the digitalization of after-sales warehouse management, the applications, mobile infrastructure and mobile devices used were all made compatible with current technologies. While initiating this transformation, many business logics were revised, improved and simplified.

After-Sales Services Performance

The performance system created so our services could provide better quality service was also supported by the mobile audit application. Thus, previous inspections and scorecards both adopted an advanced design and were transferred entirely to a completely digital environment.



BOSS Service Management System Phase 2

New modules, improvements and integrations with service systems were realized in both domestic and international service management systems.

E-Cat 10 Online Spare Parts Catalogue

A total of 9 versions of Anadolu Isuzu services were updated and upgraded to include ten versions. Thus, a more user-friendly interface with more visual tools, enriched information, order integration and live support sections were made available to the service network.



Industry 4.0 and Digitalization Projects

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

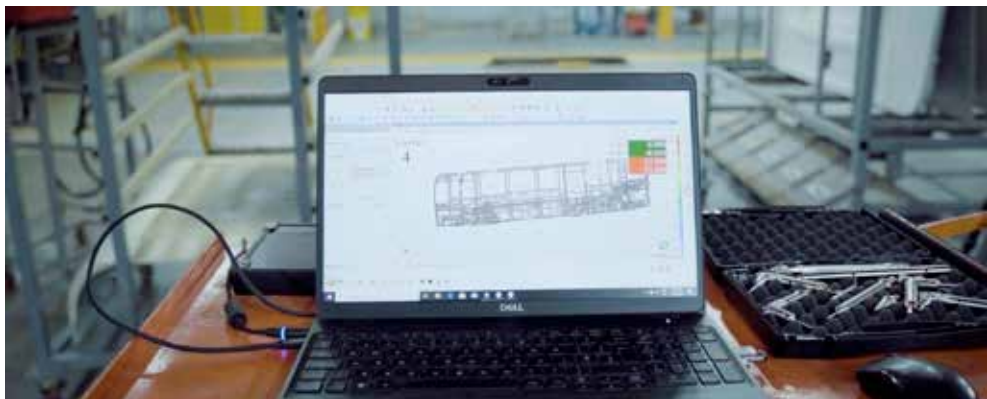
RPA - Robotic Process Automation

With the aim of increasing efficiency, robotic process automation projects were carried out at many points of the Company, including in the R&D unit. Many issues which do not add value but nevertheless need to be carried out were rendered more efficient, and were therefore no longer a burden, thanks to this technology. In addition, services points where are self-service were provided over the company's WhatsApp line.

AGV - Autonomous Guided Vehicle

Anadolu Isuzu started work on the OYA (autonomous guided vehicle) truck using its own design and production at the production plant. The OYA facilitates low value added transportation activities to be performed using autonomous guidance. Work on the prototype production is planned to continue with the new version in 2022.

Anadolu Isuzu unwaveringly maintains its efforts towards digitalization to create more efficient business models.





Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

In-line effective quality management at the production plants, quality assurance for the supplied parts, torque management and feedback meetings constitute critical pillars for the IM system.



IM (ISUZU MONOZUKURI) GLOBAL LEADER COMPANY

The IMM system built in 2000 was updated as the IM system in 2019. With the goal of Isuzu becoming a “global leader company” in the commercial vehicle segment, the IM system provides global quality assurance by producing ISUZU vehicles worldwide based on an equivalent production management and quality system, regardless of the production facility.

- Focus on the customer,
- Continuous improvement,
- Sustainability in production and quality,
- In-line control systems for effective quality management at the factory, quality assurance of the supplied parts, torque management and feedback meetings constitute the most critical pillars of the IM system.

Plants manufacturing with the Isuzu brand within the scope of the IM system are periodically audited by auditors from Isuzu-Japan. Production facilities which successfully pass the audit are awarded with an IM certificate which officially confirms the high quality of their production.

IM TRAINING

Within the scope of IM training, Anadolu Isuzu organizes workshop-based training sessions in accordance with the requirements, and offers technical training to improve the competencies and manual skills of its employees.

IM AUDITS

THE IM and 5S internal audits, which were suspended during the pandemic, resumed in December 2021 with the necessary measures being taken.

The 5S audits, the scope of which was developed and implemented at the end of 2017, continued in 2021.

5S audits were carried out in a total of 66 regions and IM audits were carried out in 39 production lines, which were and carried out in parallel with each other at the truck and bus production plants. In 2021, the maintenance departments and the kaizen workshop were included in the scope of 5S.

IM CERTIFICATE

All Anadolu Isuzu facilities were awarded a new IM certificate for truck, pick-up and bus assembly plants in 2019. The certificate is valid until 2024.





Anadolu Isuzu's truck and pick-up assembly plant is the only one in Europe, and its bus production facility is the only IM-certified Isuzu factory in the world.

ANADOLU ISUZU TECHNICAL TRAINING - COMPETENCE/SKILL ASSESSMENT AND DEVELOPMENT STUDIES

With the technical training and evaluation workshops established within Anadolu Isuzu, efforts to meet the training needs of employees continued in 2021.

Workshop-based technical training and activities were carried out to meet the needs of Anadolu Isuzu with a training staff of experts at the workshops, which were designed in consideration of the industry's requirements and the expectations of export markets.

KEY COMPONENTS OF THE TRAINING

- Training sessions on ergonomics, assembly, painting and welding were provided to improve operator skills and knowledge.
- On-the-job training was carried out in order to increase the efficiency of personnel planning in assembly lines. The vast majority of the workers at truck and bus assembly plants were rotated.
- A development-training program was organized for all group leaders to increase their technical and leadership skills.
- Operator-based improvement studies continue within the scope of the completed ergonomics training and evaluation.
- The development activities of the operators continued with training programs in different fields; within the scope of the training on disaster, fire, first aid, OHS and environmental areas, a total of 4,292 hours of training was provided to 1,355 employees.

Sustainability

- 64** Human Resources
- 74** OHS/Employee Safety
- 76** Anadolu Isuzu and the Environment
- 80** Anadolu Isuzu Energy Policy
- 81** COVID-19: Anadolu Isuzu's Approach and Measures
- 83** Social Awareness Projects at Anadolu Isuzu

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

A RESPONSIBLE CORPORATE CITIZEN

Anadolu Isuzu, which internalizes sustainability in its strategy and business cycle, is a responsible corporate citizen which contributes to the Turkish economy, its stakeholders and the society of which it is a part by creating value. Accordingly, it has determined its short, medium and long-term strategies.

In this part of the 2021 Annual Report, information about our social and environmental activities, which constitute the cornerstones of our performance in the field of sustainability, is presented to our stakeholders.

Anadolu Isuzu also shares an annual sustainability report. For detailed information, visit <https://www.anadoluisuzu.com.tr/surduruletmelik/raporlar> link, where our reports are located.

In line with Anadolu Isuzu's reason for its existence its strategies, the Human Resources department supports the motivation and commitment of its employees and works to improve their qualifications, contributes to the profitability of the company and adds value to the future of the organization.

ANADOLU ISUZU HUMAN RESOURCES MISSION

Anadolu Isuzu strives to improve the qualifications of its employees by increasing their motivation and loyalty, to contribute to the profitability of the Company and to add value to the future of the organization.

Anadolu Isuzu is managed with an approach that is innovative and dynamic, which invests in development and which respects social values and beliefs.

ANADOLU ISUZU HUMAN RESOURCES VISION

Serving as a strategic business partner that offers competitive advantage.

Anadolu Isuzu's Human Resources strategy is carried out within the framework of the following core policies:

- Providing the Company with human resources that offer a global perspective and the right skill set.
- Creating a work culture and human resources systems that strive to do better by working as a team and with knowledge in a business environment based on open communication and trust.
- Contributing to organizational efficiency and development.
- Strengthening the employee engagement culture.
- Creating a popular and people-oriented employer brand.

Anadolu Isuzu wants its employees to be people who think globally, remain open to teamwork and communication, emphasize development, who analyze and take the initiative, and act in accordance with a business and customer-oriented working principle. On the other hand, the Company prioritizes leadership, strategic thinking and managerial efficiency competencies in its executive candidates.

AN APPROACH WHICH IS AGAINST DISCRIMINATION AND SUPPORTS EQUAL OPPORTUNITY

In light of its values and corporate culture, Anadolu Isuzu embraces a "people first" approach, regardless of language, religion, race or gender.

Equality of opportunity, which is also included in the working principles of the Anadolu Group and implemented uncompromisingly, is supported throughout the organization. The Company ensures equality of opportunity and diversity in all HR practices, starting from the hiring process and proceeding with wages and careers.

AIMING TO BECOME A PREFERRED EMPLOYER

Anadolu Isuzu aims to become a preferred employer in the jobs market with its HR practices.

The company considers the management of human resources in which professionals provide high added value in a way that supports sustainable growth, which work with a focus on employee satisfaction and are open to continuous development and mutual open communication to be among its corporate priorities

The number of Anadolu Isuzu employees stood at 921 in 2021, with 141 employees working in the company's R&D Center in the same period. Anadolu Isuzu recruited 117 new people in 2021.

The basic principles guiding Anadolu Isuzu's human resources policies are equal opportunity for all, hiring and assigning the right person for the right job, equal pay for equal work, merit based on success, continuity and efficiency in working success, effective internal communication and sensitivity to society.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

In the light of its values and corporate culture, Anadolu Isuzu serves "people first" without discriminating on the basis of language, religion, race and gender.

Employees joining Anadolu Isuzu are handed a Welcome Kit and included in the 1-month orientation process which starts from the day they start working to support their process of adaptation to the corporate culture.



The selection and placement processes carried out in order to recruit qualified human resources to Anadolu Isuzu includes determining foreign language proficiency, numerical and verbal tests, personality inventory applications and reference searches. Our candidates are evaluated on a role basis equally, regardless of equality, religion, language, race, ethnicity or gender, and are selected meticulously and sensitively.

Employees joining Anadolu Isuzu were given a welcome kit and included in the 1-month orientation process which started from the day they started working to support their process of adaptation to the corporate culture.

ANADOLU ISUZU SUPPORTS THE PARTICIPATION OF WOMEN IN THE WORKFORCE.

With Anadolu Isuzu's employment approach implemented in line with the goal of ensuring the equality between men and women, the number of women in the total number of employees increased by 22% in the space of five years.

Continuing to work on women's employment, Anadolu Isuzu's Human Resources Department also implements projects to increase the satisfaction and standards of current female employees in the work environment.

OPEN JOBS MODEL

The "Open Jobs Model" aims to open vacant positions to the entire Group and to allow employees to benefit from these opportunities in line with their competencies, experience and wishes. The model also enables talented individuals working in other Anadolu Group companies to be aware of career opportunities in group companies.

With this platform Anadolu Isuzu aims

- To increase communication and transparency within the Company/Group,
- To help its employees take the initiative regarding their career,
- To ensure more effective use of human resources (competence and skills),
- To increase employee motivation and their commitment to the institution.

ANADOLU ISUZU PERFORMANCE MANAGEMENT SYSTEM

The Anadolu Isuzu Performance Management System allows teams and individuals to boost their performance and improve their competencies. Contributing to Company success, the Performance Management System focuses on the development of employees in addition to business results, and provides feedback on the strengths and areas of development for all employees.

Performance criteria and annual performance targets for employees are determined within the framework of the Company's strategies and goals.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

CONTRIBUTIONS OF ORGANIZATIONAL DEVELOPMENT ACTIVITIES

Emphasizing organizational development activities at all times, Anadolu Isuzu continued to work on organizational designs that will serve the Company's strategic goals, and implemented new business models in 2021.

Anadolu Isuzu aims to create sustainable targets with its performance management system, which focuses on objectively evaluating employee performance.

Employees may set their goals through the system and easily carry out approval processes from any location throughout the year. Evaluations are carried out twice a year with an "Interim Performance Evaluation" and a "Year-End Performance Evaluation".

Anadolu Isuzu believes that one of the most critical factors in its vision of growth, change and the digital transformation in its vision is its human resources.

Creating an inclusive and development-supporting culture in line with the Human Resources strategy is one of the top priorities. While building the future, Anadolu Isuzu aims to develop talent which can keep up with innovation, possesses vision, think strategically and is open to development in these areas.

HIGHLIGHTS FROM THE TRAINING SESSIONS IN 2021...

With the training and development activities carried out for continuous improvement and development, Anadolu Isuzu aims to strategically improve all employees in the relevant areas of focus.

Prioritizing continuous training and development in its human resources system, Anadolu Isuzu aims to expand the vision of its employees and support their technical skills, knowledge, and personal development.

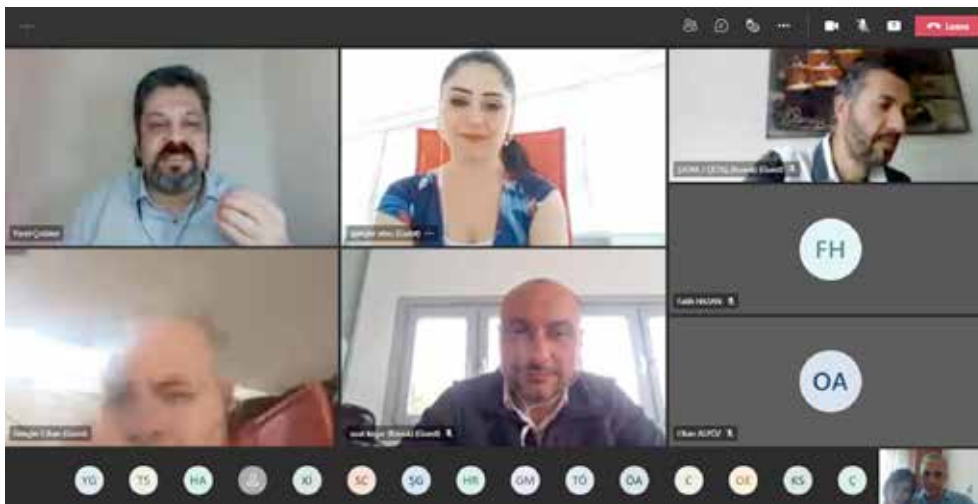
Needs for development are determined within the scope of the competence assessment system in line with the feedback received from managers and colleagues, as well as the outputs of manager-employee interviews and HR planning meetings. Short-term and long-term training and development plans are drawn up accordingly.

Organizational development programs are carried out at Anadolu Isuzu in order to support young talent and raise new leaders.

Leadership Development Program with Sabanci University

The Leadership Development Program was designed together with Sabanci University in order to support First Level Managers and Team Leaders in their managerial competencies and their progress in creating

The training and development activities carried out for continuous improvement and development at Anadolu Isuzu have the strategic aim of developing all employees in their focus areas.



Corporate development programs are organized within Anadolu Isuzu in order to support young talent and train new leaders.



Training in areas such as time management, emotional intelligence, stress management and customer experience management were conducted online in order to improve the competencies of employees.

a common management understanding and language unity, while enabling the review of their leadership skills and their views on the business and potential issues with an understanding of integrity. The Leadership Program consists of 5 main modules, 7 topics and a Business Simulation application and a total of 10 training days.

Developing executive financial literacy

The One-on-One Financial Coaching program was initiated with the goal of explaining how to interpret the statements with financial transactions, handle analysis and applications, improve the financial literacy of each manager, even if they are not directly involved in financial management, and to allow them to observe the effects of the actions of their own department on the Company results and financial statements with a holistic approach.

The aim of the program is to gain a holistic financial perspective and to foresee the effects of the financial dimension in all decision processes at Anadolu Isuzu. In the same context, the Finance School program consisting of four separate training sessions for managers was held in order to foresee the effects of the financial dimension in all decision processes at Anadolu Isuzu.

OHS, accident investigation and risk analysis training

Occupational health and safety, accident investigation and risk analysis training sessions were organized in order to provide a healthy and safe environment, reduce occupational accidents and diseases, provide information about the occupational risks faced by employees and the necessary measures to be taken against these risks, and raise awareness on occupational health and safety.

ISO 50001 Energy management awareness training

Work on ISO 50001:2018 has got underway. Within the scope of the Energy Management System certification studies, the ISO 50001 Energy management awareness training program was offered, in which details of the

certification process and basic information concerning the management system were explained.

Digital Transformation Program

A Digital Transformation Program was offered to provide an understanding of digitalization in different dimensions, to use it as accurately and efficiently as possible in our business and in our lives, and to strengthen our new generation competencies. The program started with the "Digitalizing World" conference held with the participation of Ufuk Tarhan.

The program continued with "Digital Transformation Ambassadors" from different departments, who put themselves forward as volunteers. A total of 1,457 hours of training was provided to Digital Transformation Ambassadors on the subjects of Digitization, Agile approach, Industry 4.0, Power BI and the Power App. The program continued with "Data Drivers Next" under the coaching of professional consultants with the aim of implementing and transforming the training into projects. The Digital Transformation Ambassadors were divided into five groups who put their theoretical knowledge into practice with machine learning and power BI methods on various projects.

Remote access training

Training in areas such as time management, emotional intelligence, stress management and customer experience management were conducted online in order to improve the competencies of employees.

The "flexible online training" application was rolled out, enabling employees to receive technical training within the budget defined for them through the online training platform of their choice. With this application, employees received 1,398 hours of training.

English Language courses were offered to employees who use English in their daily business cycle, in order to improve their English proficiency. In 2021, employees received a total of 482 hours of tuition with these courses.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

For group-wide synergy

With a focus on supporting the synergy between Anadolu Group Companies and the organizational development of the Group, a process was developed to bring together employees from different companies and contribute to their development. Having started with the inventory valuation carried out at the end of 2019, this process continues with a comprehensive Development Program.

4,292 hours of training

Operator development activities continued with training programs in different fields, with 1,355 employees receiving a total of 4,292 hours of training within the scope of disaster, fire, first aid, OHS and environmental training sessions.

Theoretical and practical training was given on the safety precautions and risks to be taken in the maintenance of electric and hybrid vehicles.

Basic First Aid training

After a 2-day Basic First Aid training program, 35 Anadolu Isuzu employees successfully passed the exam and were awarded their first aid certificates.

MESS and TISK Online academy platforms

Anadolu Isuzu Employees may participate in training on a range of topics including leadership, communication, personal productivity and IT through the MESS and TISK Online academy platforms.

“Someone in the know will explain”

Online webinars of “Someone in the know will explain” were held, where experts come together to share their experience allowing employees to develop and learn in different fields.

The “Climate Change” webinar with Prof. Dr. Levent Kurnaz

The “Children’s adaptation to school and parents’ approach after Covid-19” webinar with Dr. Özgür Bolat

“The Road to the Republic” webinar with poet and writer Sunay Akın,

The “Economic Developments and Adaptation to Changing Business Conditions” webinar was held with Prof. Dr. Sadi Uzunoğlu.

Other training

Areas of strength along with areas open to improvement were identified through the 360-Degree Leadership Style Assessments carried out for employees in the team leader, manager and manager positions, and development plans were set out with Group Coaching conducted within this framework.

Training on “Conflicts of Interest and Effective Management of Conflicts of Interest” was provided in order to gain awareness of possible conflicts of interest with our stakeholders on the basis of ethical business conduct, the reporting of these situations in a timely and appropriate manner and the effective management of conflicts of interest.

Training on “Competition Law” was provided where employees gained theoretical and practical knowledge to evaluate the very different situations and problems they encounter in their business life from a competition law perspective.

THE AG ACADEMY - THE DISTANCE LEARNING PLATFORM

Anadolu Isuzu’s Human Resources Department carries out pioneering work in digital transformation in order to create the infrastructure of a qualified workforce and to provide a working environment for technological development.

The AG ACADEMY is the Anadolu Group training and development platform which removes the barriers to accessing information, enables continuous learning, and directly affects business performance.

Employees may participate in training programs designed according to their needs at the AG ACADEMY.



Training on the Competition Law was provided, where employees will gain theoretical and practical knowledge to evaluate the very different situations and problems they encounter in their business life from the perspective of competition law.



Attaching tremendous importance to internal communication activities, Anadolu Isuzu publishes its Human Resources policies and procedures on a portal which employees are able to access.

THE IMPORTANCE OF INTERNAL COMMUNICATION AND EMPLOYEE SATISFACTION

Emphasizing internal communication, Anadolu Isuzu publishes its human resources policies and procedures on a portal that is accessible to employees.

The Company conducts employee satisfaction and loyalty surveys are conducted at regular intervals. Furthermore, employees are given the opportunity to share their innovative ideas on an e-platform with the goal of maintaining healthy communication between employees and the management team.

Surveys are conducted with an online application to receive the opinions and suggestions of employees on different issues. With this structure, which allows employees to respond to the survey both from their smartphones and their computers, it is possible to obtain views on the desired subject at any time. Employees may offer suggestions through the online platform. These suggestions are evaluated by the HR team and feedback is provided to the employee.

Highlights

- Yoga sessions were held as part of corporate wellbeing activities.
- Within the scope of the Anadolu Group Employee and Family Support Program, employees may obtain information and support on any matter from experts by calling the support line at any time of their choosing. With the online dietician application, employees may ask their assigned dietitian questions about their eating habits, and their online dietician them creates a special diet.
- The Company launched the new intranet "ISUZUM" which allows the management of all internal processes.
- With the ISUZUM application, all processes from payroll viewing to overtime and leave entries, lunch lists, and surveys are accessible to all employees anytime, anywhere. Through ISUZUM, the digital assistant Digisu has also stepped in,

allowing many transactions which are needed during the day to be carried out in a matter of seconds over WhatsApp, thus speeding up work and simplifying processes. Within the scope of the Environment Day, informative content created in consideration of current and future needs was provided to employees with an emphasis on "where we do things matters just as much as what we do".

- At Anadolu Isuzu, the power of working together, the story of producing successfully and gaining strength from cooperation was shared with all employees through the video created with the contribution of disabled employees.
- On the International Day of Persons with Disabilities on 3 December, employees whose child has a disability, along with their spouses, were presented with surprises, and all disabled employees at Anadolu Isuzu and the senior management team came together at a dinner event.

EMPLOYER BRAND - "OUR WAY WILL COME, YOU ARE OUR STRENGTH!"

In order to convey Anadolu Isuzu's fields of activity, working culture and vision to potential candidates, Anadolu Isuzu launched its banner of "Our Way Will Come, You are our Strength!".

Under the banner of "Our Way Will Come, You are our Strength!", many practices for the development, future and working conditions of employees were sustained and strengthened.

Anadolu Isuzu's new employer brand offered an attractive and powerful tool to best demonstrate and explain success, the vision for the future, unity and power.

PROJECTS INVOLVING COLLABORATION BETWEEN INDUSTRY AND ACADEMIA

Talent Pick-Up

Processes have been redesigned in order to render Anadolu Isuzu's university-campus communication process more efficient, to provide students with the "Anadolu Isuzu employee experience" and to attract

promising talented students to Anadolu Isuzu. In this context, all internship and youth communication applications were gathered under the “Talent Pick-Up” banner and our applications were renewed. The project is presented with three different options.

Talent Pick-Up is an internship program initiated in order to provide experience in Anadolu Isuzu to selected department and university students for a period of 10 weeks during the summer.

The Talent Pick-Up Experience, on the other hand, is an internship program which allows university students who can organize their course plans accordingly to gain real work experience at Anadolu Isuzu over a period of six months.

Talent Pick-Up Plus is an internship program initiated for university students seeking to complete one full-term internship during the academic year (Autumn and Spring).

Talent Pick-Up was launched in July 2021. In order to provide trainee candidates with a qualified recruitment experience in line with the requirements of the age, the stages of the process such as the interview, personality inventory and English test were carried out digitally.

A total of 20 university students participated in the Talent Pick-Up Internship program. During the 4-week program period, training on remote access was carried out, bringing members of Anadolu Isuzu’s senior management together with interns. In the program, 20 projects were implemented in parallel with the business processes.

One of the Most Admired Talent Programs of the Year

The Talent Pick-Up Internship Program, which set out with the aim of offering university students a full start to their careers with experience and success, was recognized as being among the Most Admired Talent Programs of the Year in 2021 by Toptalent.co’s Top 100 Talent Program.

Anadolu Isuzu employees organize webinars within the scope of the “Talent Talks” program for university students within the framework of their expertise.

Anadolu Isuzu production engineers organize a digital tour of Anadolu Isuzu factory in the Talent Tech Tour program for university students, within the framework of the production line processes that constitute their expertise.

Talent Academy

The Talent Academy is a program implemented in cooperation between Anadolu Isuzu and the Bahçeşehir University Career Center.

The “CO-OP Education Model” is a model which has been implemented by Bahçeşehir University for 13 years, aiming to combine higher education with business life and to fill the gaps between the business world and the university. Within the scope of the cooperation, the 14-week Talent Academy course program got underway in the 2021-2022 academic year in order to train qualified human resources equipped with up-to-date information on Anadolu Isuzu’s own fields, products, services and applications.

VOCATIONAL HIGH SCHOOL-INDUSTRY COLLABORATION PROJECTS

Within the scope of the collaboration between industry and vocational high schools, 40 final year students studying at industrial vocational high schools were offered internship opportunities at Anadolu Isuzu.

The Anadolu Isuzu Paint Technologies Workshop established at the Küçükyalı Vocational and Technical Anatolian High School provides significant support to vocational education. At the workshop, training is provided to qualified painting professionals who are willing to follow and implement innovation, who are familiar with practical applications as well as

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information





Within the scope of cooperation between vocational high schools and industry, nine final year students studying at industrial vocational high schools were provided with internship opportunities at Anadolu Isuzu.

having theoretical knowledge, who adopt occupational health and safety rules and who act with environmental awareness. The project also contributes to the development of the qualified human resources required by the industrial sector.

As of 2021, a total of 62 students graduated from the Anadolu Isuzu Paint Technologies Workshop.

PROMOTIONAL ACTIVITIES AT UNIVERSITIES

Anadolu Isuzu sponsors case studies by participating in the career days of Turkey's leading universities. With Tech Tour, Anadolu Isuzu is introduced to students and academicians from all over Turkey and abroad.

The explanation of the technologies utilized, the discovery of R&D and production areas, and the answers given by the expert and experienced staff allow visitors to find out about Anadolu Isuzu.

During the year, technical trips were organized for Doğuş University, Düzce University, Gazi University and Istanbul Technical University, Yıldız Technical University and Kocaeli University student clubs and Vocational High School students, sharing information about the activities and the experiences of the expert staff.

Key developments in interactive events

- Anadolu Isuzu aims to bring students who are outstanding students in their subject to the Company by participating in the Interview Simulations days organized by Kocaeli University Engineer Brains Club.
- Marmara University Management Club participates in CWS Summit.
- More than 10,000 people from various parts of Turkey participated in the YEA event.
- The Company provided information about intra-company career opportunities by participating in the Career Days event organized by Marmara University Synergy Club.

- We participated in the KVK Academy event hosted by the Yıldız Technical University Quality Efficiency Club.
- The Company attended the 3D summit event held by the Audit and Consultancy Club at Bilkent University, where the topic of new generation engineering was discussed.
- Anadolu Isuzu provided a talk about effective career paths at the Career-In event hosted by the Enterprise and Investment Community at Hacettepe University.
- We took part in Beykent University Career Fair for a talent and career-filled view to the future.
- Yıldız Technical University met with university students who want to take a step towards their careers and future.
- We interacted with a total of 80 universities in 2021, reaching 78,800 students by participating in 54 activities.

OSD AUTOMOTIVE SUMMER CAMP

Organized between 1-14 July 2021 with the support of the Automotive Industry Exporters' Association (OIB) and the contributions of MESS/MEXT, the online certified Automotive Summer Camp event attracted a considerable amount of attention in its first year.

More than 53,000 students were enrolled in the Automotive Summer Camp, which was developed and implemented by the OSD Human Resources Committee of the Education Working Group, in order to increase the internship opportunities for students, which had been curtailed during the pandemic, and to increase the awareness of the automotive industry. Anadolu Isuzu representatives shared their experience in XR, AR, MR, AR with high school and university students.

UNION RIGHTS AND COLLECTIVE BARGAINING AGREEMENT AT ANADOLU ISUZU

Relations with blue-collar employees at Anadolu Isuzu are regulated within the scope of a collective bargaining agreement.

The Birleşik Metal İş Union is the bargaining agency at Anadolu Isuzu. There is one Head Representative and three Union Representatives elected from within the Company.

These representatives are obliged to follow the demands, complaints and problems of blue-collar workers, represent workers in committees such as the Disciplinary Board and the Occupational Health and Safety Board, and observe their legal rights within the limits set by law and the Collective Bargaining Agreement signed between Birleşik Metal İş Union and the Turkish Employers' Association of Metal Industries (MESS).

PROFESSIONAL COMPETENCY CERTIFICATION STUDIES

In accordance with the communiqué published by Ministry of Labor and Social Security of the Republic of Turkey, the Vocational Qualification Certification process got underway at Anadolu Isuzu in 2016. Workshop-based training was carried out in order to train qualified personnel for the automotive industry and grade employees based on their efforts.

"19UY0401-5 FLORIZED GREENHOUSE GAS EQUIPMENT TECHNICAL STAFF LEVEL 5" The Vocational Competence Certification process has been initiated with 23 of our employees successfully completing the exam, and being awarded their VQA certificate.

Exams were held within the scope of Automotive Painter, Automotive Assembler, Bridge Crane Operator and Automotive Sheet and Body Welder qualifications for the new employees, and 46 Anadolu Isuzu employees were awarded VQA certificates.

Bİ-FİKİR APPLICATION AND Bİ-FİKİR FESTIVAL

The Bi-Fikir Application and Bi-Fikir Festival stand out as platforms where Anadolu Group employees present their innovative ideas, develop their creativity as individuals and teams, and provide added value to Group companies. These platforms aim to develop the creativity and innovative qualities of the employees as individuals and teams, and include these characteristics in the organizational culture.

It continues to provide Bi-Fikir with the creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture with active participation of employees from every field.

In the final event for Anadolu Group's innovation program, Bi-Fikir, where the best of the 2021 projects were selected, the Bus Production team received the award for best Project in the Inventor Category with its Smart Factory project, and the Utilities team was awarded for its AGV-Automatic Guided Vehicle project.

In addition, the Smart Factory project was awarded the Most Digital Project Award by the Bi-Fikir jury.

Anadolu Isuzu supported the Long Vehicle Maneuverability project at the Bi-Fikir KAP Final, where innovative projects of university students were awarded.

With Bi-Fikir KAP, it is aimed to carry the innovation approach of Anadolu Group out of the group, to strengthen the employer brand, and to implement open innovation, useful, innovative and applicable project proposals for Group companies by collecting university students.

A POOL OF CREATIVE IDEAS AT KAIZEN DAYS

Kaizen is a Japanese word formed by combining the two words, Kai (meaning 'Change' in Japanese) and Zen ('Good'), creating a philosophy which refers to continuous improvement. In the long run, it represents the realization of improvements with small and firm steps. It is performed

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information





- Preparing employee engagement action plans for the company and departments and presenting them to senior management.

The "Satisfaction Team", which enables the realization of actions by evaluating development areas with a common mind, strengthened and developed the internal communication and social dialogue platforms. The Satisfaction Team and the Human Resources Department held periodic meetings throughout the year to evaluate the demands and suggestions of the departments to increase employee loyalty and to turn these suggestions into action. On the other hand, regular information was provided to the General Manager regarding the projects worked on, and action plans were shared

BRANDON HALL AND STEVIE AWARDS

Anadolu Isuzu won awards in the Stevie Awards and Brandon Hall Group-HCM Excellence Awards, which are among the world's most prestigious awards, with its applications which impact talent, satisfaction and development in the field of human resources.

The Company's Data Drivers, Satisfaction Team and Talent Pick-Up projects were recognized with four awards in the HCM Excellence Awards held in 2021, while the Data Drivers and Satisfaction projects were recognized with two awards in the Stevie Awards, in which more than 3,700 participants from 63 countries took part.

ANADOLU GROUP GOOD PRACTICES DAY

The Talent Pick-Up brand was selected as the best project in the Good Practices Day, which was held for the first time this year by the Human Resources Department of Anadolu Group, in which a total of 37 projects from eight companies were evaluated.

with little or no investment. By the end of the year, hundreds of Kaizens unite and create significant gains.

Anadolu Isuzu completed 908 Kaizen projects in 2021. Anadolu Isuzu always supports and encourages creative and innovative ideas, starting with the Quality Circle and Kaizen studies and turning these into the Company culture over time. Kaizen awards were presented to employees who carried out presentations on Kaizen days.

TEAM SATISFACTION AT WORK

Anadolu Isuzu's Satisfaction Team, representing all departments, takes the following steps aimed at supporting the satisfaction of its employees;

- Preparing activities related to areas under focus, together with the human resources department,
- Playing an active role in the creation of employee engagement action plans,

Sustainability of safe workplaces and ensuring high employee awareness are the main pillars of Anadolu Isuzu's adoption of zero occupational accidents as a constant and unwavering target.

ANADOLU ISUZU OCCUPATIONAL HEALTH AND SAFETY POLICY

The Anadolu Isuzu Occupational Health and Safety Management System is based on the joint participation and support of all employees.

In addition to fulfilling the obligations and other requirements of the Occupational Health and Safety legislation, we are working to create a safe work environment, improve the health and safety awareness of employees, prevent and treat work accidents, injuries and occupational illness. We are aware that it is our responsibility to protect the health and safety of our subcontractors, suppliers, interns, visiting guests and all other stakeholders.

As Anadolu Isuzu, we undertake that we will follow and support the sustainability and continuous development of a healthy and safe working environment in line with our targets for occupational health and safety, ensure continuous improvement by eliminating hazards and reducing Occupational Health and Safety risks, and do everything necessary to prevent health problems for our employees.

OCCUPATIONAL HEALTH AND SAFETY TARGETS OF ANADOLU ISUZU

Anadolu Isuzu regards human health and safety as a top priority. The Company has adopted "zero occupational accidents" as a permanent goal with the maintenance of safe working areas and employee awareness.

Working with the goal of "zero occupational accidents," Anadolu Isuzu decreases the injury frequency rate (IFR) every passing year. Thanks to the focus on occupational safety and health targets, the injury incidence rate in 2021 was the same as 2020, while marking a decline of 75% compared to 2015.

The near-miss notification system ensures that work environments are evaluated from the eyes of the employees and the areas open to improvement are determined on-site.

PUTTING SAFETY BEFORE ALL ELSE

Anadolu Isuzu always emphasizes the importance of OHS practices for a safe and healthy working environment with a number of sketches and dramas performed during the Occupational Health and Safety Week.

One of Anadolu Isuzu's top priorities is to touch people's lives by carrying out activities that improve and support ergonomic conditions in the working environment.

Introduction

Activities in 2021

Sustainability

Corporate Governance

Financial Information

Anadolu Isuzu carries out activities to emphasize the importance of OHS practices with a number of sketches and dramas performed during the Occupational Health and Safety Week, to promote a safe and healthy working environment.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

ANADOLU ISUZU ENVIRONMENTAL POLICY

Anadolu Isuzu is committed to establishing a sustainable environmental management system by continuously improving the environmental performance of its manufacturing activities, products and services, not disturbing the natural balance of resources, complying with the necessary regulatory obligations and the expectations of the related parties, preventing environmental pollution at its source, and aims to continuously protect the environment in line with these objectives.

ANADOLU ISUZU ENVIRONMENTAL MANAGEMENT SYSTEM

Anadolu Isuzu is focused on reducing the effects of its vehicles and activities on the environment.

The company monitors its environmental footprint in its products, at the production stages and in all processes in line with its environmentally friendly production approach, and implements projects which minimize its environmental impacts.

The main principles set out in Anadolu Isuzu's Environmental Policy form the basis of the environmental management approach. These principles contribute to environmental sustainability through reducing greenhouse gas and emissions, as well as studies on water, waste and chemical management.

The "Fit For 55" program, announced on 14 July 2021 within the scope of the European Union Green Deal aims to reduce European carbon emissions to a level which is 55% lower than their 1990 level by 2030. At the same time, Europe is taking firm steps towards becoming the first carbon-neutral continent by 2050.

Anadolu Isuzu continues its preparations ahead of the European Union Green Deal process. The company's net zero emission roadmap envisages a reduction in the use of fossil fuels in energy consumption and the complete termination of their use in line with the targets.

The infrastructure for the net zero carbon target is being prepared with the determination of the short-term climate target and setting out a long-term approach. As part of its activities being carried out to achieve its climate goals, Anadolu Isuzu aims to invest in renewable energy resources as part of its green transformation strategy.

CARBON FOOTPRINT

Anadolu Isuzu is focused on reducing the energy consumption and greenhouse gas emissions at its Şekerpinar manufacturing facility. In this context, the company conducts work to minimize the environmental impact of its processes and products.

In 2021, the ISO 14064:2006 Corporate Carbon Footprint calculation for 2020 was carried out and verified by independent institutions based on the ISO 14064 Standard. Anadolu Isuzu received the industry's first ISO 14064 Carbon Footprint Declaration Certificate within the framework of its responsibilities for a better future.

Within the scope of MRV, Anadolu Isuzu's production facility maintained its status as a low-emission facility in 2021 in the light of current process and energy consumption data. The course followed in the efforts to reduce greenhouse gas emissions is in parallel with the energy efficiency and savings projects. Planning is being carried out for projects to reduce the carbon footprint in the short and medium term.

VOC EMISSIONS

Anadolu Isuzu continuously monitors and controls the amount of volatile organic compounds (VOCs) released into the atmosphere from its manufacturing activities. The company reports the cumulative VOC values to the Ministry of Environment and Urbanization of the Republic of Turkey on an annual basis and carries out short-term and medium-term projects to reduce these values.

ANADOLU ISUZU ENVIRONMENTAL POLICY

Anadolu Isuzu is committed to establishing a sustainable environmental management system by continuously improving the environmental performance of its manufacturing activities, products and services, not disturbing the natural balance of resources, complying with the necessary regulatory obligations and the expectations of the related parties, preventing environmental pollution at its source, and aims to continuously protect the environment in line with these objectives.



With the aim of achieving sustainability of water resources, Anadolu Isuzu carries out work to reduce water consumption in its processes.



Environmental impacts such as climate change and global warming present an obstacle to accessing usable water resources.

In 2021, efficiency and savings projects were carried out for the use of chemical products, and solvent consumption amounts were kept under control with a tracking system. Chemical usage was optimized in trucks and buses, and significant progress was achieved in terms of VOC emissions and chemical consumption. As a result of all these efforts, the VOC values demonstrated a 7% year-on-year improvement in 2021.

WATER FOOTPRINT

With every passing day, environmental conditions such as climate change and global warming render it harder to access usable water resources. Striving for sustainability of water resources, which will become more crucial than all other resources in the future, Anadolu Isuzu conducts studies to reduce water consumption in its processes.

A 21% REDUCTION IN WATER CONSUMPTION PER VEHICLE

The major projects carried out in the cataphoresis section of the paint shop and the tracking system used in the garden irrigation system have yielded positive results in reducing water consumption. The work paved the way for a 21% reduction in the amount of water consumed per vehicle when compared to 2021.

ISO 14046 water footprint calculations were carried out for the first time in 2021. A water map was created to monitor the water consumption points in the factory, and work continued on reducing the water footprint.

The treatment facility, which has been in operation since the establishment of the Anadolu Isuzu factory, has two different wastewater treatment systems (i.e. industrial and domestic). The treatment of industrial wastewater is carried out in a continuous wastewater treatment plant based on chemical treatment processes. Chemical (continuous) wastewater comes from three

different sources (the acid-alkali wastewater line, industrial oil water line and the paint shop wastewater line).

The discharge water quality of the wastewater treatment facility complies with the wastewater discharge standards specified for industrial wastewater resources within the scope of the Water Pollution Control Regulation applicable in Turkey.

The control of pollution parameters is carried out with daily analysis at the laboratory inside the facility. With internalized technological and environmentally friendly practices, pollutant levels in Anadolu Isuzu's wastewater treatment plant remain well within the limits stipulated in the legislation in place in Turkey.

WASTE MANAGEMENT

Anadolu Isuzu provides process checks to prevent production waste at the source, the first level of the waste hierarchy. In order to achieve this goal, targets have been expanded to ensure continuous monitoring of all processes. Waste tracking is carried out with a department-based waste inventory management system. In this context, the practice of line-based waste controllers continued in the production departments, and projects were carried out to reduce the amount of waste generated by each department's own process. In addition, targets were set for production based on the product life cycle principle.

All employees at the truck and bus assembly plants were provided with waste management training and activities were carried out to raise awareness. The waste sorting system was strengthened with a zero waste approach in offices and dining halls. With the new system, it is possible to inspect all waste bins.

38% REDUCTION IN WASTE GENERATION PER VEHICLE

According to 2021 data, Anadolu Isuzu achieved a 38% year-on-year reduction in specific waste consumption per vehicle.

ZERO WASTE TARGET

On 5 November 2020, the Anadolu Isuzu Factory received the Zero Waste Certificate from the Ministry of Environment and Urbanization for the manufacturing facility in Çayırova.

Work continues on the Zero Waste Management system within the framework of the Zero Waste Regulation, which will ensure the effective management of raw materials and natural resources, and the protection of a sustainable environment as well as human health.

With the measures taken within the scope of the pandemic, the consumption of disposable plastics has increased, and the Blue Cap Project was initiated to address this situation. Business World Plastics Initiative activities are followed, with the aim of realizing projects which will provide benefits.

CONSERVING BIODIVERSITY

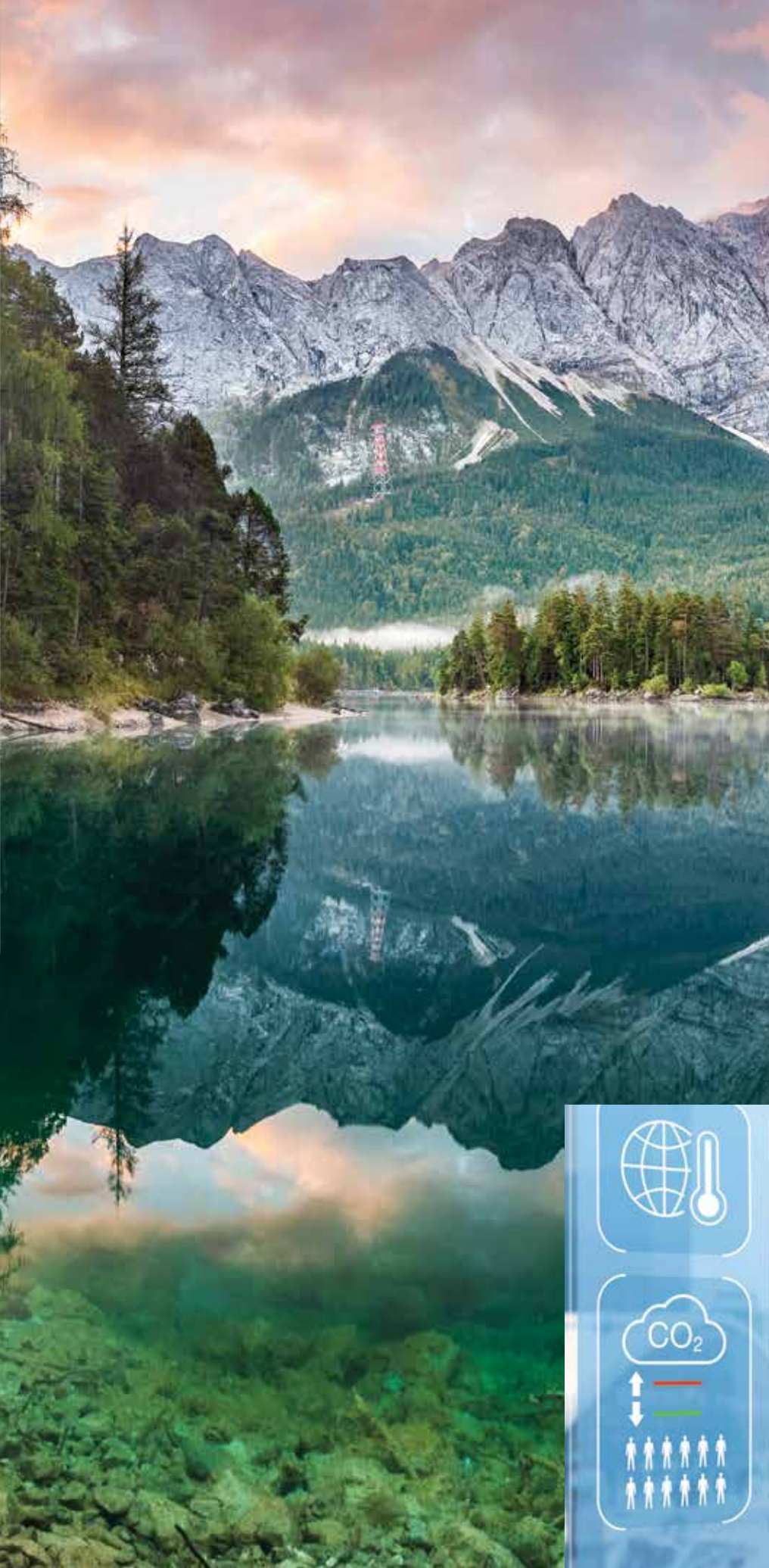
Climate change, pollution and the excessive and unsustainable use of resources have seriously damaged biodiversity in the last century, threatening human life. Anadolu Isuzu is aware of the importance of biodiversity and contributes to the protection of biodiversity, which plays an important role in the Company's sustainability vision, in line with its environmental policy.

ANADOLU ISUZU SHARES ITS ENVIRONMENTAL PERFORMANCE WITH ITS EMPLOYEES.

Anadolu Isuzu continuously improves its environmental performance through the numerous projects and studies it carries out. The company shares its environmental performance targets with its employees and publishes the results obtained through the Environment Bulletin, which it prepares using monthly data.

Anadolu Isuzu achieved a 38% improvement in the specific waste consumption per vehicle in 2021 when compared to 2020.





ENVIRONMENTAL AWARENESS SUPPORTED BY TRAINING AND INFORMATIVE ACTIVITIES

Anadolu Isuzu provides regular environmental training for its employees in order to increase their environmental awareness. All environment and ADR training for Company employees was completed through relevant conferences. In addition, the knowledge provided in training was reinforced with specific exercises. A total of 2,567 person-hours of environmental training was provided in 2021.

Up-to-date informative notes on environmental issues are shared and announcements are made on digital screens installed in common areas of the Anadolu Isuzu facilities.

In 2021, comprehensive efforts were carried out to raise the awareness of stakeholders, as well as factory employees. Information on the European Green Deal was shared with all employees, suppliers and other stakeholders, and training on environmental obligations and 5S were organized with the participation of all dealers and services. Anadolu Isuzu also played an active role in the OSD Environment Committee and the TÜSİAD Environment and Climate Change working group.



Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

The main goal of the Anadolu Isuzu's energy policy is long-term environmental and economic sustainability.

Anadolu Isuzu aims to work to increase energy efficiency and savings in production activities, support the supply of energy-efficient and environment-friendly products, equipment and services, recommend energy-efficient options for the design and revision of facilities and processes, increase awareness for all employees by providing information and training on the efficient use of energy and environmental awareness, and increase long-term environmental and economic sustainability through its efforts by reducing energy consumption and costs.

ENERGY PERFORMANCE IN 2021

A wide array of projects has been implemented at Anadolu Isuzu's facility to increase energy efficiency, with energy efficiency efforts saving 765 GJ of energy in 2021.

On the other hand, energy consumption was maintained at a level within its targeted level by strictly implementing savings, so that the changes made to production plans during the pandemic would not adversely affect the amount of energy consumed per vehicle manufactured.

ANADOLU ISUZU IS FOCUSED ON CONTINUOUSLY IMPROVING ITS ENERGY PERFORMANCE.

Anadolu Isuzu continuously improves its energy performance with various projects and practices. Considering energy performance to be a major component in competition on a global scale, the Company always aims to do better in this area.

Energy saving efforts continued at Anadolu Isuzu in 2021. Actions were taken to effect improvements and fast-return Quick-Win projects were carried out.

Anadolu Isuzu monitors the energy consumption of its various departments in real-time over the energy system. This cycle allows the Company to determine any problems in energy consumption or

potential savings. The Company also designs and implements short-term, medium-term and long-term development/improvement activities.

The consumption data of the locations with high energy consumption are shared with departmental heads on a daily basis for immediate evaluation of the energy performance.

In 2021, department-based training and information meetings were held at Anadolu Isuzu to increase employee awareness on energy.

The Boiler Scada project will be carried out at Anadolu Isuzu in the upcoming period. The project aims to optimize energy consumption with an effective monitoring system.

PROJECTS TO IMPROVE ENERGY CONSUMPTION PER VEHICLE

In 2021, Anadolu Isuzu carried out electrical energy efficiency projects in various fields. Highlights from this work are provided below.

Installation work as part of the ISO 50001 Energy Management System has got underway. The transition to LED lighting was completed for more efficient energy use and homogeneous lighting.

The Lighting VAP Project has been examined and energy efficiency projects are being implemented. Compressed air installation was made more efficient by installing larger diameter pipes and a ring line. The company replaced its pumps with high pumps in order to increase energy efficiency in vehicle sprinkler tests. More efficient LED lighting was installed in to the factory production and storage areas. Environmentally friendly purchasing management paved the way for more energy efficient machinery and equipment.

Anadolu Isuzu played an active role in the OSD energy efficiency working group during 2021. The studies allowed for the evaluation of the actions regarding automotive industry facilities, one of the subjects in the National Energy Efficiency Action Plans.

ANADOLU ISUZU'S ENERGY PERFORMANCE

A wide array of projects has been implemented at Anadolu Isuzu's facility to increase energy efficiency, with energy efficiency efforts saving 765 GJ of energy in 2021.

COVID-19: Anadolu Isuzu's Approach and Measures

The existence of Anadolu Isuzu depends on its employees. Acting with this awareness, the Company has evaluated the reality of the pandemic from sustainability and OHS perspectives and implemented various measures focused on minimizing the risk of contamination among employees.

Having originated in Wuhan, the capital of China's Hubei Region on December 1, 2019, the virus outbreak spread rapidly around the world. The virus, which can be transmitted from person to person, was named SARS-COV2 (COVID-19). After subsequent developments, COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. With the declaration of the pandemic, cases and casualties were experienced in Turkey as well as in most of the other countries, restrictions and strict measures were put into effect and a relentless fight was initiated against the virus.

With the acceleration of the vaccination rollout on a global scale in 2022, progress has been achieved in the field of developing herd immunity against the virus. On the other hand, with the emergence of the Omicron variant, scientific circles started to suggest that pandemic would begin to evolve into an endemic disease.

With its strong healthcare system and modern infrastructure, Turkey has succeeded in managing the various waves of the pandemic with relatively few casualties. The pandemic, which turned into an unprecedented global crisis, caused a slowdown in production both in our country and the entire world, deeply affecting the business processes in all industries. In this process, the government prioritized the protection of employment, the full functioning of the economic and commercial cycle and the maintenance of economic stability. In addition, a nationwide support campaign was initiated with participation from individuals and institutions.

While the virus protection and defense mechanism was set out on the basis of wearing masks, observing distancing and hygiene was realized rapidly on an individual and institutional basis, practices such as working from home, shift arrangements and social assistance programs were effectively implemented throughout Turkey.

Anadolu Isuzu, Turkey's commercial vehicle manufacturer, followed a proactive

approach during the pandemic, adopting a management style specific to COVID-19, and quickly realized its measures and efforts for cooperation.

Anadolu Isuzu has embodied its sensitivity in this regard by developing new practices in order to protect its employees and stakeholders and fulfill its responsibility to society with its people-oriented management style.

EMPLOYEES

The existence of Anadolu Isuzu depends on its employees. Acting with this awareness, the Company has evaluated the reality of the pandemic from sustainability and OHS perspectives and implemented various measures focused on minimizing the risk of contamination among employees. These measures include;

- Working from home
- Moving Meetings and Trainings to online platforms
- Taking preventive and protective measures within the company
- Travel restrictions
- Employee support programs
- Raising awareness of employees.

BUSINESS PARTNERS (DEALERS AND SERVICES)

During the pandemic, Anadolu Isuzu has worked closely with its business partners, one of the key elements of its value chain. In addition to awareness-raising and perception development efforts, the Company has also provided online training and technical support. These efforts include;

- Measures for the workplace
- Measures for the customer
- Measures to protect personnel
- Cleaning, disinfection and ventilation
- Remote technical support
- Remote technical training

COVID-19: Anadolu Isuzu's Approach and Measures

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

CORPORATE CITIZENSHIP

Within the scope of its relations with society, Anadolu Isuzu focuses on value sharing and development activities for a wide range of people, from healthcare professionals to the end users of vehicles.

In cooperation with Garenta, Kia and KNS Automotive, intubation and biological sampling cabinets have been produced and delivered to hospitals and Provincial Health Directorates in many cities in Turkey in order to protect healthcare workers and reduce the spread of the virus in the hospital environment.

During the pandemic, healthcare professionals have been provided with gifts of appreciation.

As the commercial vehicle manufacturer of Turkey, Isuzu engineers some of its vehicles with a long-term perspective thanks to its advanced R&D infrastructure.

Focused on the sustainability of public health, these research studies include packages consisting of products and applications aimed at reducing the spread of the virus. These packages have been designed for application on new vehicles as well as Isuzu vehicles that are still in use.

COMMUNICATION

Anadolu Isuzu uses all communication channels with a focus on increasing awareness and perception about the pandemic.

The General Manager sends emails and SMS messages to all employees regarding the significance of COVID-19, its current status and the relevant measures.

All business lines, dealers and Isuzu authorized services are sent emails about the relevant measures at regular intervals.

Considering that the pandemic may continue to affect our lives in the upcoming period, Anadolu Isuzu will continue its protective, preventive and constructive activities in human, workplace and value chain axes with its human-oriented management style and responsibility to society, and will implement new measures if necessary.

Within the scope of its relations with society, Anadolu Isuzu focuses on value sharing and development activities for a wide range of people, from healthcare professionals to the end users of vehicles.



Social Awareness Projects at Anadolu Isuzu

Anadolu Isuzu has been carrying out its social responsibility activities with the contribution of an increasing number of volunteer employees every year since 2014. The work within the scope of Social Awareness Projects focuses particularly on education, the environment and disabilities.

Anadolu Isuzu reaches out to every segment of society and every point of trade with its vehicles, which assume different roles in the life and trade cycle. Based on this simple fact, Anadolu Isuzu regards social responsibility activities as a major part of its corporate identity.

Anadolu Isuzu carries out social responsibility activities in order to increase the welfare of individuals and create sustainable and permanent value for society. The Company fully supports social development through cooperation. The Company focuses on volunteering in its social responsibility activities.

Anadolu Isuzu is an active member of the Private Sector Volunteers Association (OSGD), which operates with the aim of spreading the sense of corporate volunteering in the private sector and carrying it out in a sustainable and systematic manner.

ANADOLU ISUZU CONTINUES TO SUPPORT WITH ITS VEHICLES THE TRAVELING LIBRARY PROJECT STARTED BY THE INCI FOUNDATION IN 2015.

With a vehicle transformed into a library, Anadolu Isuzu has been providing books for primary school students in financially strained regions of Izmir since 2015. The library in the vehicle allocated by Anadolu Isuzu includes 7,500 books provided by the Atatürk Provincial Public Library. Aiming to get children to develop the habit of reading, the project brings students together with child writers and supports the language development of children with various workshops. Within the scope of the project, 13,435 students were interacted with, and 7,435 books were borrowed in the 2020~2021 academic year.

ANADOLU ISUZU EMPLOYEES VOLUNTEER IN PROJECTS FOR EDUCATION, ENVIRONMENT AND DISABILITIES.

Anadolu Isuzu has been carrying out its social responsibility activities with the contribution of an increasing number of volunteer employees every year since 2014.

Efforts within the scope of Social Awareness Projects focus particularly on education, environment and disabilities.

Unused clothes, unread books and unused toys are left in colorful favor boxes on the ground floor of Anadolu Isuzu Headquarters before they meet their new owners. With the wonderful feeling of producing and sharing, Company employees put all of their good intentions in boxes.

The clothes and toys collected in these boxes are sent to the Anadolu Foundation.

HIGHLIGHTS FROM THE ANADOLU ISUZU SOCIAL AWARENESS PROJECTS IN 2021

Aid campaigns were carried out with the participation of employees in order to reduce the effects of natural disasters which occurred in 2021 in different parts of our country and to heal their wounds.

Food was distributed to victims of the floods in Sinop and Kastamonu in cooperation with the AHBAP Association.

The donations collected to treat animals affected by forest fires were delivered to those in need. The collected donations were distributed and sent to AHBAP, Haytap and the Angel's Farm associations.

Moreover, support was provided to the relevant regions by taking action to heal the wounds inflicted in the regions which were ravaged by forest fires.



From left to right: Orhan Özer, Tuncay Özlhan, Recep Yılmaz Argüden, Ahmet Murat Selekt.

Tuğban İzzet Aksoy, Hiroko Yaguchi, Kozo Yamaguchi, Koki Hino, Reo Sawada, Kamil Ömer Bozer and Özdemir Osman Kurdaş did not participate in the photo shoot.

Board of Directors resume information can be found on page 86-89.



From left to right: Efe Yazıcı, Hurşit Zorlu (Anadolu Group's CEO), Kamilhan Süleyman Yazıcı, Ahmet Boyacıođlu.

Tuncay Özilhan **Chairman**

Tuncay Özilhan was born in Kayseri. He graduated from Saint-Joseph Private French High School and Istanbul University Faculty of Economics, and then completed his MBA in business administration at the Long Island University in the USA. He started his business life as the General Manager of Erciyas Biraçılık in 1977, and went on to serve as the Brewing Group Coordinator and subsequently the General Coordinator of Anadolu Endüstri Holding. Özilhan was appointed as the CEO of Anadolu Group in 1984 and continued his duties under this position until February 2017. He has been serving as the Chairman of the Board of Anadolu Group since May 2007. Özilhan is also the Chairman of the Board of Anadolu Foundation and various Anadolu Group companies. Having served as the President of TÜSİAD from 2001 to 2003, Özilhan still serves as the Chairman of the High Advisory Council of TÜSİAD, Member of the Board of DEİK, Chairman of the Executive Board of the Turkey-Russia Business Council, Estonian Honorary Consul and Chairman of the Anadolu Efes Sports Club. Özilhan holds "The Order of the Rising Sun, Gold and Silver Star," one of the most prestigious decorations presented by the Japanese government, and decorations from the Ministry of Foreign Affairs of the Republic of Estonia.

Kamilhan Süleyman Yazıcı **Vice Chairman**

Kamil Yazıcı holds a bachelor's degree in business administration from Emory University in the United States and an MBA from the American Institute of Business and Economics (AIBEC) in Russia. Yazıcı started his career in 2000 at the Anadolu Group Financial Affairs Department, and went on to serve at the Anadolu Efes Russia Marketing

Department from 2003 to 2005. He was appointed the new Product Development Manager in 2005. Continuing his duties in Russia as Logistics System Manager from 2006 to 2008, Yazıcı was appointed Supply Chain Director in 2008, and Development Director in 2010. Yazıcı started working as the General Manager of Anadolu Efes Moldova in 2011, and served as the Market Development Director of Anadolu Efes from 2014 to April 2017. Yazıcı continues to serve as a Member of the Board and Vice Chairman at Anadolu Group companies.

Tuğban İzzet Aksoy **Member**

Tuğban İzzet Aksoy graduated from the Management and International Finance Department of the University of Oglethorpe in the USA, following his education at the Austrian High School. He began his professional career as an Assistant Expert in the Financial Affairs Directorate at Anadolu Endüstri Holding, in 1996. In December 1998 he was appointed as a Senior Broker at the Alternatifbank Treasury Department. Following five years in this role, Aksoy took on the role of Corporate Finance and Risk Manager at the Treasury and Risk Management Department of Anadolu Endüstri Holding A.Ş. in June 2003. In April 2008, he became Assistant Coordinator at Business Development Directorate, and between 2009-April 2019, he worked as Anadolu Group Energy Sector Coordinator. He continues to serve as Board Member in various Anadolu Group companies. Aksoy, who has participated in professional training and seminars in his field, is member of energy groups of TÜSİAD, TOBB and DEİK. Aksoy has been serving as an honorary consul of Georgia since 2016 and also holds Georgian Government Medal of Honor.

Efe Yazıcı
Member

Efe Yazıcı graduated from George Washington University Department of Business Administration in 1999, and earned his MBA from Sabancı University in 2003. Having served as the Assistant Fund Manager at Merrill Lynch from 1997 to 1999, Yazıcı joined Anadolu Group in 1999. Serving in various roles at ABank, Anadolu Endüstri Holding, TurkeCom, Anadolu Efes and Efes Moscow from 1999 to 2002, Efe Yazıcı worked at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. from 2003 to 2014, under the roles of Export Specialist, Export Supervisor, Marketing Supervisor, Marketing Manager, Sales Manager and Export Manager, respectively. Serving as the General Manager of Antgıda A.Ş. since 2015, Efe Yazıcı is a Member of the Board of Billur Tuz A.Ş.

Özdemir Osman Kurdaş
Member

Özdemir Osman Kurdaş was born in 1960. He graduated from TED Ankara College in 1977 and from Boğaziçi University Department of Mechanical Engineering in 1981. He also received his MSc in Mechanical Engineering from Boğaziçi University in 1983. Having worked at Isuzu Motors Ltd. in Yokohama, Japan from 1984 to 1986, Kurdaş worked as a design specialist at the Anadolu Isuzu factory under Anadolu Group from 1986 to 1988. He is the founder and partner of GSD A.Ş. and has been serving as the CEO of the company since 1988. He was one of the founders of the Industrial Automation Manufacturers' Association (ENOSAD) in 2005 and served as the Vice President of the association. Kurdaş has been on the board of directors of Kamil Yazıcı Yönetim ve Danışma A.Ş. since its establishment.

Recep Yılmaz Argüden
Member

Providing management consultancy services to various national and international companies on business excellence, institutionalization and sustainability, Dr. Yılmaz Argüden is the founder of ARGE Danışmanlık and continues to serve as its Chairman. In addition to serving as the Chairman of the Rothschild investment bank in Turkey, he has served on the Boards of more than 50 companies in various countries. Having started his career at Koç Holding R&D Center, Dr. Yılmaz Argüden went on to serve as Strategic Analysis Specialist at The RAND Corporation, and worked with 20 countries at the World Bank Loans Department as Division Supervisor. Upon the invitation of the government in 1988, Dr. Argüden returned to Turkey and carried out the country's Privatization Program until 1990. Dr. Argüden served as

the Prime Minister's Chief Economic Advisor in 1991. Having shared his experiences in books, columns and strategy lessons at Boğaziçi University, Koç University and Turkish War Colleges, Dr. Argüden has served in international positions such as Member of the High Advisory Board of the IFC Global Corporate Governance Forum and Vice Chairman of the Corporate Governance Committee of Business at OECD (BIAC). He led the establishment of the non-profit Argüden Governance Academy. He was elected the Chairman of the National Advisory Board Network and served on the UN Global Compact Board of Directors. He founded and/or led various non-governmental organizations such as KalDer, The Educational Volunteers Foundation of Turkey, Private Sector Volunteers Association, BÜMED, Turkish Economic and Social Studies Foundation (TESEV), Turkey-U.S. Business Council, and Turkey-Canada Business Council. Having received various awards in categories such as Strategic Leadership, Outstanding Citizenship and Distinguished Career, Dr. Argüden was listed among the "100 Global Leaders of the Future" by the World Economic Forum for his efforts to improve the state of the world.

Kamil Ömer Bozer
Member

Ömer Bozer was born in Istanbul in 1958. He graduated from METU Department of Business Administration and received his master's degree from Georgia State University. Bozer started his career as a trainee in Koç Group in 1983 and later served as Assistant General Manager and General Manager at Maret and Düzey Pazarlama, and became the General Manager of Migros in 2002. At Koç Group, Bozer served as the President of the Food, Retail and Tourism Group from 2005 to 2006, the President of the Food and Retail Group from 2006 to 2008, and the President of the Food, Retail and Tourism Group again from 2008 to 2011. Kamil Ömer Bozer is a Board Member at Anadolu Group companies and an Independent Board Member at Söktaş Tekstil, Tüpraş, Arçelik and Boyner Perakendecilik. Kamil Ömer Bozer is a non-executive member in accordance with the CMB Corporate Governance Principles, and is not an independent member.

Ahmet Boyacıoğlu Member

Ahmet Boyacıoğlu was born in 1946. He received his bachelor's degree from the METU Faculty of Administrative Sciences Department of Business Administration. Boyacıoğlu started his career in Efes Beverage Group in 1973. From 1973 to 2005, he served as Regional Sales Manager for Bursa, Sales Manager of Ege Biracılık ve Malt San. A.Ş., General Manager of Güney Biracılık ve Malt San. A.Ş., General Manager of Ege Biracılık ve Malt San. A.Ş., Eastern Europe President, International Brewing Operations Group President, and Strategy and Business Development Director. Boyacıoğlu was appointed the President of the Efes Brewing Group in May 2005 and retired on 1 February 2007. Boyacıoğlu currently serves as a Member of the Board of Directors at some of the Anadolu Group companies.

Hiroko Yaguchi Member

Born in 1962, Mr. Yaguchi completed his undergraduate studies at Yaguchi Sophia University. He joined Isuzu Motors in April 1986 before working in the Foreign and European Planning and Project Department between 1986-1991 and then in the Sales Group, European Department, European Group, Europe, Latin America, Oceania and Africa Department and Personnel Department between 1992-1993. Between 1993-1995, he worked in the Latin America Group, the Overseas Sales Department, and then in the Taiwan & Korea Group, the Overseas Sales Department and International Operations in the International Department between 1996-1998. Between 1998-2000, he worked in the International Department of the Panama Representative Office, and in June 2000 became the Director. He continued his duties as a Manager in the North America Sales Department between 2001-2002, and in the Group and Latin America Group International Departments between 2002-2007. Between 2007 and 2010, he worked as a Manager in the Europe and Turkey Group International Department. Between 2011 and 2014, he continued to work as a Manager at CIS & Southwest Asia Group International Sales Department and Europe Group International Sales

Department. In 2016, he worked as the General Manager in the International Sales Department. In 2017, he was appointed to Isuzu Australia Ltd., before being appointed as the General Manager at the Regional Management Office in April 2021.

Kozo Yamaguchi Member

Kozo Yamaguchi was born in 1955 in Hiroshima, Japan. After graduating from Yokohama National University Faculty of Engineering in 1978, he started his career in 1978 at Isuzu Motors Ltd. in Japan. He served as Isuzu's Heavy-Duty Truck Development Manager between 1978 and 1995, Medium-Duty Truck Development and Engineering Group Leader between 1995 and 2000, Bus Development and Engineering Group Leader between 2000 and 2004, General Manager of Chassis Development and Engineering for all trucks between 2004 and 2008, General Manager of Bus Production Planning and Development between 2008 and 2014, and as J-Bus Operations Manager at the Department of Bus Body Development between 2014 and 2017. He has been in charge of bus production and planning at Isuzu Motor Ltd. since 2017.

Koki Hino Member

Koki Hino graduated with a degree in Law from Keio University in 1986. He joined the Itochu Corporation in April 1986. He worked in the Export Textile Machinery Department between 1986-1992, in the Industrial Machinery Department in the Soviet Union and Eastern Europe Department and in the Industrial Machinery and Industrial Systems Department in the Middle East Department between 1992-1993. Working at the Karachi Branch of the Itochu Corporation between 1993-1997, Mr. Hino worked at ISTCM in a temporary transfer between 1998-2000. Between 2000 and 2005, he served as the President of TEXMAC, a subsidiary of the Itochu Corporation. He worked as an Assistant Department Manager and

Department Manager in the Industrial Machinery Projects Department between 2005-2006, in the Construction Machinery and Overseas Projects Department between 2007-2008 and as the Departmental Manager in the Industrial Machinery Solutions Department and the Machinery Planning and Management Department between 2009-2011, as the Assistant General Manager at CIS company between 2012-2015, as an Office Manager in the Itochu Corporation's Kyiv Branch between 2015-2019, as the Deputy General Manager for Turkey between 2019-2020 and as the Office Manager of the Itochu Corporation's Ankara Branch. In 2020 and 2021, he served as the Deputy General Manager for Turkey and the Office Manager of the Itochu Corporation's Istanbul Branch. Since 2021, he has been working as the General Manager in Charge of Turkey and the Office Manager of the Itochu Corporation Istanbul Branch.

**Reo Sawada
Member**

Sawada was born in 1985. He completed his undergraduate education at Kobe University Department of Russian Studies. He started his duties at Itochu Corporation as a Sales Representative at the Russian Automotive Department in 2008, and went on to serve as the Assistant to the General Manager of Suzuki Motors Rus LLC in Moscow, Russia between August 2012 and August 2013, Assistant to the General Manager of Suzuki Motors Rus LLC in Almaty, Kazakhstan between August 2013 and July 2014, and Project Leader for Isuzu between July 2014 and August 2019. Reo Sawada has been working as Advisor to the General Manager at Anadolu Isuzu since August 2019.

**Ahmet Murat Selek
Independent Member**

Ahmet Murat Selek has a bachelor's degree from Boğaziçi University Department of Mechanical Engineering, and a master's degree from the Cornell University (USA) Department of Mechanical Engineering, Murat Selek started his career in 1983 as a Purchasing Specialist at Enka İnşaat. Having

served as the Planning and Commercial Activities Manager of Çukurova Ziraat between 1986 and 1987, Selek made the transition to Otoyoil Sanayi A.Ş. in 1987 and served as the Project Coordinator and Foreign Procurement Manager of Otoyoil Sanayi A.Ş. until 1992. Starting to serve as Assistant General Manager of Marketing, Sales and After-Sales Services at Tofaş in 1992, Selek went back to Otoyoil as General Manager between 2003 and 2007, and then started working at Karsan Otomotiv, where he served as CEO between 2008 and 2016, and as a Management Consultant between 2016 and 2017. Selek continues his career as a Strategic and Corporate Management Consultant. Selek meets all of the independent member criteria in the CMB Corporate Governance Principles.

**Orhan Özer
Independent Member**

Orhan Özer graduated from Middle East Technical University Department of Business Administration in 1982, and went on to serve as Supervisor at Oyak-Renault Otomobil A.Ş. between 1984 and 1986, Manager at H.Ö. Sabancı Holding between 1986 and 1991, and Assistant General Manager at Goetze Istanbul Segman A.Ş. between 1991 and 1995. He joined the Toyota family in 1995 and served as Assistant General Manager at Toyota Otomobil Türkiye A.Ş. between 1995 and 2002, Vice President at Toyota Motor Europe between 2002 and 2008, Senior Assistant General Manager at Toyota Otomobil Türkiye A.Ş. between 2008 and 2010, and General Manager at Toyota Otomobil Türkiye A.Ş. between 2010 and 2016. Özer meets all of the independent member criteria in the CMB Corporate Governance Principles.



Back row from left to right: Aşkın İnci, Ali Salihi, Arif Özer, Hakan Kefoğlu, Murat Sever, Yusuf Teoman
Front row from left to right: Kemal Özer, Hakan Özenç, Yusuf Tuğrul Arkan, Leyla Ayşegül Örs, Neşet Fatih Vural

Bora Koçak

Automotive Group President

Bora Koçak was born in Ankara in 1969. He graduated from Ankara Atatürk Anatolian High School in 1985, the Mechanical Engineering Department of the Naval Academy in 1989 and the Advanced Management Program at Harvard Business School in 2007. He served as Chief Technical Officer in Technical Management Positions in the Turkish Navy between 1989 and 1996. He respectively served as Training Supervisor, After-Sales Services Supervisor and After-Sales Services Manager at Çelik Motor Ticaret A.Ş. between 1996 and 1999, and continued to serve at the same company as Kia Product Manager between 1999 and 2001, and Kia-Honda-Lada Product Director between 2001 and 2005. He served as the General Manager of Citroen Baylas Otomotiv A.Ş. between July 2005 and 2008, and General Manager of Mazda Motor Europe (Turkey) between 2008 and 2010. Having worked as the General Manager of Çelik Motor Ticaret A.Ş. from 2010 to July 2016, Bora Koçak was appointed the President of Anadolu Group Automotive Group on 1 August 2016. Koçak is also a Board Member at the Automotive Distributors' Association (ODD) and MESS.

Yusuf Tuğrul Arkan

General Manager

Born in Germany in 1963, Y. Tuğrul Arkan graduated from Sankt Georg Austrian High School, and then from Boğaziçi University Department of Business Administration. Arkan started his career in 1986 at Pfizer. He went on to serve as the General Manager of ÇBS Printaş and Deputy General Manager of Türk Ytong. In 2002, he started working as the Finance Director of Olmuksa A.Ş., a joint venture of Sabancı Holding and International Paper, and became the General Manager of Olmuksa in 2007. Having served as General Manager at Anadolu Isuzu since 18 March 2013, Arkan is a member of the Turkish Society for Quality (KALDER), the European Federation of Corrugated Board Manufacturers (FEFCO), the Turkish Corrugated Cardboard Industrial Association (OMUD), the Turkish Marine Environment Protection Association (TURMEPA), the Private Sector Volunteers Association, and the Business Council for Sustainable Development Turkey.

Hakan Özenç
After-Sales Services Director

Hakan Özenç was born in 1968 in Gölcük. He graduated from Ankara Atatürk Anatolian High School in 1986, and METU Department of Mechanical Engineering in 1990. He completed the Marmara University Executive Development Program in 1999, and his Executive MBA at Sabancı University in 2006. Özenç worked at Anadolu Isuzu respectively as Quality Control Engineer, Quality Control Supervisor, Material Supply Supervisor, Bus Production Supervisor and Production Manager between 1994 and 2006, and as R&D Manager between 2007 and 2013. Having served as Technical Director in charge of Production, Quality Control, Production Planning and Stock Control from 2014, Özenç has held the position of Operational Functions Group Director since 1 January 2022.

Hakan Kefoğlu
International Sales Director

Hakan Kefoğlu was born in Istanbul in 1979. He graduated from Istanbul German High School in 1998 and Koç University Department of Business Administration in 2003. Before joining our Company, he worked as an Advisor at IBS between 2001 and 2004, and as Foreign Trade Specialist and Foreign Trade Supervisor at Mey İçki between 2005 and 2009. He served as the Export and National Chain Stores Manager of Doluca Şarapçılık between 2009 and 2010. Kefoğlu, served at Anadolu Group as Export Development Manager and Export Manager between 2010-2015, and as Export Director between May 2015 - December 2021. He has been serving as Commercial Functions Group Director since 1 January 2022.

Neşet Fatih Vural
Financial Affairs Director

Born in Antakya in 1980, Neşet Fatih Vural graduated from the Department of Economics at Boğaziçi University in 2004, the Department of Justice at and Okan University in 2016. He is currently a student at the Faculty of Law at Erzincan University. Mr. Vural started his career as an Assistant Social Auditor at Intertek between July 2003 and December 2003. Between September 2004 - April 2007, he worked at as a Senior Auditor at PWC, as a Senior Auditor at KMPG between October 2007 - March 2008, as a Financial Controller at Anadolu Efes between March 2008 - March 2010, as a Financial Control Manager at Efes Kazakhstan between March 2010 - August 2013, as a Financial Control Manager at Anadolu Efes between August 2013 - April 2015, as a Financial Control Manager at Çelik Motor A.Ş. between May 2015 - December 2015. He worked as a Finance Manager at Çelik Motor A.Ş. between January 2016 - December 2020. Mr. Vural holds CIA, SMMM, CMA and CRMA certificates and licences for CMB Derivatives, CMB Capital Market Activities Level 3, CMB Credit Rating and CMB Corporate Governance Ratings.r

Mustafa Kemal Özer
Supply Chain Director

Mustafa Kemal Özer was born in 1966 in Ankara. He graduated from Yıldız Technical University Department of Industrial Engineering in 1987. Özer worked at Anadolu Isuzu as Production Planning Engineer, Production Planning Supervisor, Production Planning and Inventory Control Manager, Material Supply Manager and Purchasing Manager between 1990 and 2015, and was appointed as Purchasing Director in May 2015. Having served in this position until May 2017, he has been working as the Supply Chain Director of Anadolu Isuzu since May 2017.

Arif Özer **R&D Director**

Arif Özer was born in 1971 in Frankfurt. He graduated from Izmit Technical High School in 1989, and Yıldız University Department of Mechanical Engineering in 1993. In 1996, he did his master's degree on Advanced Manufacturing Techniques at the University of Salford. Özer worked at Anadolu Isuzu respectively as Material Supply Engineer, Quality Control Supervisor, Quality Control Manager, Material Supply Manager and After-Sales Services Manager between 1996 and 2013. Having served as R&D Manager between 2013 and 2015, he has been working as R&D Director since May 2015.

Ali Salihi **Marketing and Business Development Director**

Ali Salihi received his bachelor's degree at Boğaziçi University Department of Psychology, and did his MBA at Bahçeşehir University. He worked at Doğu Otomotiv-Volkswagen Ticari Araç as Marketing Communications Specialist between 2005 and 2007, and Marketing Communications Manager between 2007 and 2009. Salihi then made the transition to the Audi brand under Doğu Otomotiv, serving as Marketing Manager between 2009 and 2011, and Manager of the Product and Pricing Team between 2012 and 2015. Having worked as Marketing Manager in charge of Renault Passenger Cars and Commercial Vehicles at Renault MAİS between 2015 and 2018, Salihi started working as Marketing Manager for five countries at BASF Türk in November 2018. In February 2020, Ali Salihi was appointed as Marketing and Business Development Director at Anadolu Isuzu. He has been serving as Strategy, Product, Project and Business Development Director since 1 January 2022.

Murat Sever **Technical Director**

Murat Sever was born in 1977 in Istanbul. He graduated from Hüseyin Avni Sözen Anatolian High School in 1994, received his bachelor's degree at Uludağ University Department of Industrial Engineering Department in 1998, and his master's degree at Istanbul University Department of Business Administration in 2007. Sever started his career in 1998 at Vepa Firça San. Tic. A.Ş. as Product Manager. He served at our Company's Production Planning and Control Department as Stock Control Engineer between December 2000 and August 2006, Production Planning Engineer between August 2006 and January 2011, Production Planning Supervisor between January 2011 and January 2015, Truck & Pick-Up Production Manager between January 2015 and February 2018, and Bus Production Manager between February 2018 and January 2020. Since 2020, he has been working as Technical Director in charge of Quality Control, Bus Production, Truck Production and Utility Services.

Leyla Ayşegül Örs Bingöl
Human Resources Director

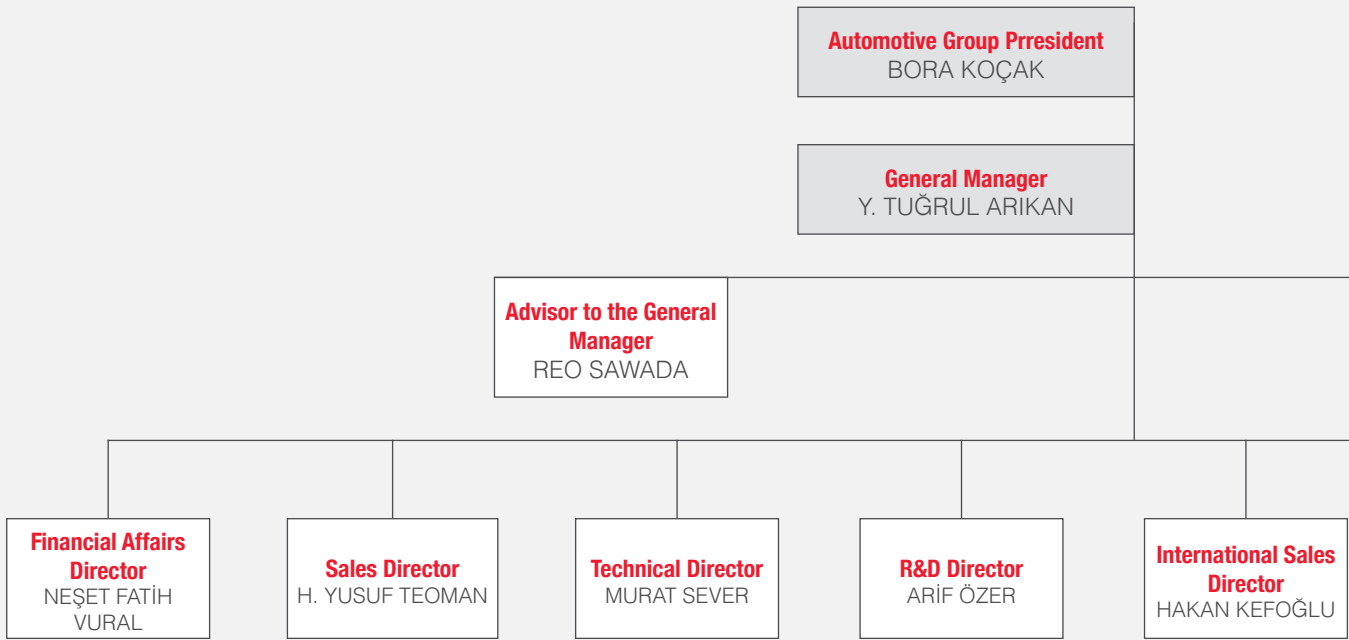
Leyla Ayşegül Örs Bingöl was born in Istanbul in 1981. She graduated from Italian High School in 2000 and England Middlesex University Department of Human Resources in 2004. She served as Assistant Personnel Manager at Sofra London between 2001 and 2004, Researcher at Nicholson International Consultancy between 2004 and 2005, Recruitment and Fundraising Manager at İzmir Tesco Kipa A.Ş. between 2005 and 2006, Human Resources Specialist and subsequently Human Resources Supervisor at Anadolu Endüstri Holding A.Ş. between 2007 and 2011, Human Resources Manager at Çelik Motor Ticaret A.Ş. between 2011 and 2015, and Human Resources Director at Anadolu Efes Türkiye between 2015 and 2018. Ayşegül Örs Bingöl has been serving as Human Resources Director at Anadolu Isuzu since August 2018.

Hasan Yusuf Teoman
Sales Director

Born in 1965 in Istanbul, Yusuf Teoman graduated from Moda High School in 1982 and Istanbul Technical University Department of Mechanical Engineering in 1987. He completed the Marmara University Business Management Certificate Program in 1988, and did his MBA at Georgia College in 1990. He served respectively as Assistant Sales Coordinator and Regional Coordinator for Iran, Israel, Syria, Jordan and Iraq at Ram Dış Ticaret A.Ş. between 1991 and 2002, as Industry Manager at DHL Express between 2002 and 2003, respectively as Export Manager, Project Coordinator and Sales & Marketing Director at Iveco Otayol Sanayi A.Ş. between 2003 and 2008, and respectively as Business Development Director, After-Sales Services Director and Sales Director at Iveco Araç Sanayi ve Ticaret A.Ş. between 2008 and 2017. Yusuf Teoman started working at Anadolu Isuzu in May 2017 as the Director of the Trucks and Pick-Ups Business Division, and has been continuing his duties as Sales Director since July 2018.

Aşkın İnci
IT Director

Aşkın İnci was born in 1979 in Dinar. He graduated from Ankara Alparslan Anatolian High School in 1997 and from METU Department of Mathematics in 2002. He earned his master's degree in Engineering Management at METU Department of Industrial Engineering in 2010. Having worked at MAN Türkiye between 2003 and 2010, İnci served as Business Solutions Manager at Hidromek A.Ş., and IT Manager at Eczacıbaşı Building Products Group. He began working at Anadolu Isuzu in 2017 as IT Manager, and has been working as the Company's IT Director since 2020. He also leads the Digital Transformation of our Company.



As of 01.01.2022, the position of 'Operational Functions Group Director' reporting to the General Manager has been established and the Supply Chain, Technical and After Sales Services Directorates will report to this position. Hakan Özenç, who was working as After Sales Services Director in our company, has been appointed to the position of Operational Functions Group Director.

In addition, the 'Commercial Functions Group Director' position reporting to the General Manager has been established and the Domestic Sales, International Sales Directorates and Marketing Communications and Dealer Development Directorate will report to this position. Hakan Kefoğlu, who was working as the International Sales Director in our company, has been appointed as the Commercial Functions Group Director.

**Advisor to the General
Manager**
KOZO YAMAGUCHI

**Supply Chain
Director**
MUSTAFA KEMAL
ÖZER

**Human Resources
Director**
L. AYŞEGÜL ÖRS
BİNGÖL

**Marketing and
Business Development
Director**
ALİ SALİHİ

**After-Sales Services
Director**
HAKAN ÖZENÇ

IT Director
AŞKIN İNCİ

YÖNETİM KURULUNUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. Genel Kurulu'na

1) Görüş

Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. 'nin 1 Ocak 2021 – 31 Aralık 2021 hesap dönemine ait tam set finansal tablolarını denetlemiş olduğumuzdan, bu hesap dönemine ilişkin yıllık faaliyet raporunu da denetlemiş bulunuyoruz.

Görüşümüze göre, yönetim kurulunun yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulunun Şirketin durumu hakkında yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

2) Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK) tarafından yayımlanan Türkiye Denetim Standartlarının bir parçası olan Bağımsız Denetim Standartlarına (BDS'lere) uygun olarak yürütülmüştür. Bu Standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Etik Kurallar) ve bağımsız denetimle ilgili mevzuatta yer alan etik hükümlere uygun olarak Şirketten bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

3) Tam Set Konsolide Finansal Tablolara İlişkin Denetçi Görüşümüz

Şirketin 1 Ocak 2021 – 31 Aralık 2021 hesap dönemine ilişkin tam set finansal tabloları hakkında 21 Şubat 2022 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

4) Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Şirket yönetimi, TTK'nın 514 ve 516 ncı maddelerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

a) Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.

4) Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu (Devamı)

b) Yıllık faaliyet raporunu; şirketin o yıla ait faaliyetlerinin akışı ile her yönüyle finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtacak şekilde hazırlar. Bu raporda finansal durum, finansal tablolara göre değerlendirilir. Raporda ayrıca, şirketin gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.

c) Faaliyet raporu ayrıca aşağıdaki hususları da içerir:

– Faaliyet yılının sona ermesinden sonra şirkette meydana gelen ve özel önem taşıyan olaylar,

– Şirketin araştırma ve geliştirme çalışmaları,

– Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, aynı ve nakdî imkânlar, sigortalar ve benzeri teminatlar.

Yönetim kurulu, faaliyet raporunu hazırlarken Ticaret Bakanlığının ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

5) Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK hükümleri çerçevesinde yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulunun yaptığı irdelemelerin, Şirketin denetlenen finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan finansal bilgiler ve Yönetim Kurulunun yaptığı irdelemelerin finansal tablolara ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

Bu bağımsız denetimi yürütüp sonuçlandıran sorumlu denetçi Koray Öztürk'tür.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Koray Öztürk, SMMM
Sorumlu Denetçi

İstanbul, 11 Mart 2022

ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş.

1) GENERAL INFORMATION

Reporting Period:	1 January 2021 - 31 December 2021
Company Title:	Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş.
Trade Registration No.	173921
MERSIS No:	0068006909500014
Head Office:	Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü 34771 Ümraniye/İstanbul
Factory Address:	Şekerpınar Mah. Otomotiv Caddesi No:2 41435 Çayırova/Kocaeli
Tel:	+90 850 200 1900
Fax:	+90 262 658 8556
Website:	www.anadoluisuzu.com.tr

Capital Structure

As of 31 December 2021, the Company's capital is TL 84,000,000. There was no change in the capital amount in the current period.

As of 31 December 2020 and 31 December 2021, the shareholders' shares and their ratio in capital are as follows.

Shareholder	31.12.2020		31.12.2021	
	Share Amount	Share Ratio	Share Amount	Share Ratio
AG ANADOLU GRUBU HOLDING A.Ş.	46,535,401	55.40%	46,535,401	55.40%
ISUZU MOTORS LTD.	14,275,509	16.99%	14,275,509	16.99%
ITOCHU CORPORATION	10,706,534	12.74%	10,706,534	12.74%
OTHER	12,482,556	14.87%	12,482,556	14.87%
TOTAL	84,000,000	100.00%	84,000,000	100.00%

Direct or Indirect Subsidiaries of the Company and Their Share Ratios

The Company's subsidiary and partnership ratios are as follows.

Subsidiary	31.12.2020	31.12.2021
	Share Ratio (%)	Share Ratio (%)
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	100.00%	100.00%

2) MANAGEMENT AND ORGANIZATION

Board of Directors:

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 12 members, adding up to a total of 14 members. All of the members of the Board of Directors were elected at the Ordinary General Assembly Meeting on 28 May 2021, to serve until a new Board of Directors is formed at the next Ordinary General Assembly Meeting.

Members of the Board of Directors and their job descriptions are as follows:

Name	Duty
Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Tuğban İzzet Aksoy	Member
Efe Yazıcı	Member
Özdemir Osman Kurdaş	Member
Kamil Ömer Bozer	Member
Recep Yılmaz Argüden	Member
Ahmet Boyacıoğlu	Member
Reo Sawada	Member
Hiroko Yaguchi	Member
Koki Hino	Member
Kozo Yamaguchi	Member
Orhan Özer	Independent Member
Ahmet Murat Selek	Independent Member

Duties of Board Members and Executives Outside the Company

There are no rules established by the Company for the Board Members on assuming other duties outside the Company, but the regulations stipulated in the Corporate Governance Principles apply.

The Company's Board of Directors convened eight times throughout the period.

Committees Established Within the Board of Directors

Pursuant to the provisions included in both the Turkish Commercial Code and the Communiqué on Determination and Implementation of the Principles of Corporate Governance issued by the Capital Markets Board, the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee were established for the fulfillment of the duties and responsibilities of the Board of Directors. Regulations regarding the working principles of the committees are published on our corporate website (www.anadoluisuzu.com.tr).

Following the election of the new Board Members at the Ordinary General Assembly Meeting held on 28 May 2021 and in line with the Board of Directors resolution dated 31 May 2021, the following committee members were determined in line with the Corporate Governance Principles published by the Capital Markets Board.

Corporate Governance Committee

Ahmet Murat Selek	Chairman
Mehmet Hürşit Zorlu	Member
Özdemir Osman Kurdaş	Member
Recep Yılmaz Argüden	Member
Neşet Fatih Vural	Member

The duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee.

The Corporate Governance Committee convened four times throughout the year.

Audit Committee

Ahmet Murat Selek	Chairman
Orhan Özer	Member

The Audit Committee convened four times throughout the year.

Early Detection of Risk Committee

Orhan Özer	Chairman
Tuğban İzzet Aksoy	Member
Kamil Ömer Bozer	Member

The Early Detection of Risk Committee convened twice throughout the year, and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. The Early Detection of Risk Committee informed the Board of Directors about its activities with a total of six bimonthly reports throughout the year.

Company Management

Senior management team and their job descriptions as of 31 December 2021:

Name	Duty
Bora Koçak	Automotive Group President
Yusuf Tuğrul Ankan	General Manager
Hakan Özenç	After-Sales Services Director
Hakan Kefoğlu	International Sales Director
Neşet Fatih Vural	Chief Financial Officer
Mustafa Kemal Özer	Supply Chain Director
Arif Özer	R&D Director
Ali Salihi	Marketing and Business Development Director
Murat Sever	Technical Director
Ayşegül Örs Bingöl	Human Resources Director
Hasan Yusuf Teoman	Sales Director

Financial Benefits Offered to Senior Managers

The benefits (salaries, bonuses, social benefits, premium, severance pay, notice pay) provided to our senior managers in 2021 added up to TL 19,756,859.

Human Resources and Employment

As of 31 December 2021, our Company employs a total of 921 people, of which 360 are white collar and 561 are blue collar workers. (31 December 2020: 802 employees, of which 329 are white collar and 534 are blue collar workers).

Human Resources and Employment

The Internal Audit Manager answers to the Audit Committee at the functional level, and to the General Manager administratively. The effectiveness of the Company's internal control system is also monitored through internal audits. The findings and risks identified with the internal audit carried out in 2021 were communicated to the Company's senior management and the relevant departments together with suggestions for improvement.

Risk Management and Internal Control Mechanism

Risk Management and Internal Control System at Anadolu Isuzu is under the responsibility and control of Company management. The Corporate Risk Management function, which operates to provide assurance and consultancy to the management on these issues, reports directly to the Early Detection of Risk Committee.

Anadolu Isuzu Senior Management identifies critical opportunities and threats that may arise in terms of achieving the Company's targets within the frame of Corporate Risk Management and manages them in accordance with the risk appetite of our Company. Corporate Risk Management is a systematic and disciplined process that is established to determine Anadolu Isuzu's business strategies. It is influenced by all Company employees and covers all Company practices.

With the coordination of the Corporate Risk Management function, the risks that may arise for the goals of the Company are submitted to management for their consideration, and priority risks are identified. Priority risks, and action plans aimed at reducing these risks, are shared with the Early Detection of Risk Committee to be submitted to the Board of Directors. The management and continuity of this process integrated with strategic business plans is supported by technological infrastructure.

Some of the methods we use to manage our risks are as follows:

Performance and risk indicators are used as an early warning system to monitor risks and take the necessary measures on time. The SAP system, which is integrated into all processes within the Company, is an effective technological decision support system used for this very purpose.

This allows for instantaneous monitoring of activity results, elimination of human errors, early detection of risks and increased efficiency of the internal control system. At the same time, the internal communication system with high-level technology provides the opportunity to quickly intervene in any problem and produce solutions.

Business continuity and crisis management studies are carried out and supported by effective insurance management in order to prevent and reduce losses arising from risks that may cause business and production interruptions, such as natural risks and supply chain problems.

Investments are made in backup systems to prevent system damage and data loss in case of any extraordinary situation.

In addition, the Company instantly monitors environmental factors and extraordinary situations and investigates their causes, and continuously takes measures to minimize any risks.

The Internal Audit Department regularly reviews the company's risk management and internal control system within the frame of its risk-based audit plan, and reports to the Audit Committee and Company Management:

Accuracy and reliability of Financial and Operational Information
Efficiency of operations
Protection of company assets
Ensuring compliance with laws, regulations and contracts

Selection of Independent Audit Firms

After the relevant evaluations and consulting the Audit Committee, the Board of Directors selected DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (member of Deloitte Touche Tohmatsu Limited) as the independent audit firm for the fiscal year of 2021 in line with the Turkish Commercial Code and Capital Market regulations. This resolution by the Board of Directors was approved at the Ordinary General Assembly meeting dated 28 May 2021.

Forward-Looking Assessments

Anadolu Isuzu continues its efforts to strengthen its position in foreign markets, open up to new markets by leveraging the global sales network of its partner Isuzu Motors Ltd, and increase the number of export countries and export turnover. The most significant dynamic of the Company in 2021 is, yet again, its strong export structure.

Our company aims to expand its product portfolio and increase profitability with successful R&D projects. The Company also aims to expand testing services by opening testing activities at the R&D Center to various companies inside and outside the industry.

Investments Made in 2021

Investments totaling TL 117.7 million were made during January-December 2021.

Tangible Fixed Asset Investments	
Description (TL)	2021
Land and Land Improvements	837,656
Buildings	1,440,156
Facility Machinery and Devices	27,954,000
Vehicles	1,104,449
Fixtures	184,125
Total Tangible Fixed Assets Investments	31,520,386
Intangible Fixed Asset Investments	
Description (TL)	2021
Rights	125,703
Other Intangible Fixed Assets	10,134,223
Ongoing Investments	75,838,438
Total Intangible Fixed Asset Investments	86,098,364

Financial Results

Independently audited financial statements showing the operating results of the year 2021 and the relevant footnotes are presented in the relevant sections of the Annual Report. The asset size of Anadolu Isuzu increased by 87% year-on-year and reached TL 3,607 million, while its revenue rose by 116% to net TL 2,678 million.

Gross profit increased by 124.8% year-on-year to TL 565 million, while income from main operations was TL 236 million and net profit was TL 211 million.

Our Company closely monitors financial risks and makes sure to keep such risks within the limits determined by the Board of Directors and the Audit Committee. The basic policies applied for certain risks are explained in the footnotes of the financial statements together with information on the nature and levels of the risks.

Financial Data (TL)	2021	2020
Sales Revenue	2,678,041,855	1,241,213,253
Gross Profit	564,599,132	251,665,127
Operating Profit	235,590,229	72,440,582
EBITDA	301,746,548	114,521,328
Profit Before Tax	203,149,977	532,551
Net Profit (Controlling Shares)	211,426,746	13,648,318
Profitability Ratios	2021	2020
Gross Profit Margin	21.1%	20.3
Operating Margin	8.8%	5.8
Net Profit Margin	7.9%	1.1
Return on Equity	15.2%	2.4
Operating Expenses/Net Sales	12.3%	14.4
Financial Expenses/Net Sales	1.2%	6.2
EBITDA Margin	11.3%	9.2

Current Ratios	2021	2020
Current Ratio	1.3	1.1
Cash Ratio	0.4	0.3
Liquidity Ratio	1.0	0.7
Solvency Ratios	2021	2020
Trade Debt-To-Equity Ratio	72.6%	91.6%
Financial Debt-To-Equity Ratio	21.1%	62.8%
(Total Trade Debt + Total Financial Debt)/ Equity	139.7%	200.8%
Debt-to-Asset Ratio	61.4%	70.2%
Equity-to-Asset Ratio	38.6%	29.8%
Market Value (TL)	2021	2020
ASUZU	2,899,680,000	1,512,000,000

There were no instances of the company's capital being unrequited or the company being insolvent.

Amendments to the Articles of Association in 2021

During the meeting of the Board of Directors of the Company dated 24 March 2021, the decision was taken to amend Article 13 of the Company's articles of association entitled "Board of Directors" and to submit applications to the CMB and the relevant Ministry for amendment. Before being submitted to approval, in order to obtain the necessary permits and approvals in accordance with the relevant legislation, firstly to the Capital Markets Board and then to the Ministry of Trade, the decision was then taken to obtain the necessary permits and approvals for the amendments to the articles of association.

Necessary permits were obtained as set out in the letter from the Capital Markets Board dated 9 April 2021 and numbered E-29833736-110.03.03-4829, and with the letter from the General Directorate of Domestic Trade of the Ministry of Trade, dated 15 April 2021 and numbered E-50035491-431.02-00063310449. It was approved in the 2020 Annual General Meeting.

Production

Anadolu Isuzu continues production in the truck, light truck, midibus, bus and pick-up segments. Production volume increased in 2020 by 40% year-on-year to 4,606 units.

Production	2021	2020
Trucks	2,637	1,649
Light Trucks	439	3
Pick-Ups	-	65
Midibuses	602	934
Buses	388	246
Total Production	4,066	2,897

Anadolu Isuzu continues its vehicle sales with 30 sales points spread throughout the country and distributors in more than 45 countries. In 2021, a total of 5,057 vehicles were sold; 4,051 to the domestic market, and 1,006 to international markets.

Domestic Sales	2021	2020
Trucks	2,505	1,691
Light Trucks	455	3
Pick-Ups	806	243
Midibuses	264	539
Buses	21	10
Total Domestic Sales	4,051	2,486
Exports	2021	2020
Number of Vehicles	1,006	563

During this period, efforts were continued to develop and diversify export regions to take advantage of the new opportunities that may arise due to the circumstances.

After-Sales Services

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

Improving customer satisfaction

With a service network that covers all corners of Turkey, Anadolu Isuzu focuses on fulfilling the after-sales demands and expectations of customers in all segments in the best and fastest manner possible.

With the belief that the actual service starts after the sale, Anadolu Isuzu continued to expand its after-sales services in 2021.

The Company further improved its high level of customer satisfaction in 2021. The results of the satisfaction survey conducted with customers showed that the domestic customer satisfaction rate for Anadolu Isuzu remained high in 2021.

Anadolu Isuzu owes a great deal of its sustainable customer satisfaction to its after-sales service team that stands out with their widespread service network and tireless efforts.

As of the end of 2021, Anadolu Isuzu's domestic service network consists of 93 points operating in 59 provinces. Anadolu Isuzu vehicles abroad are served with 132 authorized service points in 45 countries.

Other Activities and Information

There are no administrative or judicial sanctions imposed on the Company and its management body, as there are no practices contrary to the provisions of the legislation.

Our company held its 2020 Ordinary General Assembly Meeting on 28 May 2021. The resolutions made during the General Assembly and the meeting minutes are published on our website and the Public Disclosure Platform. No extraordinary general meeting was held throughout the year.

There is no lawsuit filed against the Company that could affect its financial status and activities. Provisions for lawsuits filed against the Company as of 31 December 2021 and not concluded as of the balance sheet date are disclosed in the footnotes of our financial statements.

There was no special audit conducted during the accounting period. There are no penalties arising from public audits.

There is no legal action taken for the benefit of our main partners and their affiliates, with the guidance of our partners. There is no taken or avoided measure for the benefit of our main partners or their affiliate companies (TCC Regulations Art. 11).

The Company did not acquire its own shares during this period.

3) EVENTS AFTER THE BALANCE SHEET DATE

None.

4) DIVIDEND DISTRIBUTION POLICY

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other relevant regulations and the article on dividend distribution of our Articles of Association.

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company.

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated 21 March 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated 17 April 2014.

Since the Company wrote a loss in the 2017, 2018 and 2019 periods and there was no distributable net profit in 2020, there was no profit distribution in 2021 for these years.

ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş. BOARD OF DIRECTORS

2021 AFFILIATED COMPANY REPORT PREPARED UNDER ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

In accordance with Article 199 of the Turkish Commercial Code No. 6102 that entered into force on 1 July 2012, the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors is obliged to prepare a report on the Company's relations with the controlling shareholder and its affiliates in the previous year of operation within the first three months of the year of operation, and include the conclusion of this report in the annual report.

The necessary explanations on the transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the related parties are included in Footnote No. 27 of the financial reports.

"The report dated 21 February 2021 and prepared by the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors, shows no transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the controlling shareholders and their affiliates through the guidance of the controlling Company or with the intention of achieving results for the benefit of the controlling Company or its affiliates, and no measures taken or avoided for the benefit of the controlling Company or its affiliates. It shows that in all transactions carried out with the controlling shareholder and its affiliates in 2021, a counter act at arm's length was carried out in every transaction in accordance with the known terms and conditions to ensure that the operation is carried out in a competitive manner under the market conditions at the time of the transaction, there are no measures taken or avoided to cause damage to the Company in favor of our Company's controlling shareholder and its affiliates, and there are no actions or measures within this

SECTION I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Statement of Compliance with Corporate Governance Principles

All activities of our company are carried out in compliance with all legal regulations and the “Corporate Governance Principles” regulated by the CMB. In addition to the information on our Company’s practices for each of the subjects mentioned in the Corporate Governance Principles, this Statement of Compliance with Corporate Governance Principles includes justified explanations of cases where these principles have not been applied (if any), the conflicts of interest arising due to the failure to fully comply with these principles (if any), and explanations regarding whether there are plans to make changes in our Company’s management practices in the future within the frame of these principles.

Our Company deems it a strategic necessity to take all necessary measures in line with the requirements of the “Corporate Governance Principles” disclosed to the public by the Capital Markets Board. Our Company complied with the “Corporate Governance Principles” published by the CMB during the operation period of 1 January 2021 - 31 December 2021, except for certain principles outside of the ones we are obliged to comply with, as specified below. There is no conflict of interest arising from the non-applicable matters summarized below. In addition, the Corporate Governance Compliance Report (URF) and the Corporate Management Information Form (KYBF), prepared in line with the CMB’s Resolution No. 2/49 dated 10 January 2019, can be accessed through the Corporate Governance section on the Public Disclosure Platform.

(<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/861-anadolu-isuzu-otomotiv-sanayi-ve-ticaret-a-s>)

In accordance with Article 4.6.5 of the Corporate Governance Principles, the remuneration and all other benefits provided to the members of the Board of Directors and managers with administrative responsibilities are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis as in previous years, but in a manner that includes the distinction between the Board of Directors and the managers with administrative responsibilities.

There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company’s “Corporate Governance Principles.” The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.

Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming period.

Ahmet Murat SELEK Head of the Corporate Governance Committee	Hurşit ZORLU Member of the Corporate Governance Committee	
Recep Yılmaz ARGÜDEN Member of the Corporate Governance Committee	Özdemir Osman KURDAŞ Member of the Corporate Governance Committee	Neşet Fatih VURAL Member of the Corporate Governance Committee

SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

The personnel with name, contact and license information provided below are responsible for the investor relations department of our Company established under the Chief Financial Officer.

Working under Fatma Aksoy Özek in 2019, the Investor Relations Department has been working under Neşet Fatih Vural, who was appointed as Chief Financial Officer, as of 4 January 2021.

Neşet Fatih Vural - Investor Relations Department Manager/CFO

Phone: +90 850 200 19 00

Email: investorrelations@isuzu.com.tr

License: Capital Market Activities Level 3 License
Corporate Governance Rating License

Hami Engin Çöpoğlu - Member of Investor Relations Department/Financial Control and Reporting Manager

Phone: +908502001900

Email: investorrelations@isuzu.com.tr

The Investor Relations Department works primarily to ensure communication between the Board of Directors and shareholders, and to ensure the exercise of shareholder rights. In this context, issues such as making material disclosures on matters stipulated in accordance with the Capital Market legislation, preparing periodic information notes on the activities in order to inform investors, providing the content of the Company website, creating an annual report and meeting the written/verbal information requests of the shareholders are under the responsibility of the Investor Relations Department.

During this period, the Investor Relations Department answered questions from investors and provided the necessary explanations. During this period, more than 100 applications were made to the department, and the number of questions asked increased upon the publishing of the financial statements, announcement of the date for the Ordinary General Assembly Meeting and other material disclosures.

The Corporate Governance Committee oversees the works of the Investor Relations Department. In this context, the committee determines the standards and basic principles of investor relations, annually reviews these standards and principles and compliance and makes the necessary suggestions to the Board of Directors. The report prepared by the Investor Relations Department regarding the activities and submitted to the Committee at each Corporate Governance Committee meeting is also submitted to the Board of Directors by the committee. Four committee meetings were held in 2021.

2.2. Exercise of Shareholders' Right to Information

Information Requests of Shareholders from the Company

In line with its information policy, our Company ensures the complete and timely notification of all shareholders with all the information required for the proper exercise of their shareholding rights. Information requests from shareholders are evaluated within this frame. Transfer of information takes place within the scope of the content previously disclosed to the public.

Talks were held to ensure that domestic and foreign, corporate and individual investors, shareholders and analysts were informed about our Company's operating results, performance and other developments during the period, and all issues determined in accordance with the Capital Market legislation were announced to the public through material disclosures and press releases.

The questions answered within the scope of the information requests directly from the shareholders or intermediary institutions during the periods of financial statement announcements were about the Company's financial statements, the market structure, the change in the market, the development of the Company's market share and the new projects for the future and corresponding investments.

Assessment of Shareholder Information Requests and Announcement of Developments to Investors

Information requests from shareholders are answered immediately. The Company's website includes detailed information about the Company's capital structure, trade registry information, articles of association, organizational structure, periodic activities and financial statements, and the material disclosures made during the period.

In addition, our Company responds to the questions conveyed through the contact form on the website, one by one, in the shortest possible time and in line with the information disclosed to the public, especially to those asked by domestic individual investors.

Appointment of Special Auditors

Our Company's articles of association do not contain any provisions that make it difficult to conduct a special audit, and the Company management avoids any action that would make it difficult to conduct a special audit. Our Company acts in accordance with the relevant provisions of the TCC regarding the exercise of the right to request a special audit. There was no shareholder request for the appointment of a special auditor in 2021.

2.3. General Assembly Information

Our Company organizes its General Assembly meetings in accordance with all principles under the "General Assembly" heading of the Corporate Governance Principles.

Our Company held its Ordinary General Assembly meeting for 2020 at 2 p.m. on 28 May 2021 at "Esenkent Mahallesi Deniz Feneri Sokak No: 4 Ümraniye 34776 Istanbul" with the participation of 85 percent of the partners.

Shareholders were invited to the General Assembly meeting at least three weeks before the meeting date with an advertisement in the national newspaper. In addition, written invitations were sent out to the registered holders.

Information on the Company's operating results is made available to the shareholders at the Company headquarters and Company factory at least three weeks before the General Assembly Meeting. After the financial statements are disclosed to the public, the information regarding the financial statements is also announced on the Company website. During the Ordinary General Assembly meeting, the chairman made sure to convey the agenda items in an impartial, detailed, clear and understandable manner. The chairman ensured that every question asked by the shareholders at the General Assembly meeting outside of the scope of trade secrets was answered directly at the General Assembly meeting, and there were no questions not related to the agenda or too comprehensive to be answered immediately at the Ordinary General Assembly meeting.

In accordance with Article 1.3.7 of the Corporate Governance Principles, there were no transactions performed within the scope of the Company's field of operation by persons with privileged access to Company information on their own behalf and which must be communicated to the General Assembly.

The agenda of the General Assembly was prepared in a manner that each item would be under separate headings and agenda items would be clear to not cause different interpretations. Expressions such as "other" and "various" were avoided in the agenda. The information provided before the General Assembly meeting was provided in reference to the relevant agenda items.

While the meeting agenda was being prepared, there were no issues that the shareholders conveyed to the Company's Investor Relations Department in writing for inclusion in the agenda. Likewise, the shareholders, CMB and/or other public institutions and organizations related to the Company did not make any requests for the inclusion of any items in the agenda.

The total number of shares and voting rights reflecting the Company's shareholding structure as of the date of the announcement of the General Assembly meeting were published on the Company's corporate website (www.anadoluisuzu.com.tr).

Invitation to the General Assembly is made at least three weeks in advance in the national newspaper and trade registry gazette. In addition, the decision of the Board of Directors regarding the invitation of the General Assembly to the meeting and the meeting agenda are published on the Public Disclosure Platform, the Electronic General Meeting System and the Company's website. In order to increase the participation of the shareholders, the General Assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the least cost possible. In addition,

information regarding the decisions taken in the General Assembly is published on the Public Disclosure Platform and the Company's website after the meeting.

Members of the Board of Directors, other relevant persons, officials and auditors responsible for the preparation of the financial statements were present at the General Assembly Meeting in order to provide the necessary information and answer questions.

Although there is no such provision in the articles of association, General Assembly meetings are open to the public, including the stakeholders and the media. Except for the Company officials mentioned in the previous paragraph, no stakeholders or media members attended the Ordinary General Assembly meeting held on 28 May 2021.

Although our Company does not have a policy dedicated to donations and aids, this issue is regulated in detail in the articles of association. A separate item was added to the General Assembly agenda regarding the donations and aids made during the period, and the shareholders were informed about this issue at the meeting.

During the period, there was no transaction seeking the majority vote of the independent Board members for decision by the Board of Directors and left to the General Assembly due to the failure to achieve the majority vote.

In line with the provision of the mandatory Corporate Governance Principle No. 1.3.6 in the CMB Communiqué No. II-17.1 stating that "if the controlling shareholders, board members, managers with administrative responsibilities and their spouses and second-degree relatives by blood or marriage carry out a transaction that may cause a conflict of interest with the partnership or its subsidiaries and/or carry out a commercial transaction within the scope of the line of business of the partnership or its subsidiaries on their own or someone else's account or enter another partnership operating in the same line of business as an unlimited partner, these transactions are included in the General Assembly agenda as separate items for detailed information on the subject and recorded in the minutes of the General Assembly Meeting," the partners were informed that there were no major transactions in this context during the year.

The minutes of the meeting and the list of attendees were announced to the public on the same day of the meeting via the Public Disclosure Platform. The minutes of the General Assembly Meeting and the list of attendees are kept available for the information of shareholders on our corporate website.

2.4. Voting Rights and Minority Rights

Privilege in Voting Rights

There is no practice in our Company that makes it difficult for shareholders to exercise their voting rights, and within the frame of the provisions of the Turkish Commercial Code regarding the electronic general meeting, the necessary mechanisms are established to provide every shareholder, including those outside the country, with the opportunity to exercise their voting rights in the easiest and most convenient way possible.

According to the Company's Articles of Association, there is one right to vote for each share in the General Assembly, and there is no privilege on voting.

There is a regulation in the current articles of association of the Company regarding the election of the board members;

The Company is managed by a Board of Directors consisting of 14 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation.

For the Board of Directors, the General Assembly elects four members from the candidates nominated by the Group B shareholders, eight members from the candidates nominated by the Group A shareholders, and the other members from the candidates nominated by any shareholder.

Anadolu Group signed a joint venture agreement between its foreign partners Isuzu Motors Limited, and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensing partner. This cooperation, which includes technology transfer, was realized with the participation of foreign partners in the management in a non-majority partnership structure.

Mutual Participation

The Company does not have a mutual participation relationship with any organization.

Representation of Minority Interests in Management

Our Company takes the utmost care in the exercise of minority rights. In line with the Corporate Governance Principles, the independent members of the Company's Board of Directors are capable of performing their duties without being under any influence, and accordingly contribute to the objective management of the Company and ensure the protection of minority rights.

Although minority rights can also be granted to those who have an amount less than one-twentieth of the capital in accordance with the Corporate Governance Principles, there is no provision in our Company's Articles of Association that expands the scope of minority rights compared to the legally determined measures.

2.5. Dividend Rights

Privileges on Company Profit Participation

There is no privilege granted to shareholders regarding participation in the profits of the Company.

Company Dividend Distribution Policy

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, the Capital Market Regulations, Tax Regulations and other relevant regulations and the article on dividend distribution of our Articles of Association.

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company.

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated 21 March 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated 17 April 2014.

The dividend distribution policy is included in the annual report. The dividend distribution policy is also published on the Company's corporate website.

Within the frame of the principles in the Capital Markets Board's (CMB) Dividend Communiqué (II-19.1), the provisions of our Company's Articles of Association and the dividend distribution policy disclosed to the public by our Company, our Company does not have any distributable net profits in the consolidated financial statements of 2020 prepared in accordance with the Turkish Commercial Code and CMB regulations, which is why no dividend distribution was made for the 2020 operation period in 2021.

2.6. Transfer of Shares

There are no provisions restricting the transfer of shares in the Company's Articles of Association, and our Company does not have any practice in place that makes it difficult to transfer the shares freely.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company Website and Its Content

The Company's corporate website is www.anadoluisuzu.com.tr. The website is available in both Turkish and English.

Information about privileged shares is not specified separately since it is included in the Articles of Association, and other issues specified in the Corporate Governance Principles are included in the website in a comprehensive manner. The information on our Company's website is consistent with the statements made in accordance with the provisions of the relevant legislation, and does not contain any conflicting or incomplete information.

Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming periods.

3.2. Annual Report

Our Company's annual reports are prepared in a thorough manner that will enable the public to find complete and accurate information about the activities of the Company, and include the information under Article 2.2.2 of the Corporate Governance Principles in addition to the matters specified in the legislation and other sections of the Corporate Governance Principles.

SECTION IV - STAKEHOLDERS

4.1. Informing Stakeholders

Informing Stakeholders

Stakeholders are individuals, institutions or interest groups such as employees, creditors, customers, suppliers, trade unions, various nongovernmental organizations that have an interest in the Company's achievement of its goals or in its activities. Our Company protects the rights of the stakeholders in its procedures and activities, which are regulated by legislation and mutual agreements. In cases where these rights are not protected by legislation and mutual agreements, the Company shows utmost care to protect the interests of the stakeholders within the frame of goodwill and bounds of possibility. Our Company acts in accordance with the Corporate Governance Principles in its relations with stakeholders and has established all the relevant mechanisms.

If there is a conflict of interest between stakeholders or a stakeholder is involved in more than one interest group, a balanced policy is followed to protect the relevant rights with the goal of protecting each right separately.

Our Company implements the provisions of the relevant legislation in the use of mechanisms such as compensation of stakeholders. There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company's "Corporate Governance Principles." The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.

Ensuring the satisfaction of stakeholders by producing timely and applicable solutions to problems related to employees and other stakeholders is one of the most critical policies of the Company. Our employees, suppliers, customers and consumers are informed on the relevant issues in different ways.

Communication of Stakeholders with the Corporate Governance Committee and Audit Committee

Stakeholders can report the Company's transactions that are in violation of the legislation and not ethically appropriate to the Corporate Governance Committee or the Audit Committee through the office of the Chief Financial Officer and Internal Audit Directorate.

4.2. Stakeholders' Participation in Management

Studies on Stakeholders' Participation in Management

Models that support the participation of stakeholders in Company management, especially for the Company's employees, are developed in a manner that does not disrupt the activities of the Company. An open platform is provided for shareholders to state their positive or negative opinions about the Company at the General Assembly Meetings that are open to the participation of shareholders. In addition, the contact form on the Company website and the telephone line of the Investor Relations Department also provide an effective communication mechanism for shareholders.

Our employees can share their suggestions for adding value to our organization with the management through the Anadolu Group Innovation Portal "Bi-Fikir." The Human Resources Request and Improvement Line is actively used by our employees for general or improvement requests regarding the services offered by Human Resources. In addition, the Employee Satisfaction and Loyalty Survey, regularly conducted to support our employees' participation in management, is a channel where employees can express their general or improvement requests for the relevant institution.

Within the scope of Kaizen improvement studies and quality circles, the company carries out works aimed at improving the activities with employee participation.

Dealers and suppliers are asked for their opinions at annual meetings, and these opinions are considered in strategic plan studies.

Our Company takes all kinds of measures to ensure customer satisfaction in marketing and sales of goods and services. Requests for the goods and services purchased by the customer are rapidly evaluated, and our customers are informed about delays without waiting for the deadline. Quality standards are followed for all goods and services, as the Company emphasizes maintaining a certain level of standard in all its operations. Certain guarantees of quality are provided for this very purpose. The Company ensures the confidentiality of customer and supplier information and treats them as trade secrets. Stakeholders are asked for their opinions in critical decisions that may have consequences for them.

4.3. Human Resources Policy

Human Resources Policy

Our Company's Human Resources Policy was established in line with Anadolu Group Human Resources Quality Policies and announced to all employees.

Anadolu Isuzu Human Resources Mission

The Company strives to improve the qualifications of its employees by increasing their motivation and loyalty, contribute to the profitability of the Company and to add value to the whole organization.

Anadolu Isuzu Human Resources Vision

- Serving as a strategic business partner that offers competitive advantage.
- Anadolu Isuzu's Human Resources strategy is carried out within the frame of the following core policies:
- Providing the Company with human resources that offer a global perspective and the right skill set.
- Creating a work culture and human resources systems that strive to do better by working as a team and with knowledge in a business environment based on open communication and trust.
- Contributing to organizational efficiency and development.
- Strengthening the employee engagement culture.
- Creating a popular and people-oriented employer brand.

Anadolu Isuzu wants its employees to be people who think globally, remain open to teamwork and communication, emphasize development, analyze and take initiative, and act in accordance with a business and customer-oriented working principle. On the other hand, the Company prioritizes leadership, strategic thinking and managerial efficiency competencies in its executive candidates.

An approach which is against discrimination and supports equal opportunity

In light of its values and corporate culture, Anadolu Isuzu embraces a “people first” approach, regardless of language, religion, race or gender.

Equality of opportunity, which is also included in the working principles of the Anadolu Group and implemented without compromise, is supported throughout the organization. The Company ensures equality of opportunity and diversity in all HR practices, starting from the hiring process and proceeding with salaries and careers. Anadolu Isuzu also values creativity and innovation, as the Company is managed with a dynamic, innovative and transparent approach.

Anadolu Isuzu aims to be a preferred employer under all circumstances with its human resources practices.

Anadolu Isuzu aims to become a preferred employer in the jobs market with its HR practices. The company considers the management of human resources in which professionals provide high added value in a way that supports sustainable growth, which work with a focus on employee satisfaction and are open to continuous development and mutual open communication to be among its corporate priorities

The number of Anadolu Isuzu employees stood at 921 in 2021, with 141 employees working in the company's R&D Center in the same period. Anadolu Isuzu recruited 117 new people in 2021.

The basic principles guiding Anadolu Isuzu's human resources policies are equal opportunity for all, hiring and assigning the right person for the right job, equal pay for equal work, merit based on success, continuity and efficiency in working success, effective internal communication and sensitivity to society.

An approach that encourages the female workforce

With Anadolu Isuzu's employment approach implemented in line with the goal of ensuring the equality between men and women, the number of women in the total number of employees increased by 22% in the space of five years.

Continuing to work on women's employment, Anadolu Isuzu's Human Resources Department also implements projects to increase the satisfaction and standards of current female employees in the work environment.

Open Jobs Model

The “Open Jobs Model” aims to open vacant positions to the entire Group and to allow employees to benefit from these opportunities in line with their competencies, experience and wishes. The model also enables talented individuals working in other Anadolu Group companies to be aware of career opportunities in group companies.

With this platform Anadolu Isuzu aims

- To increase communication and transparency within the Company/Group,
- To help its employees take the initiative regarding their career,
- To ensure more effective use of human resources (competence and skills),
- To increase employee motivation and their commitment to the institution.

The contribution of the Performance Management System

The Anadolu Isuzu Performance Management System allows teams and individuals to boost their performance and improve their competencies. Contributing to Company success, the Performance Management System focuses on the development of employees in addition to business results, and provides feedback on the strengths and areas of development for all employees.

Performance criteria and annual performance targets for employees are determined within the framework of the Company's strategies and goals.

Anadolu Isuzu aims to create sustainable targets with its performance management system, which focuses on objectively evaluating employee performance.

Employees may set their goals through the system and easily carry out approval processes from any location throughout the year. Evaluations are carried out twice a year with an “Interim Performance Evaluation” and a “Year-End Performance Evaluation”.

Steps taken for organizational development

Emphasizing organizational development activities at all times, Anadolu Isuzu continued to work on organizational designs that will serve the Company’s strategic goals, and implemented new business models in 2021.

Contribution through training and development activities

Contribution through training and development activities

Within the scope of training and development activities carried out for continuous improvement and development at Anadolu Isuzu, it is aimed that all employees develop in areas of strategic focus.

In order to support young talents and train new leaders, the Company organizes corporate development programs at Akademi Isuzu.

The development activities of the operators continued with training programs in different fields, and a total of 4,292 hours of training were provided to 1,355 employees within the scope of disaster, fire, first aid, OHS and environmental trainings.

Highlights from the Training Sessions in 2021...

With the training and development activities carried out for continuous improvement and development, Anadolu Isuzu aims to strategically improve all employees in the relevant areas of focus.

Prioritizing continuous training and development in its human resources system, Anadolu Isuzu aims to expand the vision of its employees and support their technical skills, knowledge, and personal development.

Needs for development are determined within the scope of the competence assessment system in line with the feedback received from managers and colleagues, as well as the outputs of manager-employee interviews and HR planning meetings. Short-term and long-term training and development plans are drawn up accordingly.

Organizational development programs are carried out at Anadolu Isuzu in order to support young talent and raise new leaders.

The Leadership Development Program was designed together with Sabancı University in order to support First Level Managers and Team Leaders in their managerial competencies and their progress in creating a common management understanding and language unity, while enabling the review of their leadership skills and their views on the business and potential issues with an understanding of integrity. The Leadership Program consists of 5 main modules, 7 topics and a Business Simulation application and a total of 10 training days.

The One-on-One Financial Coaching program was initiated with the goal of explaining how to interpret the statements with financial transactions, handle analysis and applications, improve the financial literacy of each manager, even if they are not directly involved in financial management, and to allow them to observe the effects of the actions of their own department on the Company results and financial statements with a holistic approach. In order to gain a holistic financial perspective and to foresee the effects of the financial dimension in all decision processes of Isuzu, our “Finance School” program was realized as 4 separate training sessions for our managers.

Occupational health and safety, accident investigation and risk analysis training sessions were organized in order to provide a healthy and safe environment, reduce occupational accidents and diseases, provide information about the occupational risks faced by employees and the necessary measures to be taken against these risks, and raise awareness on occupational health and safety.

Work on ISO 50001:2018 has got underway. Within the scope of the Energy Management System certification studies, the ISO 50001 Energy management awareness training program was offered, in which details of the certification process and basic information concerning the management system were explained.

A Digital Transformation Program was offered to provide an understanding of digitalization in different dimensions, to use it as accurately and efficiently as possible in our business and in our lives, and to strengthen our new generation competencies. The program started with the “Digitalizing World” conference held with the participation of Ufuk Tarhan.

The program continued with “Digital Transformation Ambassadors” from different departments, who put themselves forward as volunteers. A total of 1,457 hours of training was provided to Digital Transformation Ambassadors on the subjects of Digitization, Agile approach, Industry 4.0, Power BI and the Power App. The program continued with “Data Drivers Next” under the coaching of professional consultants with the aim of implementing and transforming the training into projects. The Digital Transformation Ambassadors were divided into five groups who put their theoretical knowledge into practice with machine learning and power BI methods on various projects.

Training in areas such as time management, emotional intelligence, stress management and customer experience management were conducted online in order to improve the competencies of employees.

The “flexible online training” application was rolled out, enabling employees to receive technical training within the budget defined for them through the online training platform of their choice. With this application, employees received 1,398 hours of training.

English Language courses were offered to employees who use English in their daily business cycle, in order to improve their English proficiency. In 2021, employees received a total of 482 hours of tuition with these courses.

With a focus on supporting the synergy between Anadolu Group Companies and the organizational development of the Group, a process was developed to bring together employees from different companies and contribute to their development. Having started with the inventory valuation carried out at the end of 2019, this process continues with a comprehensive Development Program.

Operator development activities continued with training programs in different fields, with 1,355 employees receiving a total of 4,292 hours of training within the scope of disaster, fire, first aid, OHS and environmental training sessions.

Theoretical and practical training was given on the safety precautions and risks to be taken in the maintenance of electric and hybrid vehicles.

After a 2-day Basic First Aid training program, 35 Anadolu Isuzu employees successfully passed the exam and were awarded their first aid certificates.

Anadolu Isuzu employees may participate in training on a range of topics including leadership, communication, personal productivity and IT through the MESS and TISK Online academy platforms.

Online webinars of “Someone in the know will explain” were held, where experts come together to share their experience allowing employees to develop and learn in different fields.

The “Climate Change” webinar with Prof. Dr. Levent Kurnaz

The “Children’s adaptation to school and parents’ approach after Covid-19” webinar with Dr. Özgür Bolat

“The Road to the Republic” webinar with poet and writer Sunay Akin,

The “Economic Developments and Adaptation to Changing Business Conditions” webinar was held with Prof. Dr. Sadi Uzunoğlu.

Areas of strength along with areas open to improvement were identified through the 360-Degree Leadership Style Assessments carried out for employees in the team leader, manager and manager positions, and development plans were set out with Group Coaching conducted within this framework.

Training on “Conflicts of Interest and Effective Management of Conflicts of Interest” was provided in order to gain awareness of possible conflicts of interest with our stakeholders on the basis of ethical business conduct, the reporting of these situations in a timely and appropriate manner and the effective management of conflicts of interest.

Training on “Competition Law” was provided where employees gained theoretical and practical knowledge to evaluate the very different situations and problems they encounter in their business life from a competition law perspective.

The AG ACADEMY - The Distance Learning Platform

Anadolu Isuzu’s Human Resources Department carries out pioneering work in digital transformation in order to create the infrastructure of a qualified workforce and to provide a working environment for technological development.

The AG ACADEMY is the Anadolu Group training and development platform which removes the barriers to accessing information, enables continuous learning, and directly affects business performance.

Employees may participate in training programs designed according to their needs at the AG ACADEMY.

The importance of internal communication and employee satisfaction

Emphasizing internal communication, Anadolu Isuzu publishes its human resources policies and procedures on a portal that is accessible to employees.

The Company conducts employee satisfaction and loyalty surveys are conducted at regular intervals. Furthermore, employees are given the opportunity to share their innovative ideas on an e-platform with the goal of maintaining healthy communication between employees and the management team.

Surveys are conducted with an online application to receive the opinions and suggestions of employees on different issues. With this structure, which allows employees to respond to the survey both from their smartphones and their computers, it is possible to obtain views on the desired subject at any time. Employees may offer suggestions through the online platform. These suggestions are evaluated by the HR team and feedback is provided to the employee.

Yoga sessions were held as part of corporate wellbeing activities.

Within the scope of the Anadolu Group Employee and Family Support Program, employees may obtain information and support on any matter from experts by calling the support line at any time of their choosing. With the online dietician application, employees may ask their assigned dietitian questions about their eating habits, and their online dietician then creates a special diet.

The Company launched the new intranet "ISUZUM" which allows the management of all internal processes.

With the ISUZUM application, all processes from payroll viewing to overtime and leave entries, lunch lists, and surveys are accessible to all employees anytime, anywhere. Through ISUZUM, the digital assistant Digisu has also stepped in, allowing many transactions which are needed during the day to be carried out in a matter of seconds over WhatsApp, thus speeding up work and simplifying processes. Within the scope of the Environment Day, informative content created in consideration of current and future needs was provided to employees with an emphasis on "where we do things matters just as much as what we do".

At Anadolu Isuzu, the power of working together, the story of producing successfully and gaining strength from cooperation was shared with all employees through the video created with the contribution of disabled employees.

On the International Day of Persons with Disabilities on 3 December, employees whose child has a disability, along with their spouses, were presented with surprises, and all disabled employees at Anadolu Isuzu and the senior management team came together at a dinner event.

Employer Brand

In order to convey Anadolu Isuzu's fields of activity, working culture and vision to potential candidates, Anadolu Isuzu launched its banner of "Our Way Will Come, You are our Strength!".

Under the banner of "Our Way Will Come, You are our Strength!", many practices for the development, future and working conditions of employees were sustained and strengthened.

Anadolu Isuzu's new employer brand offered an attractive and powerful tool to best demonstrate and explain success, the vision for the future, unity and power.

Projects involving collaboration between industry and academia

Processes have been redesigned in order to render Anadolu Isuzu's university-campus communication process more efficient, to provide students with the "Anadolu Isuzu employee experience" and to attract promising talented students to Anadolu Isuzu.

In this context, all internship and youth communication applications were gathered under the "Talent Pick-Up" banner and our applications were renewed.

Talent Pick-Up is an internship program initiated in order to provide experience in Anadolu Isuzu to selected department and university students for a period of 10 weeks during the summer.

The Talent Pick-Up Experience, on the other hand, is an internship program which allows university students who can organize their course plans accordingly to gain real work experience at Anadolu Isuzu over a period of six months.

Talent Pick-Up Plus is an internship program initiated for university students seeking to complete one full-term internship during the academic year (Autumn and Spring).

Talent Pick-Up was launched in July 2021. In order to provide trainee candidates with a qualified recruitment experience in line with the requirements of the age, the stages of the process such as the interview, personality inventory and English test were carried out digitally. A total of 20 university students participated in the Talent Pick-Up Internship program. During the 4-week program period, training on remote access was carried out, bringing members of Anadolu Isuzu's senior management together with interns. In the program, 20 projects were implemented in parallel with the business processes.

The Talent Pick-Up Internship Program, which set out with the aim of offering university students a full start to their careers with experience and success, was recognized as being among the Most Admired Talent Programs of the Year in 2021 by Toptalent.co's Top 100 Talent Program.

Anadolu Isuzu employees organize webinars within the scope of the "Talent Talks" program for university students within the framework of their expertise.

Anadolu Isuzu production engineers organize a digital tour of Anadolu Isuzu factory in the Talent Tech Tour program for university students, within the framework of the production line processes that constitute their expertise.

Within the scope of Anadolu Isuzu's CO-OP Branded Course project agreement with Bahçeşehir University Career Center, a 14-week course program was opened at Bahçeşehir University under the brand of Talent Academy in order to train qualified human resources equipped with up-to-date information on Anadolu Isuzu's own fields, products, services and practices,. The course started in October 2021 in the 2021-2022 academic year.

Vocational high school-industry collaboration projects

Within the scope of the collaboration between industry and vocational high schools, 40 final year students studying at industrial vocational high schools were offered internship opportunities at Anadolu Isuzu.

The Anadolu Isuzu Paint Technologies Workshop established at the Küçükyalı Vocational and Technical Anatolian High School provides significant support to vocational education. At the workshop, training is provided to qualified painting professionals who are willing to follow and implement innovation, who are familiar with practical applications as well as having theoretical knowledge, who adopt occupational health and safety rules and who act with environmental awareness. The project also contributes to the development of the qualified human resources required by the industrial sector.

As of 2021, a total of 62 students graduated from the Anadolu Isuzu Paint Technologies Workshop.

Promotional activities at universities

Anadolu Isuzu sponsors case studies by participating in the career days of Turkey's leading universities. With Tech Tour, Anadolu Isuzu is introduced to students and academicians from all over Turkey and abroad.

The explanation of the technologies utilized, the discovery of R&D and production areas, and the answers given by the expert and experienced staff allow visitors to find out about Anadolu Isuzu.

During the year, technical trips were organized for Doğuř University, Düzce University, Gazi University and Istanbul Technical University, Yıldız Technical University and Kocaeli University student clubs and Vocational High School students, sharing information about the activities and the experiences of the expert staff.

Anadolu Isuzu aims to bring students who are outstanding students in their subject to the Company by participating in the Interview Simulations days organized by Kocaeli University Engineer Brains Club.

Marmara University Management Club participates in CWS Summit.

More than 10,000 people from various parts of Turkey participated in the YEA event.

The Company provided information about intra-company career opportunities by participating in the Career Days event organized by Marmara University Synergy Club.

We participated in the KVK Academy event hosted by the Yıldız Technical University Quality Efficiency Club.

The Company attended the 3D summit event held by the Audit and Consultancy Club at Bilkent University, where the topic of new generation engineering was discussed.

Anadolu Isuzu provided a talk about effective career paths at the Career-In event hosted by the Enterprise and Investment Community at Hacettepe University.

We took part in Beykent University Career Fair for a talent and career-filled view to the future.

Yıldız Technical University met with university students who want to take a step towards their careers and future.

We interacted with a total of 80 universities in 2021, reaching 78,800 students by participating in 54 activities.

OSD Automotive Summer Camp

(OIB) and the contributions of MESS/MEXT, the online certified Automotive Summer Camp event attracted a considerable amount of attention in its first year.

More than 53,000 students were enrolled in the Automotive Summer Camp, which was developed and implemented by the OSD Human Resources Committee of the Education Working Group, in order to increase the internship opportunities for students, which had been curtailed during the pandemic, and to increase the awareness of the automotive industry. Anadolu Isuzu representatives shared their experience in XR, AR, MR, AR with high school and university students.

Union rights and collective bargaining agreement at Anadolu Isuzu

Relations with blue-collar employees at Anadolu Isuzu are regulated within the scope of a collective bargaining agreement.

The Birleşik Metal İş Union is the bargaining agency at Anadolu Isuzu. There is one Head Representative and three Union Representatives elected from within the Company.

These representatives are obliged to follow the demands, complaints and problems of blue-collar workers, represent workers in committees such as the Disciplinary Board and the Occupational Health and Safety Board, and observe their legal rights within the limits set by law and the Collective Bargaining Agreement signed between Birleşik Metal İş Union and the Turkish Employers' Association of Metal Industries (MESS).

Professional competency certification studies

In accordance with the communiqué published by Ministry of Labor and Social Security of the Republic of Turkey, the Vocational Qualification Certification process got underway at Anadolu Isuzu in 2016. Workshop-based training was carried out in order to train qualified personnel for the automotive industry and grade employees based on their efforts. "19UY0401-5 FLORIZED GREENHOUSE GAS EQUIPMENT TECHNICAL STAFF LEVEL 5" The Vocational Competence Certification process has been initiated with 23 of our employees successfully completing the exam, and being awarded their VQA certificate.

Exams were held within the scope of Automotive Painter, Automotive Assembler, Bridge Crane Operator and Automotive Sheet and Body Welder qualifications for the new employees, and 46 Anadolu Isuzu employees were awarded VQA certificates.

Bi-Fikir Application and Bi-Fikir Festival

The Bi-Fikir Application and Bi-Fikir Festival stand out as platforms where Anadolu Group employees present their innovative ideas, develop their creativity as individuals and teams, and provide added value to Group companies. These platforms aim to develop the creativity and innovative qualities of the employees as individuals and teams, and include these characteristics in the organizational culture.

It continues to provide Bi-Fikir with the creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture with active participation of employees from every field.

In the final event for Anadolu Group's innovation program, Bi-Fikir, where the best of the 2021 projects were selected, the Bus Production team received the award for best Project in the Inventor Category with its Smart Factory project, and the Utilities team was awarded for its AGV-Automatic Guided Vehicle project. In addition, the Smart Factory project was awarded the Most Digital Project Award by the Bi-Fikir jury.

Anadolu Isuzu supported the Long Vehicle Maneuverability project at the Bi-Fikir KAP Final, where innovative projects of university students were awarded.

With Bi-Fikir KAP, it is aimed to carry the innovation approach of Anadolu Group out of the group, to strengthen the employer brand, and to implement open innovation, useful, innovative and applicable project proposals for Group companies by collecting university students.

Satisfaction Teams at Work

Anadolu Isuzu's Satisfaction Team, representing all departments, takes the following steps aimed at supporting the satisfaction of its employees;

Preparing activities related to areas under focus, together with the human resources department,

Playing an active role in the creation of employee engagement action plans,

Preparing employee engagement action plans for the company and departments and presenting them to senior management.

The "Satisfaction Team", which enables the realization of actions by evaluating development areas with a common mind, strengthened and developed the internal communication and social dialogue platforms. The Satisfaction Team and the Human Resources Department held periodic meetings throughout the year to evaluate the demands and suggestions of the departments to increase employee loyalty and to turn these suggestions into action. On the other hand, regular information was provided to the General Manager regarding the projects worked on, and action plans were shared.

Brandon Hall and Stevie Awards

Anadolu Isuzu won awards in the Stevie Awards and Brandon Hall Group-HCM Excellence Awards, which are among the world's most prestigious awards, with its applications which impact talent, satisfaction and development in the field of human resources.

The Company's Data Drivers, Satisfaction Team and Talent Pick-Up projects were recognized with four awards in the HCM Excellence Awards held in 2021, while the Data Drivers and Satisfaction projects were recognized with two awards in the Stevie Awards, in which more than 3,700 participants from 63 countries took part.

Anadolu Group Good Practices Day

The Talent Pick-Up brand was selected as the best project in the Good Practices Day, which was held for the first time this year by the Human Resources Department of Anadolu Group, in which a total of 37 projects from eight companies were evaluated.

4.4. Codes of Conduct and Social Responsibility

Codes of Conduct

Since its foundation, Anadolu Group has had a consciously implemented, managed and maintained corporate culture. In addition to knowledge and experience, this corporate culture shared by all managers and employees also includes future expectations and strategies that are in line with today's conditions. Providing the best services and products for everyone and passing on its reputation to future generations form the fundamental values of Anadolu Group.

Adhering to legal rules and ethical values in business and social life, working based on trust, producing quality, accurate and reliable results, acting in accordance with the established beliefs, rules and thoughts, and respecting nature and the environment are indispensable components of the Anadolu Isuzu corporate culture.

Our Company activities are carried out within the frame of Anadolu Group Working Principles available on our corporate website. Our Company is also a member of the Ethics and Reputation Society of Turkey. Our Company has an Ethics Committee chaired by the General Manager, and holds evaluation meetings at regular intervals.

On the other hand, in order to reinforce compliance with the capital market legislation and corporate governance practices at Anadolu Group, a group that is widely recognized and trusted in domestic and foreign capital markets, the Company employees are reminded of their obligations arising from the legislation in relation to insider trading within the scope of the Anadolu Group Working Principles prepared for Group companies. Since we are a public company, there is a "Blackout Period" prohibiting the trading of the relevant Company's shares for those who have access to insider information.

Social Responsibility Activities

Anadolu Isuzu reaches out to every segment of society and every point of trade with its vehicles, which assume different roles in the life and trade cycle. Based on this simple fact, Anadolu Isuzu regards social responsibility activities as a major part of its corporate identity.

Anadolu Isuzu carries out social responsibility activities in order to increase the welfare of individuals and create sustainable and permanent value for society. The Company fully supports social development through cooperation. The Company focuses on volunteering in its social responsibility activities.

Anadolu Isuzu is an active member of the Private Sector Volunteers Association (OSGD), which operates with the aim of spreading the sense of corporate volunteering in the private sector and carrying it out in a sustainable and systematic manner.

Anadolu Isuzu employees volunteer in projects for education, environment and disabilities.

Anadolu Isuzu has been carrying out its social responsibility activities with the contribution of an increasing number of volunteer employees every year since 2014.

Efforts within the scope of Social Awareness Projects focus particularly on education, environment and disabilities.

Unused clothes, unread books and unused toys are left in colorful favor boxes on the ground floor of Anadolu Isuzu Headquarters before they meet their new owners. With the wonderful feeling of producing and sharing, Company employees put all of their good intentions in boxes.

The clothes and toys collected in these boxes are sent to the Anadolu Foundation.

Highlights from the Anadolu Isuzu social awareness projects in 2021

Aid campaigns were carried out with the participation of employees in order to reduce the effects of natural disasters which occurred in 2021 in different parts of our country and to heal their wounds.

Food was distributed to victims of the floods in Sinop and Kastamonu in cooperation with the AHBAP Association.

The donations collected to treat animals affected by forest fires were delivered to those in need. The collected donations were distributed and sent to AHBAP, Haytap and the Angel's Farm associations.

Moreover, support was provided to the relevant regions by taking action to heal the wounds inflicted in the regions which were ravaged by forest fires.

SECTION V - BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 12 members, adding up to a total of 14 members. In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. Management and representation affairs can be distributed among the Board Members. The chairmen and members of the committees are determined. The Board of Directors is authorized to make decisions on this matter.

Currently, there is no executive Board member in the Company's Board of Directors.

The resumes of the Board Members, including their duties outside the Company, are available both in the 2020 annual report and on our Company's website.

Current Board Members and their job descriptions are as follows:

Name	Duty	Current Duties Outside the Company
Tuncay ÖZILHAN	Chairman	Chairman of the Board at AG Anadolu Grubu Holding A.Ş., Chairman, Vice Chairman and Member of the Board at Anadolu Group Companies
Kamilhan Süleyman YAZICI	Vice Chairman	Vice Chairman at AG Anadolu Grubu Holding A.Ş., Board Member at Anadolu Group Companies
Efe YAZICI	Board Member	Board Member at Anadolu Group Companies
Tuğban İzzet AKSOY	Board Member	Board Member at Anadolu Group Companies
Özdemir Osman KURDAŞ	Board Member	GSD A.Ş. CEO, Kamil Yazıcı Yönetim ve Danışmanlık A.Ş. Board Member
Kamil Ömer BOZER	Board Member	Board Member at Anadolu Group Companies
Recep Yılmaz ARGÜDEN	Board Member	Board Member at Anadolu Group Companies
Ahmet BOYACIOĞLU	Board Member	Board Member at Anadolu Group Companies
Reo SAWADA	Board Member	Itochu Corporation - Managerial Position
Koki HINO	Board Member	Itochu Corporation - Managerial Position
Hiroko YAGUCHI	Board Member	Isuzu Motors Limited - Managerial Position
Kozo YAMAGUCHI	Board Member	Isuzu Motors Limited - Managerial Position
Ahmet Murat SELEK	Independent Board Member	Selek Strategic and Corporate Management Consultancy Company - Managerial Position
Orhan ÖZER	Independent Board Member	

Independent Members and Independence Criteria

During the period, there was no development that prejudiced the independence of independent members. Individuals elected as independent members of the Board of Directors have not been registered and announced on behalf of a legal entity.

Duties of Board Members Outside the Company

There are no rules established by the Company for the Board Members on assuming other duties outside the Company, but the regulations stipulated in the Corporate Governance Principles apply.

5.2. Operating Principles of the Board of Directors

Our Company's Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner in accordance with the Corporate Governance Principles. The Company's Board of Directors convened 10 times throughout the period. Out of all meetings, one was held with the participation of 14 members, four were held with 12 members and five were held with 10 members.

The Board of Directors plays a leading role in maintaining effective communication between the Company and its shareholders and resolving any disputes, and continues to work in close cooperation with the Corporate Governance Committee and Investor Relations Department for this purpose.

In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. The Chairman is responsible for managing the meetings of the Board of Directors, ensuring regular negotiations and having the meeting minutes recorded. While the powers of the Chairman/Board Members and Company executives are defined in the Company's Articles of Association, no single person in the Company has unlimited authority.

Determination of the Board of Directors Agenda and the Call

In accordance with Article 4.4.1 of the Corporate Governance Principles, the Board of Directors convenes as often as it can to efficiently fulfill its duties. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. In accordance with our Company's Articles of Association, the majority of the total number of members is present at the Board of Directors meetings, and decisions are taken with the majority vote after hearing the opinions of the members.

Informing the Board Members

Board Members are informed about Company activities by the General Manager.

Inclusion of the Justification for the Opposing Votes in the Record

As a requirement of the Corporate Governance Principles, the minutes of all Board meetings are recorded. In the meetings, the Board of Directors discusses not only the performance in the previous period or developments in the current period, but also matters regarding future growth plans, competition strategies, human resources and organizational structure. While not all of the relevant issues are resolved, the minutes are not disclosed to the public, as the disclosure of the resolved issues may lead to certain speculations. On the other hand, all critical issues resolved by the Board of Directors are announced to the public via material disclosure.

The method and frequency of the Board of Directors meetings, meeting and decision quorum, the method of objection to the Board resolutions and the issues regarding the validity of the Board resolutions are clearly stated in the Articles of Association.

The agenda of the Board meetings consists of the issues decided in the previous Board meeting for further discussion in the next board meeting, and the issues determined by senior management. Matters that need to be discussed by the Board are forwarded to the Chief Financial Officer and brought together to set the agenda of the next meeting. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. Before each meeting, Board members are informed again about the issues included in the meeting agenda through formal information letters and reports.

If necessary, the Board of Directors may convene more than once in a single month. The Chairman, Vice Chairman and each Board member have the right to call a Board meeting and/or add certain issues to the agenda of the relevant meeting by notifying all other Board members at least fifteen (15) days in advance. Board meetings may be held at the Company's head office, or some other location inside or outside Turkey as decided at an ordinary meeting with the Board's quorum.

The opinions of the members who could not attend the meeting but have sent their opinions in writing are notified to other members. In accordance with the Turkish Commercial Code, the Board of Directors may also take decisions without holding a meeting. The meeting and decision quorum specified in the Company's Articles of Association are also valid for such decisions.

The secretary services of the Board of Directors are carried out by the Company's Chief Financial Officer. If there are reasonable and detailed grounds for opposing votes regarding the questions asked by the Board Members at the meetings and issues with different opinions, these are included in the record. In accordance with the Corporate Governance Principles, members must attend the Board of Directors meetings in person.

Board members do not have voting and/or veto powers in case of tied votes. Each Board member, including the Chairman, has one vote. None of the members has the power to break a tied voting.

The Company's Board of Directors evaluates its own performance at regular intervals. The self-evaluation of the Board of Directors is carried out once a year to reflect the individual performance of the Board members. Self-evaluation is also used to determine the competencies required by the Company's Board of Directors within the frame of the changing and developing global business conditions, and take action accordingly.

Related Party Procedures

In accordance with the Corporate Governance Principles, Board decisions regarding critical related party procedures are taken with the approval of the majority of the independent members.

Executive Liability Insurance

Damages caused to the Company due to the faults of the Board Members during their duties are insured with a policy of \$25,000,000 in coverage.

5.3. Number, Structure and Independence of the Committees Established by the Board of Directors

Corporate Governance Committee:

The Corporate Governance Committee, established in accordance with the Communiqué, consists of four members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Mehmet Hurşit Yazıcı, Özdemir Osman Kurdaş, Recep Yılmaz Argüden and Neşet Fatih Vural, who serves as the Investor Relations Manager of our Company, in accordance with the provision in Article 4.5.3 of the Corporate Governance Communiqué (Series: II-17.1) dated 3 January 2014 stating that "specialists who are not Board members may join committees other than the Audit Committee."

The duties of the Nomination Committee and the Remuneration Committee are carried out by the Corporate Governance Committee.

The Corporate Governance Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Corporate Governance Committee regulation approved by the Board of Directors is published on our corporate website. (www.anadoluisuzu.com.tr)

Audit Committee:

The Audit Committee, established in accordance with the Communiqué, consists of two members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while Independent Board Member Orhan Özer was elected as a member.

The Audit Committee is responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently.

The Audit Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Audit Committee regulation approved by the Board of Directors is published on our corporate website. (www.anadoluisuzu.com.tr)

Early Detection of Risk Committee:

The Early Detection of Risk Committee, established in accordance with the Communiqué, consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Tuğban İzzet Aksoy and Kamil Ömer Bozer.

The tasks of the Committee include early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management.

The Early Detection of Risk Committee convened twice throughout the year, and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. The Early Detection of Risk Committee informed the Board of Directors about its activities with a total of six bimonthly reports throughout the year.

The regulation on the working principles of the Early Detection of Risk Committee was determined by the Board Resolution No. 2013/28 dated 23 July 2013, and is published on our corporate website. (www.anadoluisuzu.com.tr)

Members Joining Multiple Committees

In accordance with the Communiqué on Determination and Implementation of the Principles of Corporate Governance (Series: IV-56) issued by the Capital Markets Board, all members of the Audit Committee, the Chairman of the Early Detection of Risk Committee and the Chairman of the Corporate Governance Committee were all elected among Independent Board Members. There are two independent members on the Board of Directors, and at least one out of every two members serves in all three committees. In addition, Recep Yılmaz Argüden serves in the Corporate Governance Committee and Kamil Ömer Bozer serves in the Early Detection of Risk Committee, offering their profound knowledge and experience.

5.4. Risk Management and Internal Control Mechanism

The Company's financing resources and risk management policies

In addition to its cash and capital, Anadolu Isuzu also uses long-term Turkish lira and foreign currency (Euro) loans from Turkish and foreign banks to finance its investments.

The principles of Anadolu Isuzu risk management policies are included in the relevant article of the Corporate Governance Principles Compliance Report.

Explanations regarding the main components of the Group's internal audit and risk management systems for the preparation process of consolidated financial statements

The Internal Audit Department under Anadolu Isuzu audits all companies and units consolidated periodically every year. The business plan of the department is approved annually by the Audit Committee and revised depending on the developments experienced during the year. The internal audit, performed in all companies subject to consolidation, is carried out according to the standards published by the Global Institute of Internal Auditors.

Risk Management and Internal Control Mechanism

Risk Management and Internal Control System at Anadolu Isuzu is under the responsibility and control of Company management. The Corporate Risk Management function, which operates to provide assurance and consultancy to the management on these issues, reports directly to the Early Detection of Risk Committee.

Anadolu Isuzu Senior Management identifies critical opportunities and threats that may arise in terms of achieving the Company's targets within the frame of Corporate Risk Management and manages them in accordance with the risk appetite of our Company. Corporate Risk Management is a systematic and disciplined process that is established to determine Anadolu Isuzu's business strategies. It is influenced by all Company employees and covers all Company practices.

With the coordination of the Corporate Risk Management function, the risks that may arise for the goals of the Company are submitted to management for their consideration, and priority risks are identified. Priority risks, and action plans aimed at reducing these risks, are shared with the Early Detection of Risk Committee to be submitted to the Board of Directors. The management and continuity of this process integrated with strategic business plans is supported by technological infrastructure.

Some of the methods we use to manage our risks are as follows:

- Performance and risk indicators are used as an early warning system to monitor risks and take the necessary measures on time. The SAP system, which is integrated into all processes within the Company, is an effective technological decision support system used for this very purpose.
- This allows for instantaneous monitoring of activity results, elimination of human errors, early detection of risks and increased efficiency of the internal control system. At the same time, the internal communication system with high-level technology provides the opportunity to quickly intervene in any problem and produce solutions.
- Business continuity and crisis management studies are carried out and supported by effective insurance management in order to prevent and reduce losses arising from risks that may cause business and production interruptions, such as natural risks and supply chain problems.
- Investments are made in backup systems to prevent system damage and data loss in case of any extraordinary situation.
- In addition, the Company instantly monitors environmental factors and extraordinary situations and investigates their causes, and continuously takes measures to minimize any risks.

The Internal Audit Department regularly reviews the company's risk management and internal control system within the frame of its risk-based audit plan, and reports to the Audit Committee and Company Management:

- Accuracy and reliability of Financial and Operational Information
- Efficiency of operations
- Protection of company assets
- Ensuring compliance with laws, regulations and contracts

5.5. Strategic Targets of the Company

While the Board of Directors manages and represents the Company by keeping the risk, growth and income balance of the Company at the most appropriate level with a rational and cautious risk management approach, primarily considering the Company's long-term interests, it is also responsible with ensuring that the Company achieves its determined and publicly disclosed operational and financial performance targets. In this context, the relevant directorates create annual budgets and business plans each year and submit them to the Board of Directors through the office of the Chief Financial Officer. The results achieved by operating in accordance with these plans throughout the year are continuously compared with the budget approved by the Board of Directors, and the reasons for deviations are investigated.

In the process of establishing the annual strategic targets, the Company's Board of Directors firstly approves the basic assumptions and strategic targets established after the relevant studies.

During the implementation process, the Board of Directors monitors the comparative results of the Company's activities with its strategic targets in the light of the monthly activity reports and the information obtained directly at the Board meetings.

5.6. Financial Rights

Criteria Used in Determining the Rights of Board Members

In accordance with the Articles of Association, it is not possible to pay dividends to Board members.

As stated in the Articles of Association, the compensation of Board Members is determined by the General Assembly. The Board of Directors is authorized to elect the senior executives who will take part in the management of the Company, specify their powers, wages and other rights, and conclude/break agreements with them.

On the other hand, in accordance with the decision taken at the Ordinary General Assembly Meeting held on 28 May 2021, a net annual salary of TL 168,000 will be paid to each of the independent Board members to maintain their independence throughout their term of office.

There are no other compensation or benefits provided to the Board of Directors.

Compensation and Benefits Provided to the Company's Senior Employees

In accordance with Article 4.6.5 of the Corporate Governance Principles, the compensation and all other benefits provided to the members of the Board of Directors and senior managers are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis, but in a manner that it would include the distinction between the Board of Directors and the managers with administrative responsibilities.

The Board of Directors carries out the studies necessary to ensure that senior managers receive reasonable wages according to market conditions. The compensation policy prepared for this purpose is included in ANNEX-2.

Loans to Board Members and Executives

The Company has not provided any Board member or executive with a loan or credit, has not extended the duration of any loans or credits, has not improved the terms of loans, has not extended credits under the name of personal loan through a third party and has not given guarantees such as sureties.

Evaluation of the Working Principles and Effectiveness of the Board Committees

With the Board decision taken on 31 May 2021 in accordance with the Corporate Governance Principles after the election of the Board members at the Ordinary General Assembly Meeting held on 28 May 2021;

- Independent Board Member Ahmet Murat Selek was elected the Chairman of the Audit Committee, while Independent Board Member Orhan Özer was elected as a member.
- The Early Detection of Risk Committee consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Tuğban İzzet Aksoy and Kamil Ömer Bozer.
- The Corporate Governance Committee consists of five members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Hurşit Zorlu, Recep Yılmaz Argüden, Özdemir Osman Kurdaş and Neşet Fatih Vural.

The duties of the Nomination Committee and the Remuneration Committee will be carried out by the Corporate Governance Committee. These matters were disclosed to the public on the Public Disclosure Platform and our Company's website.

In 2021, our Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee effectively performed the duties and responsibilities as required in their own regulations.

In accordance with the annual meeting plans determined and created in their own regulations, deemed necessary for the effectiveness of their efforts in 2021;

The Audit Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently and the internal control system is implemented effectively, the "Audit Committee" provided the Board of Directors with its suggestions regarding the issues under its responsibility, including its opinions and suggestions regarding the internal audit and internal control system.

The Corporate Governance Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Established to monitor the Company's compliance with the Corporate Governance Principles, carry out studies to improve this compliance and provide the Board of Directors with suggestions, the "Corporate Governance Committee" determined whether the Corporate Governance Principles are applied in the Company; and if not, the justification for this non-compliance and the conflicts of interest arising due to the same non-compliance. The committee provided the Board of Directors with suggestions on how to improve corporate governance practices and oversaw the work of the Investor Relations Department.

The Early Detection of Risk Committee convened two times. The committee submitted six evaluation reports to the Board of Directors, including its works throughout the year. Accordingly;

Working on the early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management, the "Early Detection of Risk Committee" examined the Company's risk management systems in accordance with the Corporate Governance Principles and the Early Detection of Risk Committee Regulation.

ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. compensation policy for the Board of Directors and senior executives was prepared in order to define the remuneration system and practices and other rights of Board members and senior executives.

Our Company's Chairman and Members of the Board may be paid a fixed monthly fee/attendance fee for their services in these positions. The amount to be paid is determined at the General Assembly meeting. In any case, the independent Board members are paid an amount that will maintain their independence, and the payment plans based on the Company's performance are not used in the remuneration of the independent Board members.

Executive members of the Board of Directors are paid within the scope of the policy determined for senior executives, as detailed below.

The rights provided to the senior executives at our Company are defined within the frame below:

Monthly Salary: Determined depending on the market and/or industry conditions, inflation, the position of the manager, their level, qualifications and individual performance, and paid for the duration of the employment contract. Unless there are any changes in market conditions, the monthly salaries are reviewed once a year within the frame of the determined principles, while considering the criteria essential for determining the salaries.

Information about the market and/or industry conditions is collected through generally accepted consultancy organizations, as well as by using data obtained from other sources, while considering the status and future of the Company's goals.

The factors that come into play in determining the level of individual performance are the manager's approach, business style and behaviors, and the completion of the annual goals they have set with their managers.

Bonuses: Determined based on the monthly salary. Four months of monthly salary is divided into the periods determined by the Company, and paid for the duration of the employment contract.

Premium: Upon exceeding a certain lower limit defined according to certain weights in compliance with the Key Performance Indicators (KPI) determined for the Company's relevant calendar year and approved by the Board of Directors, a certain ratio of the annual total of the monthly salary and bonus payments made to the manager (depending on their position) may be calculated in line with the Company KPIs and individual performance realization rates and paid to the manager as a premium.

Other Rights: In line with the organization's defined policies and regulations, benefits such as Health Insurance, Private Pension and so on and other social benefits are provided generally and/or based on certain conditions such as position, qualifications and so on.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

STATEMENT OF INDEPENDENCE

I hereby declare that, with respect to Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (the Company); Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities at, collectively or individually held more than 5 percent of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature with, the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;

Within the most recent five years, I have neither been a shareholder controlling 5 percent or more, or an employee in an executive position involving major duties and responsibilities nor a Board member, in any company from/to which the Company purchases/ sells a significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing (including tax audit, legal audit, internal audit), rating, or consulting;

I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;

As of the date of election, I am not working on a full-time basis at any public institution or organization, apart from serving as a faculty member, provided that this does not contradict with the legislation governing such institution;

I am considered a resident of Turkey for the purposes of the Income Tax Law;

I possess strong ethical standards and professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and come to decisions freely while considering the stakeholders' rights;

I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and fully satisfy the requirements of the duties undertaken;

I have not served as a member on the Company's Board of Directors for more than six years within the most recent 10 years;

I am not serving as an independent Board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;

I am not registered and announced in the name of the legal person elected as a board member, and therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.

Ahmet Murat Selek

STATEMENT OF INDEPENDENCE

I hereby declare that, with respect to Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (the Company); Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities at, collectively or individually held more than 5 percent of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature with, the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;

Within the most recent five years, I have neither been a shareholder controlling 5 percent or more, or an employee in an executive position involving major duties and responsibilities nor a Board member, in any company from/to which the Company purchases/sells a significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing (including tax audit, legal audit, internal audit), rating, or consulting;

I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;

As of the date of election, I am not working on a full-time basis at any public institution or organization, apart from serving as a faculty member, provided that this does not contradict with the legislation governing such institution;

I am considered a resident of Turkey for the purposes of the Income Tax Law;

I possess strong ethical standards and professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and come to decisions freely while considering the stakeholders' rights;

I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and fully satisfy the requirements of the duties undertaken;

I have not served as a member on the Company's Board of Directors for more than six years within the most recent 10 years;

I am not serving as an independent Board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;

I am not registered and announced in the name of the legal person elected as a board member, and therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.

Orhan Özer

Principle	Status (Yes/No/Partially)	Source/Access link	Description
A. General Principles			
A1. Strategies, Policies and Goals			
The Board of Directors determines material ESG issues, risks and opportunities and creates ESG policies accordingly. Directives, business procedures and so on, may be prepared within the Partnership for effective implementation of the relevant policies. The Board of Directors decides these policies and discloses them to the public.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports	Anadolu Isuzu will continue its efforts to increase the effectiveness of its sustainability policies in 2021.
Determines the Partnership Strategy in line with ESG policies, risks and opportunities. Determines and publicly discloses its short and long-term targets in line with the partnership strategy and ESG policies.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports	Anadolu Isuzu anticipates setting short-term and long-term targets in line with its sustainability policy and strategies. Efforts for this principle will continue in 2021.
A2. Implementation/Monitoring			
Determines and publicly discloses the committees/units responsible for the implementation of ESG policies. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year, and in any case within the time period determined for the public disclosure of the annual activity reports in the relevant Board regulations.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports	Anadolu Isuzu will continue its structuring efforts to increase the effectiveness of its sustainability activities in the upcoming period.
Creates and publicly discloses implementation and action plans in line with the determined short-term and long-term goals.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports	Anadolu Isuzu will continue its efforts to fully comply with this principle in the upcoming period.
Determines the ESG Key Performance Indicators (KPI) and explains them on a yearly basis. Presents KPIs together with national and international industry comparisons in the presence of verifiable data.	Partially	https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports https://www.anadoluisuzu.com.tr/en/sustainability/reports	Anadolu Isuzu will continue its efforts to present its KPIs together with national and international industry comparisons to fully comply with this principle.
Explains the innovation activities that improve the sustainability performance for business processes or products and services.	Yes	https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports	
A3. Reporting			
Reports and publicly discloses the sustainability performance, goals and actions at least once a year. Explains the information on sustainability activities within the scope of the annual report.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
It is essential to share information that is important for stakeholders in understanding the position, performance and development of the partnership in a direct and concise manner. Can separately explain detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Shows maximum care in terms of transparency and reliability. Objectively explains all kinds of developments in priority issues in disclosures and reports within the scope of a balanced approach.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Specifies the activities related to the United Nations (UN) 2030 Sustainable Development Goals.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the lawsuits filed and/or concluded for environmental, social and corporate governance issues.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
A4. Verification			
If verified by independent third parties (independent sustainability assurance providers); discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports	Anadolu Isuzu will continue its efforts to expand the scope of external verification of the sustainability performance indicators included in its sustainability reports.
B. Environmental Principles			
Explains the policies and practices, action plans, environmental management systems (ISO 14001) and programs in the field of environmental management.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/environment https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Follows and explains environmental laws and other relevant regulations	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/environment	
Explains the limitations related to the environmental report within the scope of the Sustainability Principles together with the reporting period, reporting date, reporting conditions and data collection process.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the highest authority, relevant committees and duties in the partnership on the issues of environment and climate change.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the incentives offered for the management of environmental issues, including the achievement of the goals.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports	Anadolu Isuzu will continue its efforts to establish mechanisms to fully comply with this principle.
Explain how environmental problems are integrated into business goals and strategies.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the sustainability performance for business processes or products and services, and the activities that improve this performance.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains how environmental issues are managed throughout the partnership value chain and integrates suppliers and customers into its strategies.	No	-	Anadolu Isuzu will continue its efforts to fully comply with this principle.

Principle	Status (Yes/No/Partially)	Source/Access link	Description
Explains whether it is included in the policy-making processes on environmental issues (sectoral, regional, national and international), its cooperation with the relevant associations, organizations and nongovernmental organizations, its duties (if any) and the activities it supports.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Reports information related to the environmental impact in the light of environmental indicators [greenhouse gas emissions (Scope-1/Direct, Scope-2/Energy indirect, Scope-3/Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts].	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Describes the standard, protocol, methodology and base year details used to collect and calculate data.	Partially	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the status of the environmental indicators (increase or decrease) for the reporting year in comparison with previous years.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Sets and explains short-term and long-term goals aimed at reducing the environmental impact. It is recommended that these goals are determined in a scientific manner as suggested by the United Nations Conference of the Parties on Climate Change. Provides information on the subject if there is progress in the reporting year.	No	-	
Explain the strategy and actions to combat the climate crisis.	Yes	https://www.anadoluisuzu.com.tr/en/about/sustainability-policy https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains the program or procedures to prevent or minimize the potential negative impact of its products and/or services; explains the actions of third parties to reduce greenhouse gas emissions.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports https://www.anadoluisuzu.com.tr/en/about/sustainability-policy	
Explains the actions taken to reduce the environmental impact, total number of its projects and initiatives and the provided environmental benefits and cost savings.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Reports the data for total energy consumption (excluding raw materials) and explains the energy consumption under Scope-1 and Scope-2.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Conducts studies on increasing the use of renewable energy and transitioning to zero or low carbon electricity, and explains these studies.	Partially		In the medium-term and long-term, the goal is to reduce the emissions from electricity consumed from the grid by utilizing renewable energy sources such as solar and wind energy. Cost feasibility studies were carried out for the Energy Market Regulatory Authority official Green Tariff (YETA), and no projection could be made since it was determined to not be feasible. Currently not applicable.
Explain the renewable energy production and usage data.	No		Currently not applicable.
Carries out energy efficiency projects and explains the amount of energy consumption and emission reduction accordingly.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Reports the amounts, sources and procedures of water withdrawn, used, recycled and discharged from underground or above-ground (total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, and so on).	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	No		Currently not applicable.
Explains the carbon credit information accumulated or purchased during the reporting period	No		Currently not applicable.
Explains the details if carbon pricing is applied within the partnership.	No		Currently not applicable.
Explains all compulsory and voluntary platforms where it discloses environmental information.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
C. Social Principles			
C1. Human Rights and Employee Rights			
The Corporate Human Rights and Employee Rights Policy ensures full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and the legal framework and regulations governing human rights and working life in Turkey. Publicly discloses this policy and the corresponding roles and responsibilities.	Yes	https://www.anadoluisuzu.com.tr/en/about/hr-policy	
Provides equal opportunity in recruitment processes. Includes fair workforce, improvement of labor standards, women's employment and inclusion issues (such as not discriminating against women, men, religious belief, language, race, ethnic origin, age, disability, refugee status, and so on.) in its policies, while considering the effects on supply and value chains.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	

Principle	Status (Yes/No/Partially)	Source/Access link	Description
Describes the measures taken along the value chain for the protection of certain economic, environmental, social factors (low-income groups, women, and so on) or minority rights/equality of opportunity.	Yes	-	
Reports developments regarding discrimination, inequality, human rights violations, involuntary servitude and corrective practices. Explains the regulations for the prevention of child labor.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains policies regarding investment in employees (training, development policies), compensation, benefits, right to unionize, work/life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly explains the activities carried out to ensure employee satisfaction.	Yes	https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Creates and publicly discloses occupational health and safety policies. Explains accident statistics and the precautions taken to prevent work accidents and protect the health of employees.	Yes	https://www.anadoluisuzu.com.tr/en/about/occupational-health-and-safety	
Creates and publicly discloses personal data protection and data security policies.	Yes	https://www.anadoluisuzu.com.tr/hakkimizda/kisisel-verilerin-korunmasi	
Creates and publicly discloses the ethical policy (including studies for business, work ethics, compliance processes, advertising and marketing ethics, open disclosure, and so on).	Yes	https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports	
Explains the studies carried out within the scope of social investment, social responsibility, financial inclusion and access to finances.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports	
Organizes information meetings and training programs on ESG policies and practices for employees.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
C2. Stakeholders, International Standards and Initiatives			
Carries out its sustainability activities while considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society, nongovernmental organizations, and so on).	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Regulates and publicly discloses the customer satisfaction policy for the management and resolution of customer complaints.	Yes	https://www.anadoluisuzu.com.tr/en/about/quality-policy	
Conducts stakeholder communication continuously and transparently; explains the purpose, subject and frequency of communication with the stakeholders, and the progress made in sustainability activities.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	

Principle	Status (Yes/No/ Partially)	Source/Access link	Description
Publicly discloses the adopted international reporting standards [Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD) and so on].	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Publicly discloses the international organizations or principles it is a signatory or member of [(Equator Principles, the United Nations Environment Programme Finance Initiative (UNEP-FI), the United Nations Global Principles (UNGC), the United Nations Principles for Responsible Investment (UNPRI), the International Capital Market Association (ICMA), Green/Sustainable Bond Principles, and so on].	No		Currently not applicable.
Makes concrete efforts to be included in the Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, and so on).	No	-	Anadolu Isuzu is not included in any sustainability index as of the reporting period.
D. Corporate Governance Principles			
Shows the maximum effort to comply with all Corporate Governance principles, as well as the mandatory Corporate Governance principles within the scope of the Capital Markets Board Corporate Governance Communiqué (Series: II-17.1).	Yes	https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports	
Determines its corporate governance strategy in consideration of sustainability, environmental impact and the relevant principles.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/policy	
Takes the necessary measures to comply with the principles regarding the stakeholders and strengthen the communication with the stakeholders as stated in the Corporate Governance Principles. Consults the stakeholders while determining measures and strategies for sustainability.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Works on raising awareness on sustainability through social responsibility projects, awareness activities and training.	Yes	https://www.anadoluisuzu.com.tr/en/investor-relations/annual-reports https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Strives to be a part of the international standards and initiatives on sustainability and contribute to the relevant studies.	Yes	https://www.anadoluisuzu.com.tr/en/sustainability/reports	
Explains policies and programs against bribery and corruption and the principle of tax integrity.	Yes	https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-harmony-reports	

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2021 AND INDEPENDENT AUDITOR'S REPORT**

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

(CONVENIENCE TRANSLATION OF

INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Anadolu Isuzu Otomotiv ve Ticaret A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Anadolu Isuzu Otomotiv ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="86 353 719 412"><i>The Impact of Bill and Hold Contracts on Cut-off of Revenue from domestic sales</i></p> <p data-bbox="86 439 730 521">Revenue is recognized when the Group has transferred significant risks and rewards of ownership of the goods to the buyer.</p> <p data-bbox="86 548 738 748">Due to the nature of group's operations, there are products which production is completed, that are invoiced to dealers and amount has been collected although it has not been delivered. These vehicles are hold in the Group's parking areas as of reporting date. Rewards and risks of these products can be transferred to the dealer according to the terms of the contract.</p> <p data-bbox="86 775 743 889">Based on the facts mentioned above, it has been determined as the key audit matter whether the revenue of the bill and hold products is recorded in the correct period, in accordance with the matching principle of sales.</p> <p data-bbox="86 916 687 974">The statements related to 'revenue' policies and amounts explained at Note 2.3.17 and Note 19.</p>	<p data-bbox="777 353 1390 412">Our audit procedures applied in this field include the issues below:</p> <ul data-bbox="777 423 1430 1115" style="list-style-type: none"> <li data-bbox="777 423 1402 506">– Determining the key controls related to the process by meeting with the process owners in charge of the revenue recording process designed by the group management. <li data-bbox="777 517 1418 600">– To design and perform tests to obtain sufficient and appropriate audit evidence with regards to evaluation of design and determination of implementation of the controls. <li data-bbox="777 611 1378 694">– Confirming the completeness and accuracy of the list of vehicles in the stock area as of the end of the reporting period. <li data-bbox="777 705 1430 819">– Obtaining the lists of the vehicles in the stock areas as of the end of the reporting period and participating in the counts made by the Group Management within the scope of the physical verification tests, <li data-bbox="777 831 1422 889">– To confirm that the risk and rewards of bill and hold vehicles belongs to the dealers by obtaining written confirmations. <li data-bbox="777 900 1370 958">– Planning and participating in an additional count for the purpose of system control in the subsequent period. <li data-bbox="777 969 1422 1050">– Evaluating whether the revenue from bill and hold vehicles is appropriately reflected in the Group's financial statements in accordance with TFRS. <li data-bbox="777 1061 1410 1115">– Evaluation of the adequacy of disclosures in Revenue Note 19 in accordance with TFRS.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the standards on auditing issued by Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 21 February 2022.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2021 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Koray Öztürk.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU LIMITED



Koray Öztürk, SMMM
Partner

Istanbul, 21 February 2022

INDEX

	PAGE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	144
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	146
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	147
CONSOLIDATED STATEMENT OF CASH FLOW	148
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	149-204
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	149
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	149
NOTE 3 SEGMENT REPORTING	163
NOTE 4 CASH AND CASH EQUIVALENTS	164
NOTE 5 FINANCIAL LIABILITIES	165
NOTE 6 TRADE RECEIVABLES AND PAYABLES	167
NOTE 7 OTHER RECEIVABLES AND PAYABLES	168
NOTE 8 DERIVATIVE INSTRUMENTS	169
NOTE 9 INVENTORIES	169
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	170
NOTE 11 INTANGIBLE ASSETS	172
NOTE 12 RIGHT OF USE ASSETS	174
NOTE 13 GOODWILL	175
NOTE 14 GOVERNMENT GRANTS AND INCENTIVES	175
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	175
NOTE 16 EMPLOYEE BENEFITS	177
NOTE 17 OTHER ASSETS AND LIABILITIES	179
NOTE 18 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS	180
NOTE 19 REVENUE AND COST OF SALES	183
NOTE 20 ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	183
NOTE 21 EXPENSES BY NATURE	185
NOTE 22 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	185
NOTE 23 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	186
NOTE 24 FINANCE INCOME AND EXPENSES	186
NOTE 25 TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	187
NOTE 26 EARNINGS/(LOSS) PER SHARE	189
NOTE 27 RELATED PARTY DISCLOSURES	190
NOTE 28 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	193
NOTE 29 EVENTS AFTER REPORTING PERIOD	204

**AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2021 AND 31 DECEMBER 2020**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Financial Information

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
ASSETS			
Current Assets		2.102.108.159	1.149.598.287
Cash and Cash Equivalents	4	639.748.715	267.087.823
Trade Receivables		753.867.430	424.999.147
<i>Trade Receivables from Related Parties</i>	6-27	298.393.667	36.479.657
<i>Trade Receivables from Third Parties</i>	6	455.473.763	388.519.490
Other Receivables		72.559.442	3.897.560
<i>Other Receivables from Third Parties</i>	7	72.559.442	3.897.560
Inventories	9	469.735.947	390.663.282
Derivative Instruments	8	105.351.238	53.132
Prepaid Expenses	17	37.262.001	17.834.671
Current Tax Assets	25	356.665	728.276
Other Current Assets	17	23.226.721	44.334.396
Non-Current Assets		1.505.138.953	779.795.941
Other Receivables		3.642	186
<i>Other Receivables from Third Parties</i>	7	3.642	186
Property, Plant and Equipment	10	1.268.360.271	567.988.122
Right of Use Assets	12	5.829.849	4.819.061
Intangible Assets		227.585.132	173.400.714
<i>Goodwill</i>	13	2.340.995	2.340.995
<i>Other Intangible Assets</i>	11	225.244.137	171.059.719
Prepaid Expenses	17	3.360.059	5.815.424
Deferred Tax Asset	25	-	27.772.434
TOTAL ASSETS		3.607.247.112	1.929.394.228

The accompanying notes form an integral part of these consolidated financial statements.

**AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2021 AND 31 DECEMBER 2020**

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
LIABILITIES			
Current Liabilities		1.565.401.869	1.030.954.848
Current Borrowings		161.500.843	335.847.784
<i>Current Borrowings from Third Parties</i>	5	161.500.843	335.847.784
<i>Bank Loans</i>	5	161.500.843	335.847.784
Current Portions of Non-Current Borrowings		256.657.543	24.682.175
<i>Current Portions of Non-Current Borrowings from Third Parties</i>	5	256.657.543	24.682.175
<i>Bank Loans</i>	5	252.098.062	21.086.117
<i>Lease Liabilities</i>	5	4.559.481	3.596.058
Trade Payables		1.011.249.834	526.584.529
<i>Trade Payables to Related Parties</i>	6-27	639.836.656	295.508.402
<i>Trade Payables to Third Parties</i>	6	371.413.178	231.076.127
Other Payables		5.952.401	2.672.811
<i>Other Payables to Related Parties</i>	27	9.109	9.109
<i>Other Payables to Third Parties</i>	7	5.943.292	2.663.702
Derivative Instruments	8	2.675.660	21.327.299
Employee Benefits Obligations	7	14.666.030	13.285.626
Liabilities Arising from Contracts with Customers	17	10.863.604	4.680.955
Deferred Income	17	21.646.612	66.626.901
Current Provisions		80.189.342	35.246.768
<i>Current Provisions for Employee Benefits</i>	16	15.495.235	11.131.670
<i>Other Current Provisions</i>	15	64.694.107	24.115.098
Non-Current Liabilities		649.574.373	323.292.851
Non-Current Borrowings		515.289.683	268.030.070
<i>Non-Current Borrowings from Third Parties</i>		515.289.683	268.030.070
<i>Bank Loans</i>	5	509.576.183	265.620.743
<i>Lease Liabilities</i>	5	5.713.500	2.409.327
Employee Benefit Obligations	7	-	999.320
Liabilities Arising from Contracts with Customers	17	35.813.919	15.299.447
Deferred Income	17	5.386.275	6.829.744
Non-Current Provisions for Employee Benefits	16	47.235.042	32.134.270
Deferred Tax Liability	25	45.849.454	-
EQUITY		1.392.270.870	575.146.529
Equity Attributable to Equity Holders of the Parent		1.392.270.870	575.146.529
Issued Capital	18	84.000.000	84.000.000
Adjustments to Share Capital	18	30.149.426	30.149.426
Revaluation and Remeasurement Earnings/Losses that will not be Reclassified in Profit or Loss		1.009.877.215	404.179.620
<i>Gain on Revaluation of Property, Plant and Equipment</i>	18	1.022.267.501	417.373.045
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>	18	(12.390.286)	(13.193.425)
Restricted Reserves Appropriated from Profits	18	23.784.678	23.784.678
Prior Years' Profit	18	33.032.805	19.384.487
Current Period Net Profit	18	211.426.746	13.648.318
TOTAL LIABILITIES		3.607.247.112	1.929.394.228

The accompanying notes form an integral part of these consolidated financial statements.

**AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020**

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Audited 1 January- Current Period 31 December 2021	Audited 1 January- Prior Period 31 December 2020
PROFIT OR LOSS			
Revenue	19	2.678.041.855	1.241.213.253
Cost of Sales (-)	19	(2.113.442.723)	(989.548.126)
GROSS PROFIT (LOSS)		564.599.132	251.665.127
General Administrative Expenses (-)	20	(86.660.344)	(75.551.728)
Marketing Expenses (-)	20	(156.133.363)	(84.011.758)
Research and Development Expenses (-)	20	(11.839.308)	(3.639.463)
Other Income from Operating Activities	22	228.029.648	69.499.080
Other Expenses from Operating Activities (-)	22	(302.405.536)	(85.520.676)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		235.590.229	72.440.582
Income from Investing Activities	23	384.471	4.793.371
Expense from Investing Activities	23	-	(2.271)
PROFIT/LOSS BEFORE FINANCE EXPENSE		235.974.700	77.231.682
Finance Income	24	382.331.014	175.027.652
Finance Expenses (-)	24	(415.155.737)	(251.726.783)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX		203.149.977	532.551
Tax Income/(Expense) From Continuing Operations		8.276.769	13.115.767
Current Tax (Expense) Income	25	(1.102.061)	(474.554)
Deferred Tax (Expense) Income	25	9.378.830	13.590.321
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		211.426.746	13.648.318
PROFIT (LOSS) FOR THE YEAR	26	211.426.746	13.648.318
Profit (Loss) for the Year Attributable to:		211.426.746	13.648.318
Owners of The Parent		211.426.746	13.648.318
Earnings/(Losses) Per 100 Share from Continuing Operations	26	2,5170	0,1625
Items That Will Not Be Reclassified to Profit or Loss			
Gains (Losses) on on Revaluation of Property, Plant and Equipment	10	687.694.389	-
Gains (Losses) on Remeasurement of Defined Benefit Plans	16	1.003.924	(3.237.454)
Gains (Losses) on Revaluation of Property, Plant and Equipment, Tax Effect	25	(82.799.933)	-
Gains (Losses) on Remeasurement of Defined Benefit Plans, Tax Effect	25	(200.785)	647.491
OTHER COMPREHENSIVE INCOME (EXPENSE)		605.697.595	(2.589.963)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		817.124.341	11.058.355
Owners of the Parent		817.124.341	11.058.355

The accompanying notes form an integral part of these consolidated financial statements.

**AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Prior Period	Notes	Issued Capital	Adjustments to Share Capital	Gain/Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss			Retained Earnings		Total Equity
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profits	Prior Years' Profits/ Losses	Current Period Net Profit or Losses	
Balances as of 1 January 2020 (Beginning of the Period)	18	84.000.000	30.149.426	417.373.045	(10.603.462)	162.221.926	(140.840.586)	21.787.825	564.088.174
Total Comprehensive Income (Expense)		-	-	-	(2.589.963)	-	-	13.648.318	11.058.355
<i>Loss for the Period</i>		-	-	-	-	-	-	13.648.318	13.648.318
<i>Other Comprehensive Income/(loss)</i>		-	-	-	(2.589.963)	-	-	-	(2.589.963)
Transfers		-	-	-	-	(138.437.248)	160.225.073	(21.787.825)	-
Balances as of 31 December 2020 (End of the Period)	18	84.000.000	30.149.426	417.373.045	(13.193.425)	23.784.678	19.384.487	13.648.318	575.146.529
Current Period									
Balances as of 1 January 2021 (Beginning of the Period)	18	84.000.000	30.149.426	417.373.045	(13.193.425)	23.784.678	19.384.487	13.648.318	575.146.529
Total Comprehensive Income (Expense)		-	-	604.894.456	803.139	-	-	211.426.746	817.124.341
<i>Profit for the Period</i>		-	-	-	-	-	-	211.426.746	211.426.746
<i>Other Comprehensive Income/(loss)</i>		-	-	604.894.456	803.139	-	-	-	605.697.595
Transfers		-	-	-	-	-	13.648.318	(13.648.318)	-
Balances as of 31 December 2021 (End of the Period)	18	84.000.000	30.149.426	1.022.267.501	(12.390.286)	23.784.678	33.032.805	211.426.746	1.392.270.870

The accompanying notes form an integral part of these consolidated financial statements.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

**AUDITED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2020**

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2021	Audited Prior Period 31 December 2020
Cash Flows from Operating Activities		397.371.135	212.461.348
Current Period Net Profit or Losses	18	211.426.746	13.648.318
Adjustments to Reconcile Profit (Loss) for The Year		199.024.283	208.525.706
Adjustments Related to Depreciation and Amortization Expenses	10-11-12	54.206.902	43.956.598
Adjustments Related to Provision for Employee Benefits (Released)	16	21.365.815	7.770.474
Adjustments Related to Tax (Income) Expense	25	(8.276.769)	(13.115.767)
Adjustments Related to Provisions for Litigations	15-22	3.468.562	2.241.157
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	6-22	-	397.803
Adjustments Related to Interest Income	22-24	(15.185.387)	(8.358.916)
Adjustments Related to Interest Expenses	22-24	71.830.775	54.110.212
Adjustments Related to Unrealized Currency Translation Differences of Financial Debts	5	147.978.446	81.268.094
Adjustments Related to Fair Value Losses (Gains)	8	(123.949.745)	21.716.332
Other Adjustments to Profit/(Loss) Reconciliation	15	(16.748.553)	1.980.238
Adjustments Related to Other Provisions (Released)	13	64.718.708	21.350.581
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment	10-23	(384.471)	(4.791.100)
Changes in Working Capital		20.249.942	19.838.953
Adjustments Related to Decrease (Increase) in Trade Receivables	6	(330.212.376)	(23.788.733)
Adjustments Related to Decrease (Increase) in Inventories	9	(79.072.665)	(131.808.875)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations	7-17-25	(66.609.926)	(11.796.872)
Adjustments Related to Increase (Decrease) in Trade Payables	6	490.220.560	105.715.320
Adjustments Related to Increase (Decrease) in Other Payables from Operations	7-17	58.499.939	94.848.743
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		(52.575.590)	(13.330.630)
Cash Generated from Operations		430.700.971	242.012.977
Income Tax Returns (Paid)	25	(1.458.726)	(1.202.830)
Payments Related to Other Provisions	15	(27.608.261)	(22.912.701)
Payments to Provision of Employee Benefits	16	(4.262.849)	(5.436.098)
Cash Flows from Investing Activities		(116.965.726)	(86.311.836)
Proceeds from Sale of Property, Plant and Equipment	10-23	653.024	5.879.114
Payments for Purchase of Property, Plant and Equipment	10	(31.520.386)	(28.107.993)
Payments for Purchase of Intangible Assets	11	(86.098.364)	(64.082.957)
Cash Flows from Financing Activities		92.570.178	(209.826)
Interest Received		15.185.387	8.014.333
Interest Paid	5	(69.477.974)	(45.217.300)
Proceeds from Borrowings	5	506.637.641	800.467.723
Cash Outflows from Repayment of Borrowings	5	(351.681.632)	(759.819.753)
Cash Outflows Related to Debt Payments arising from Lease Agreements	5	(8.093.244)	(3.654.829)
Net Increase (Decrease) in Cash and Cash Equivalents		372.975.587	125.939.686
Cash and Cash Equivalents at The Beginning of The Year		266.730.255	140.790.569
Cash and Cash Equivalents at The End of The Year	4	639.705.842	266.730.255

The accompanying notes form an integral part of these consolidated financial statements.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (the “Company”) was established in 1980. Principal activities of the Company are comprised mainly of manufacturing, assembling, import and sales of commercial vehicles and also procure and sales of related spare parts regarding to after sales service. The Company is registered to Capital Markets Board of Turkey and the percentage of 15 of the Company’s shares have been traded on Borsa İstanbul A.Ş. since 1997.

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd. Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory which is established in Çayirova/Kocaeli. The average number of employees as of 31 December 2021 is 828 (31 December 2020: 847).

The Company has been registered in Turkey, and the address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü Ümraniye, İstanbul.

The main shareholder and the controlling party of the Company is Anadolu Group Holding Anonim Şirketi.

As of 31 December 2021 and 31 December 2020, details about the company’s subsidiary, which is subject to consolidation, is below:

Company Name	Principal Activity	Capital	31 December 2021 Participation Rate (%)	31 December 2020 Participation Rate (%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100	100

Approval of Financial Statements

Consolidated financial statements for the period 1 January - 31 December 2021 approved by the Board of Directors on 21 February 2022 and signed by Independent Member of the Board of Director Ahmet Murat SELEK (Audit Committee Chairman) and Orhan ÖZER (Audit Committee Member), General Manager Yusuf Tuğrul ARIKAN and Finance Director Neşet Fatih VURAL.

The Company and its subsidiary will be referred as (the “Group”) in the condensed consolidated financial statements and notes to the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**2.1 Basis of Presentation****2.1.1 Statement of Compliance TAS**

The enclosed consolidated financial statements have been prepared in line with Capital Markets Board (“CMB”), Communiqué Serial: II, No. 14.1 on “Principles on Financial Reporting in Capital Market”, promulgated in Official Gazette No. 28676 dated 13 June 2013. Pursuant to Article 5 of the Communiqué, Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) enforced by Public Oversight Accounting and Auditing Standards Authority (“POA”), and their relevant appendices and interpretations (“TAS/IFRS”) have been taken as basic.

In addition, the financial statements and disclosures are presented in accordance with the publication by CMB dated 7 June 2013.

The Company (and its Subsidiary registered in Turkey) takes the Turkish Commercial Code (“TCC”), tax legislation and Uniform Chart of Accounts introduced by Turkish Ministry of Finance as basic for book keeping and preparation of the statutory financial statements. Consolidated financial statements have been prepared in Turkish Lira based on the historical costs, as well as the financial assets and liabilities presented in their fair values. Historical costs are generally based on the fair value of the amount paid for the assets. Consolidated financial statements have been arranged by applying the required adjustments and classifications to the statutory records prepared on historical cost basis in order to provide accurate presentation in line with TAS/IFRS. The most important adjustment records are the application of consolidation accounting, deferred tax calculation, calculation of employee termination benefit and other provisions.

Currency Used

The financial statements of the Group’s each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the each entity are expressed in TL, which is the functional currency of the Company and the currency used for presenting consolidated financial statements.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.2 Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are companies in the Group's control. The Group's control is provided for exposure to variable returns from these companies, being eligible for these benefits, and the power to direct them. Subsidiaries are consolidated using the full consolidation method starting from the date when the control is transferred to the Group. They are excluded from the scope of consolidation as of the date when the control is lost.

The purchasing method is used in accounting for group business combinations. The cost of acquisition includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owner of the company, and costs, consisting of equity instruments issued by the Group. The acquisition cost includes the fair value of the assets and liabilities transferred as a result of the contingent acquisition agreement.

The identifiable assets, liabilities, and contingent liabilities taken over during a business combination are measured at their fair value on the acquisition date. For each purchase, non-controlling shares of the acquired company are recognised either at their fair value or according to their proportional share in the net assets of the acquired company.

The table below sets out the subsidiaries and their ownership interests as of 31 December 2021 and 31 December 2020.

Subsidiary	Voting power held by the Group (%)		Proportion of ownership interest (%)	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	100	100	100	100

2.1.3 Adjustment of Financial Statements during High Inflation Periods

In accordance with the CMB's decision dated 17 March 2005 and numbered 11/367, for companies operating in Turkey and preparing financial statements in accordance with Turkish Financial Reporting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in High Inflation Economies".

2.1.4 Offsetting

The financial assets and liabilities in the consolidated financial statements are shown at their net value when a legal system that allows clarification of relevant values and there is an intention to demonstrate the values clearly or the realization of the asset and the settlement of the debt are at the same time.

2.1.5 Comparatives and Adjustment of Prior Periods' Financial Statements

The Group's consolidated financial statements for the current period are prepared in comparison with the previous periods in order to be able to determine the financial position and performance trends. The comparative information is reclassified when necessary with the aim of ensuring consistency with the presentation of the current period's consolidated financial statements and significant differences are disclosed.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.1 Basis of Presentation (cont'd)****2.1.6 Amendments in Standards and Interpretations****a) New and revised IFRSs that are effective for the current year****Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform - Phase 2**

The amendments in Interest Rate Benchmark Reform - Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group's consolidated financial statements.

b) New and revised IFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

IFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.1 Basis of Presentation (cont'd)****2.1.6 Amendments in Standards and Interpretations (cont'd)****b) New and revised IFRSs in issue but not yet effective (cont'd)****Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendment defers the effective date by one year. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to TAS 16 *Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle**Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards***

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.6 Amendments in Standards and Interpretations (cont'd)

b) New and revised IFRSs in issue but not yet effective (cont'd)

Amendments to TAS 41 Agriculture

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9 and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

The International Auditing and Assurance Standards Board ("IAASB") has published COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.1 Basis of Presentation (cont'd)****2.1.6 Amendments in Standards and Interpretations (cont'd)****b) New and revised IFRSs in issue but not yet effective (cont'd)****Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

2.2 Effects of Revised Accounting Policies

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition terms. Changes without any transition requirement, optional significant changes in accounting policies or significant accounting errors are applied retrospectively and the previous period's consolidated financial statements are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if they are related to future periods, they are applied both in the period in which the change is made and prospectively.

2.3 Summary of Significant Accounting Policies**2.3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value.

2.3.2 Trade receivables and provision for allowance

Trade receivables as a result of providing goods or services by the Group directly to a debtor are carried at amortised cost using original effective interest rates.

Provision for impairment of trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

The Group collects most of the receivables from domestic vehicles sales through the "Direct Debit System" (DDS). Within this system which is also named as Direct Collection System; the contracted banks warrant the collection of the receivables within the limits granted to the dealers. Trade receivables are transferred by the contracted banks to the Group's bank accounts at the due dates.

2.3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. The inventories of the Group mainly composed of trucks, small trucks, midi buses, pickups and spare parts which belong to those vehicles. The cost of inventories is determined on the monthly weighted moving average method. Cost of the finished and work in process good include raw materials, direct labour cost, related general production expenses and exclude the cost of borrowing. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Idle time expenses arising from the ceases in production other than planned in the factory's annual production plan are not associated with inventories and are recognised as cost of finished goods.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.3 Summary of Significant Accounting Policies (cont'd)****2.3.4 Property, plant and equipment and related depreciation**

While property, plant and equipment are presented on financial statement according to the adjusted values based on the effects of inflation as of 31 December 2004 for the assets acquired before 1 January 2005, they are presented on the financial statements by deducting accumulated depreciation from cost values for the assets acquired after 2005. As of 31 December 2017, lands and buildings have been monitored by revaluation method. Depreciation is calculated using the straight-line method based on their economic lives. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

Type	Useful Lives
Land Improvements	5-15
Buildings	2-50
Machinery and Equipment	10-15
Motor Vehicles	4-10
Furnitures and Fixtures	5-10
Other Property, Plant and Equipment	10-20

Revaluation Method

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Cost Method

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Except for land and investments in progress, cost or valued amounts of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in estimates and accounted for prospectively if there is a change in the estimates.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation calculations have been made for buildings subject to revaluation as of 31 December 2020 by taking into consideration their remaining useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.5 Intangible assets and related amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are comprised of software programme rights, brand and patent rights and development expenses.

Type	Useful Lives
Rights	5-15
Development Expenses	5
Other Intangible Assets	3-15

2.3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under "Investments in associates" heading.

2.3.7 Impairment of assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is presumed. The recoverable amount is presumed in each year-end for unusable intangible assets. An impairment loss is recognised for the amount by which the carrying amount of the asset or a cash-generating unit related to the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognised in the statement of income. Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

2.3.8 Bank loans and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income as financing cost over the period of the borrowings. When it comes to the assets which take long time to get ready to usage and sales, borrowing costs related to production or construction are integrated to the cost of the asset.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.9 Taxes on income

Tax liability on current period's profit or loss includes current period tax and deferred tax. Current year tax liability consists of tax liability on the taxable income calculated according to currently enacted tax rates and to the effective tax legislation as of balance sheet date.

Deferred tax is provided, using the liability method, on the temporary differences between the carrying values of assets and liabilities and their carrying. The tax value of assets and liabilities represent the amounts that will affect the tax base in the future periods related to the assets and liabilities within the framework of tax legislation. Deferred tax is calculated over the tax rates that are expected to apply in the period when the tax asset or the liability will be realized by taking into consideration the tax rates and tax legislation in effect as of the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Deferred tax assets and liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2.3.10 Provision for employee benefits

The Group is obliged to pay termination indemnities to employees whose employment is terminated due to retirement or due to reasons other than resignation or behavior specified in the Labor Code, in accordance with the applicable law. The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

2.3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases, in the case of an event occurring after the provision is accounted for, the related amount is classified as other income in the current period.

2.3.12 Research and development expenses

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expense as incurred. Subsidies received from Tübitak are accounted for as deferred income by Group and are offset with amortisation expenses in the income statements in line with the useful life of the completed projects. Development costs are directly recognised as expense. Development expenses recognised as expense in prior periods are not subject to capitalisation in subsequent periods.

2.3.13 Warranty provision expenses

Warranty expenses are recognised on an accrual basis for amounts estimated based on prior periods' realization.

2.3.14 Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by/or affiliated with them and associated companies are considered and referred to as related parties. The transactions with related parties for operating activities are made with prices which are convenient with market prices.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.3 Summary of Significant Accounting Policies (cont'd)****2.3.15 Foreign currency transactions**

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the Central Bank of Turkey's exchange rates prevailing at the balance sheet dates. Foreign currency exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the statement of income.

2.3.16 Earnings per share

Earnings per share disclosed in the statement of income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("no-par shares") to existing shareholders from retained earnings and the revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

2.3.17 Revenue recognition***Commercial vehicle and spare part sales***

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Group's revenues are comprised of sales of commercial vehicles and the spare parts of those commercial vehicles. Net sales is determined by reducing customer returns and sales discounts.

Revenue from the sale of goods is recognized when all the following conditions are gratified:

- The significant risks and the ownership of the goods are transferred to the buyer,
- The Group refrains the managerial control over the goods and the effective control over the goods sold,
- The revenue can be measured reasonably,
- It is probable that the economic benefits related to transaction will flow to the entity,
- The costs incurred or will be incurred in conjunction with the transaction can be measured reliably.

Warranties given for sales cannot be purchased separately. These warranties are assured that the products sold are in compliance with the pre-determined conditions. In this respect, the Group will continue to recognize the warranty provisions in accordance with the provisions of the existing TAS 37 Provisions, Contingent Liabilities and Conditional Assets.

Revenue from extended warranty sales

For the products it sells, the Group sells extended warranty for the periods starting from the end of the legal warranty periods. The price of the additional commitments given is considered as a different service promised within the contract, apart from the products sold. Therefore, the Group accounts for the service to be provided due to extended warranty sales as a separate performance obligation.

Service rendering

When the revenue from services can be measured reliably, the revenue is recorded in accordance with its completion level. If the revenue cannot be measured reliably, revenues are recognized as much as the recoverable amount of expenses that are associated with these revenues.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.17 Revenue recognition (cont'd)

Rent income

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease.

When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The difference is included in financial statements on accrual basis.

2.3.18 Reporting of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid assets with less than three months to maturity.

2.3.19 Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.3.20 Government Grants

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants and assistance received for R&D purposes of the Group are explained in Note 14.

2.3.21 TFRS 9 Financial Instruments

TFRS 9, Financial instruments; effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. Group has carried out valuation studies to determine the cumulative effect of the first transition and concluded that no changes should be made to the consolidated financial statements.

Financial assets

At initial recognition, the Group measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measures trade receivables at their transaction price (as defined in TFRS 15) if the trade receivables do not contain a significant financing component in accordance with TFRS 15 (or when the entity applies the practical expedient) at initial recognition.

In the initial measurement of financial assets except at fair value through profit or loss, transaction costs directly attributable to the acquisition or export of such assets are added to or deducted from the fair value. Financial assets that are traded in the normal course are recognized at the date of the transaction (delivery date).

Introduction
Activities in 2021
Sustainability
Corporate Governance
Financial Information

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.21 TFRS 9 Financial Instruments (cont'd)

Financial assets (cont'd)

The Group reclassifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: (a) the Group's business model for managing the financial assets, and (b) the contractual cash flow characteristics of the financial asset. When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. The Group applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Financial assets measured at amortized cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest revenue of financial assets measured at amortised cost is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Company accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in the financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.21 TFRS 9 Financial Instruments (cont'd)

Financial assets measured at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Financial assets that are not designated as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss. The related financial assets are presented with their fair values and the gains and losses arising from the valuation are recognized in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortized cost or fair value through other comprehensive income.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses except for purchased or originated credit impaired financial assets. For purchased or originated credit-impaired financial assets, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance at the reporting date.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables that do not contain a significant financing component, which is referred as simplified approach.

Financial liabilities

Financial liabilities are initially measured at fair value. During initial recognition of financial liabilities not designated fair value through profit or loss, all directly attributable transaction costs related to underwriting of financial liabilities, added to this fair value.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- (a) financial liabilities at fair value through profit or loss: Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Company recognises any income on the transferred asset and any expense incurred on the financial liability.
- (c) contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. Such contingent consideration is subsequently be measured at fair value with changes recognised in profit or loss.

The Group does not reclassify any financial liability.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.21 TFRS 9 Financial Instruments (cont'd)

Recognition and derecognition of financial assets

The Group recognises a financial asset or a financial liability in the statement of financial position when the Group becomes party to the contractual provisions of the instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group only derecognizes the obligation if the obligation defined in the contract is lifted or canceled or if it expires on time.

2.3.22 Events after the reporting period

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring an adjustment to the consolidated financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the consolidated financial statements.

2.4 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. If the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

Significant accounting errors are applied retrospectively and the consolidated financial statements of the previous period are restated. There has been no significant change in the accounting estimates of the Group in the current year.

2.5 Other Accounting Estimates

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements except instances where the estimation of the effect related to upcoming periods are not possible.

a) Deferred Tax

There are previous year losses, research and development expenditures and investment incentive certificates that the Group can gain tax advantage in the future. Deferred tax assets can only be recognized if it is probable that sufficient taxable profit will be generated in future periods. In each reporting period, the Group management evaluates the taxable profit that may occur in the future periods, and during its evaluations, future profit projections and unused losses are taken into account within the scope of tax legislation. For the year ended December 31, 2021, the Group has recorded deferred tax assets up to the part that it finds sufficient indications of taxable profit in the foreseeable future, and has set aside provisions for the remaining amount (TL 16.945.954) (31 December 2020: TL 24.916.158).

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Other Accounting Estimates (cont'd)

b) Warranty Cost Provisions

The Group determined the warranty provision based on warranty costs for each vehicle model in previous years and the remaining warranty periods for each vehicle.

c) Useful lives of property, plant and equipment:

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The Company may shorten or prolong the useful lives and related depreciation of property, plant and equipment by taking into consideration the intended use of property, plant and equipment, technological progress according to their types and other factors.

d) Revaluation of land improvements and buildings:

Land improvements, evaluation of buildings and machinery have been made by taking into consideration the current market conditions. As a result of the revaluation, provision for impairment of the fixed assets with fair value lower than the cost value is made.

The Group's land improvements and buildings have been revalued at 5 February 2018 by independent appraisals accredited by the Capital Markets Board. The Group's land improvements and buildings have been revalued by independent appraisals accredited by the Capital Markets Board. The revaluation fund which is composed of the difference between the book value and the fair value is offset with deferred tax and shown under the equity as revaluation fund. Revaluation is performed periodically.

e) Estimated impairment of goodwill

The Group annually tests goodwill for impairment. The recoverable amounts of cash generating units are determined based on the calculations of value in use.

g) Provision for Employment Termination Benefits

Provision for employment termination benefits is calculated by taking into account the severance pay ceiling and actuarial informations recognized into the consolidated financial statements. Provision for employment termination benefits represents the estimated present value of the amount of retirement pay liability that the Group is liable to pay in the future.

NOTE 3 - SEGMENT REPORTING

The field of activity of the Group established in Turkey is the manufacture, assembly, import and sale of motor vehicles and spare parts. The field of activity of the Group, the nature and economic properties of products, production processes, classification according to customer risks and methods used in the distribution of products are similar. Moreover, the Group is structured on an activity basis rather than being managed under separate divisions including different activities. Thus, the operations of the Group are considered as a single activity division, and the outputs of the Group's activities, determination of the resources to be allocated to these activities, and review of the performance of these activities are evaluated accordingly.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and equivalent values as of the end of the period are presented below:

	31 December 2021	31 December 2020
Cash	1.471	3.221
Banks-Demand Deposits	19.562.954	13.725.357
Banks-Time Deposits (up to 3 months)	619.210.951	248.575.997
Other Liquid Assets ⁽¹⁾	973.339	4.783.248
Total	639.748.715	267.087.823

⁽¹⁾ As of 31 December 2021 and 31 December 2020, the balance in "Other Liquid Assets" is consist of directly debting system assets and credit card receivables in bank of group.

There are no restricted deposits as of 31 December 2021 and 31 December 2020.

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	30 December 2020
Liquid Assets	639.748.715	267.087.823
Interest Accruals (-)	(42.873)	(357.568)
Total (Excluding interest accruals)	639.705.842	266.730.255

The details of time deposits are as follows:

	31 December 2021		31 December 2020	
	Amount (TL Equivalent)	Annual Average Interest Rate (%)	Amount (TL Equivalent)	Annual Average Interest Rate (%)
TL	75.952.873	18,73	162.984.387	17,19
Euro	451.984.437	0,33	85.253.940	0,58
US Dollar	91.273.641	0,75	337.670	0,75
Total	619.210.951		248.575.997	

The Group does not have any time deposits with maturities longer than one month and the time deposits are composed of fixed interest rates.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 5 - FINANCIAL LIABILITIES

The details of bank loans as of 31 December 2021 and 31 December 2020 are as follows:

a) Short-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
TL	16,38	9,38	161.500.843	335.847.784	161.500.843	335.847.784
Total					161.500.843	335.847.784

b) Short-term Portions of Long-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Euro	1,08	2,50	8.652.339	244.655	130.379.500	2.203.824
TL	15,64	13,57	121.718.562	18.882.293	121.718.562	18.882.293
Total					252.098.062	21.086.117

Finance Lease Liabilities

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Euro	4,35	4,15	91.935	29.040	1.385.341	261.589
TL	20,00	13,00	3.174.140	3.334.469	3.174.140	3.334.469
Total					4.559.481	3.596.058

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 5- FINANCIAL LIABILITIES (cont'd)

c) Long-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Euro	3,26	1,74	19.153.591	17.535.475	288.619.714	157.957.801
TL	18,82	12,09	220.956.469	107.662.942	220.956.469	107.662.942
Total					509.576.183	265.620.743

As of 31 December 2021 and 31 December 2020, the payment schedule of long-term loans is as follows:

	31 December 2021	31 December 2020
1 to 2 years	348.861.588	128.775.589
2 to 3 years	35.641.646	102.117.516
3 to 4 years	31.317.988	12.911.632
4 to 5 years	27.777.068	8.345.674
More than 5 years	65.977.893	13.470.332
Total	509.576.183	265.620.743

Finance Lease Liabilities

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Euro	4,35	4,15	344.980	48.400	5.198.400	435.982
TL	20,00	13,00	515.100	1.973.345	515.100	1.973.345
Total					5.713.500	2.409.327

Financial net debt reconciliation as of 31 December 2021 and 31 December 2020 is as follows:

	31 December 2021	31 December 2020
Opening balance	628.560.029	499.767.781
Interest expense	70.420.770	52.604.938
Cash outflows from debt payments arising from lease agreements	(8.093.244)	(3.654.829)
TFRS 16 changes in lease liabilities	9.104.033	3.143.375
Interest paid	(69.477.974)	(45.217.300)
Newly obtained credits	506.637.641	800.467.723
Loans repaid	(351.681.632)	(759.819.753)
Exchange difference	147.978.446	81.268.094
Closing balance	933.448.069	628.560.029

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 6- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Trade Receivables from Third Parties	459.278.055	390.979.689
Trade Receivables from Related Parties	298.393.667	36.479.657
Rediscount Expenses (-)	(3.804.292)	(2.460.199)
Doubtful Receivables	522.097	762.710
Allowance for Doubtful Receivables (-)	(522.097)	(762.710)
Total	753.867.430	424.999.147

As of 31 December 2021, the average term for trade receivables is 102 days (31 December 2020: 123 days).

Movements of provision for doubtful receivables are as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Opening Balance	762.710	364.907
Provisions in the Period	-	397.803
Collections in the Period	(240.613)	-
Closing Balance	522.097	762.710

Disclosures on the nature and level of risks in trade receivables are given in Note 28.

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Trade Payables to Third Parties	375.224.599	234.043.838
Trade Payables to Related Parties	639.836.656	295.508.402
Rediscount Incomes (-)	(3.811.421)	(2.967.711)
Total	1.011.249.834	526.584.529

As of 31 December 2021, the average term for trade payables is 127 days (31 December 2020: 152 days).

Disclosures on the nature and level of risks in trade payables are given in Note 28.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 7- OTHER RECEIVABLES AND PAYABLES

a) Other Short-term Receivables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Receivables from Tax Office ⁽¹⁾	71.505.661	2.965.263
Due from Personnel	1.016.446	929.153
Deposits and Guarantees Given	37.335	3.144
Total	72.559.442	3.897.560

⁽¹⁾ As of 31 December 2021, the amount of Group's receivables was TL 71.017.503 which consists of the receivables related to the VAT refund request (31 December 2020: TL 2.080.900).

b) Other Long-term Receivables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Deposits and Guarantees Given	3.642	186
Total	3.642	186

Disclosures on the nature and level of risks in other receivables are given in Note 28.

c) Other Short-term Payables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Payables Under Employee Benefit	14.666.030	13.285.626
Tax and Funds Payables	4.098.897	2.480.982
Other Miscellaneous Payables	1.844.395	182.720
Toplam	20.609.322	15.949.328

Disclosures on the nature and level of risks in other receivables are given in Note 28.

d) Other Long-term payables

	<u>31 December 2021</u>	<u>31 December 2020</u>
Payables Related to Employee Benefit	-	999.320
Total	-	999.320

Disclosures on the nature and level of risks in other receivables are given in Note 28.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 8- DERIVATIVE INSTRUMENTS**Foreign Currency Forward Transactions**

As of 31 December 2021, the Group has 40 foreign currency options contracts with a nominal value of JPY 2.490.066.347, which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (31 December 2020: 25 foreign currency options contracts with a nominal value of JPY 1.708.114.094).

	31 December 2021			31 December 2020		
	Nominal Value	Fair Value		Nominal Value	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swap	75.000.000	-	1.458.151	-	-	-
Forward Contracts	703.181.296	105.351.238	(4.133.811)	469.271.674	53.132	(21.327.299)
Total	778.181.296	105.351.238	(2.675.660)	469.271.674	53.132	(21.327.299)

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	31 December 2021	31 December 2020
Raw Materials	233.713.070	177.218.695
Work in Process Goods	930.633	623.328
Finished Goods	116.972.621	150.864.222
Trade Goods	66.439.881	45.690.801
Other Inventory	7.712.306	2.608.038
Import and Domestic Purchase Advances	44.455.438	14.146.200
Impairment in Finished Goods and Trade Goods	(488.002)	(488.002)
Total Inventories	469.735.947	390.663.282

Movement of Provision for Inventory Impairment	31 December 2021	31 December 2020
Opening Balance	488.002	488.002
Current Period Provision (+)	-	-
Closing Balance	488.002	488.002

As at 31 December 2021, total cost of sales which recognized in statement of profit or loss is TL 332.380.815 (31 December 2020: TL 141.053.032)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 10- PROPERTY, PLANT AND EQUIPMENT**31 December 2021**

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2021	94.164.000	13.591.902	463.358.028	230.154.290	6.020.376	4.532.176	785.999	1.793.071	814.399.842
Additions	-	837.656	1.440.156	27.954.000	1.104.449	184.125	-	-	31.520.386
Disposals	-	-	-	(246.972)	(580.818)	(12.848)	-	-	(840.638)
Revaluation Increases	547.389.446	-	140.304.943	-	-	-	-	-	687.694.389
Closing Balance as at 31 December 2021	641.553.446	14.429.558	605.103.127	257.861.318	6.544.007	4.703.453	785.999	1.793.071	1.532.773.979

Accumulated Depreciation

Opening Balance as at 1 January 2021	-	(9.366.790)	(66.205.856)	(162.569.636)	(4.012.622)	(3.485.715)	(771.101)	-	(246.411.720)
Charge for the year	-	(482.978)	(4.151.684)	(12.976.435)	(704.056)	(258.077)	(843)	-	(18.574.073)
Disposals	-	-	-	242.656	330.865	9.978	(11.414)	-	572.085
Closing Balance as at 31 December 2021	-	(9.849.768)	(70.357.540)	(175.303.415)	(4.385.813)	(3.733.814)	(783.358)	-	(264.413.708)

Net Book Value

Opening Balance as at 1 January 2021	94.164.000	4.225.112	397.152.172	67.584.654	2.007.754	1.046.461	14.898	1.793.071	567.988.122
Closing Balance as at 31 December 2021	641.553.446	4.579.790	534.745.587	82.557.903	2.158.194	969.639	2.641	1.793.071	1.268.360.271

TL 11.504.622 of the depreciation expenses has been charged to cost of sales and TL 830.207 to research and development expenses and TL 921.589 to marketing expenses, TL 1.776.847 to general administrative expenses and TL 3.540.808 to development capitalization as of 31 December 2021.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 10- PROPERTY, PLANT AND EQUIPMENT (cont'd)
31 December 2020

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2020	94.164.000	12.650.925	463.171.681	203.509.770	8.869.949	4.241.161	774.199	3.380.726	790.762.411
Additions	-	601.557	-	20.772.575	786.240	83.646	-	5.863.975	28.107.993
Transfer from Construction in Progress	-	339.420	186.347	6.706.694	-	207.369	11.800	(7.451.630)	-
Disposals	-	-	-	(834.749)	(3.635.813)	-	-	-	(4.470.562)
Closing Balance as at 31 December 2020	94.164.000	13.591.902	463.358.028	230.154.290	6.020.376	4.532.176	785.999	1.793.071	814.399.842

Accumulated Depreciation

Opening Balance as at 1 January 2020	-	(8.906.896)	(61.210.559)	(153.374.461)	(5.584.871)	(3.227.787)	(769.587)	-	(233.074.161)
Charge for the year	-	(459.894)	(4.995.297)	(9.991.069)	(1.014.405)	(257.928)	(1.514)	-	(16.720.107)
Disposals	-	-	-	795.894	2.586.654	-	-	-	3.382.548
Closing Balance as at 31 December 2020	-	(9.366.790)	(66.205.856)	(162.569.636)	(4.012.622)	(3.485.715)	(771.101)	-	(246.411.720)

Net Book Value

Opening Balance as at 1 January 2020	94.164.000	3.744.029	401.961.122	50.135.309	3.285.078	1.013.374	4.612	3.380.726	557.688.250
Closing Balance as at 31 December 2020	94.164.000	4.225.112	397.152.172	67.584.654	2.007.754	1.046.461	14.898	1.793.071	567.988.122

TL 10.350.273 of the depreciation expenses has been charged to cost of sales and TL 836.529 to research and development expenses and TL 1.210.406 to marketing expenses, TL 1.684.588 to general administrative expenses and TL 2.638.311 to development capitalization as of 31 December 2020.

An independent valuation on the Group's land and buildings was done as at 31 December 2021. Fair values of the Group's land and buildings were estimated based on valuation techniques which take into account comparable fair market value of land and buildings that share similar characteristics to the Group's assets. The gains/(loss) on revaluation of land and buildings in the amount of TL 687.694.389, net of taxes of TL 604.894.456 has been included as a component of other comprehensive income. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income. There are no restrictions on the distribution of the revaluation surplus to the equity holders of the Group.

The net book values of the land and buildings owned by the Group, if they are valued on the historical cost basis, are given below:

	2021		2020	
	Land	Buildings	Land	Buildings
Cost	1.292.239	83.456.765	1.292.239	82.829.177
Accumulated Depreciation	-	(51.419.365)	-	(49.932.063)
Net Carrying Value	1.292.239	32.037.400	1.292.239	32.897.114

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Financial Information**NOTE 11 - INTANGIBLE ASSETS****31 December 2021**

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2021	837.305	176.145.816	32.807.023	71.924.695	281.714.839
Additions	-	-	10.106.023	75.992.341	86.098.364
Transfer from Construction in Progress	125.703	63.786.315	28.200	(63.940.218)	-
Closing balance as at 31 December 2021	963.008	239.932.131	42.941.246	83.976.818	367.813.203

Accumulated Amortization

Opening Balance as at 1 January 2021	(244.620)	(86.845.598)	(23.564.902)	-	(110.655.120)
Charge for the period	(67.461)	(25.673.691)	(6.172.794)	-	(31.913.946)
Closing balance as at 31 December 2021	(312.081)	(112.519.289)	(29.737.696)	-	(142.569.066)

Net Book Value

Opening Balance as at 1 January 2021	592.685	89.300.218	9.242.121	71.924.695	171.059.719
Closing balance as at 31 December 2021	650.927	127.412.842	13.203.550	83.976.818	225.244.137

(*) As of 31 December 2021, TL 79.114.463 of the "Construction in Progress" amount is related to R&D projects, TL 167.220 is related to property, plant and equipments and the remaining part is related to other intangible asset investments.

TL 26.802.870 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 72.570 to research and development expenses and TL 351.982 to marketing expenses, TL 2.631.437 to general administrative expenses and TL 2.055.087 to development capitalization as of 31 December 2021.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS (cont'd)

31 December 2020

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances	Total
Opening Balance as at 1 January 2020	837.305	133.984.121	28.195.853	54.614.603	217.631.882
Additions	-	-	4.603.337	59.479.620	64.082.957
Transfer from Construction in Progress	-	42.161.695	7.833	(42.169.528)	-
Closing balance as at 31 December 2020	837.305	176.145.816	32.807.023	71.924.695	281.714.839

Accumulated Amortization

Opening Balance as at 1 January 2020	(183.600)	(67.719.368)	(18.137.592)	-	(86.040.560)
Charge for the period	(61.020)	(19.126.230)	(5.427.310)	-	(24.614.560)
Closing balance as at 31 December 2020	(244.620)	(86.845.598)	(23.564.902)	-	(110.655.120)

Net Book Value

Opening Balance as at 1 January 2020	653.705	66.264.753	10.058.261	54.614.603	131.591.322
Closing balance as at 31 December 2020	592.685	89.300.218	9.242.121	71.924.695	171.059.719

⁽¹⁾ As of 31 December 2020, TL 69.090.661 of the "Construction in Progress" amount is related to R&D projects, TL 1.237.106 is related to property, plant and equipments and the remaining part is related to other intangible asset investments.

TL 19.453.887 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 34.653 to research and development expenses and TL 491.832 to marketing expenses, TL 1.734.060 to general administrative expenses and TL 2.900.128 to development capitalization as of 31 December 2020.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 12 - RIGHT OF USE ASSETS

As of 31 December 2021 and 31 December 2020, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

Cost Value	Total
Opening Balance as at 1 January 2021	9.123.022
Additions	4.729.671
Closing balance as at 31 December 2021	13.852.693

Accumulated Amortization

Opening Balance as at 1 January 2021	(4.303.961)
Charge for the Period	(3.718.883)
Closing balance as at 31 December 2021	(8.022.844)

Net Book Value

Opening Balance as at 1 January 2021	4.819.061
Closing balance as at 31 December 2021	5.829.849

TL 910.198 of depreciation expenses has been charged to cost of sales, and TL 2.808.685 to general administration expenses as of 31 December 2021.

Cost Value

Opening Balance as at 1 January 2020	7.012.545
Additions	2.110.477
Closing balance as at 31 December 2020	9.123.022

Accumulated Amortization

Opening Balance as at 1 January 2020	(1.682.030)
Charge for the Period	(2.621.931)
Closing balance as at 31 December 2020	(4.303.961)

Net Book Value

Opening Balance as at 1 January 2020	5.330.515
Closing balance as at 31 December 2020	4.819.061

TL 655.493 of depreciation expenses has been charged to cost of sales, and TL 1.966.438 to general administration expenses as of 31 December 2020.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 13 - GOODWILL

As of 31 December 2021, there is goodwill amounted to TL 2.340.995 (31 December 2020: TL 2.340.995). The Group has calculated the recoverable amount of goodwill and no impairment is recognized. In this calculation, a discount rate of 20% (2020: 24% per annum) was used with 5-year cash flows prepared based on the budgets approved by the management.

NOTE 14- GOVERNMENT GRANTS AND INCENTIVES

The cash support amount, which was collected from TUBITAK in relation to R&D activities in 2021 was the TL 272.521. (TL 3.215.208 as of 31 December 2020).

The Group has R&D expenses which can be utilized for tax calculations with an amount of TL 390.303.320 as of 31 December 2021. As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008. R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% (TL 252.042.519 as of 31 December 2020).

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group applied to the Ministry of Industry and Commerce to become an R&D centre. On 3 June 2009, the Group was entitled to become an R&D centre.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent. The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 129788, TL 13.666.518 was spent. The contribution rate to the investment is 45%.

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**a) Other Short-term Provisions**

	<u>31 December 2021</u>	<u>31 December 2020</u>
Warranty Provisions	21.418.335	13.412.222
Provision for Lawsuits	8.543.291	6.249.729
Provision for Premium and Commission	34.732.481	4.453.147
Total	64.694.107	24.115.098

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Financial Information**NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**

Movements of provisions during the period are as follows:

	Warranty Provisions	Provision for Lawsuits	Other	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2021	13.412.222	6.249.729	-	4.453.147	24.115.098
Additions During The Period	29.986.227	3.468.562	-	34.732.481	68.187.270
Paid During The Period (-)	(21.980.114)	(1.175.000)	-	(4.453.147)	(27.608.261)
Closing Balance as at 31 December 2021	21.418.335	8.543.291	-	34.732.481	64.694.107

	Warranty Provisions	Provision for Lawsuits	Other	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2020	11.436.342	4.174.012	28.002	7.797.705	23.436.061
Additions During The Period	16.897.434	2.241.157	-	4.453.147	23.591.738
Paid During The Period (-)	(14.921.554)	(165.440)	(28.002)	(7.797.705)	(22.912.701)
Closing Balance as at 31 December 2020	13.412.222	6.249.729	-	4.453.147	24.115.098

Lawsuits against the Group:

As of 31 December 2021, there are 38 ongoing lawsuits filed against the Group due to the cancellation of employment termination and other claims for employment and other compensation. Based on these lawsuits, TL 8.543.291, which is recognized based on assessments of the lawyers, was reserved as lawsuit provision (as of 31 December 2020, the lawsuit provisions amount is TL 6.249.729).

Mortgages and guarantees on assets:

There are not any mortgages and guarantees on assets.

Total insurance coverage on assets:

Total insurance coverage on assets is TL 1.401.156.089 as of 31 December 2021 (31 December 2020: TL 1.094.454.746).

Contingent liabilities which are not shown in liabilities listed are as follows:

Type	31 December 2021	31 December 2020
Given Letters of Guarantee	544.273.486	283.739.370
Total	544.273.486	283.739.370

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

	<u>31 December 2021</u>	<u>31 December 2020</u>
A. CPMs given in the name of its own legal personality	544.273.486	283.739.370
i. Letter of Guarantee	544.273.486	283.739.370
B. CPMs given on behalf of fully consolidated companies	-	-
C. CPMs given in the normal course of business activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the parent	-	-
ii. Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in scope of C	-	-
Total	544.273.486	283.739.370

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 31 December 2021 (0% as of 31 December 2020).

The Group is exposed to foreign currency risk since its foreign currency denominated assets and liabilities are formed of different currencies. In order to hedge its foreign currency position due to the fluctuations in the foreign exchange parities, the Group enters into forward contracts.

NOTE 16 - EMPLOYEE BENEFITS

a) Short-Term Provisions for Employee Benefits

	<u>31 December 2021</u>	<u>31 December 2020</u>
Provision for Employee Rights and Salaries	12.164.321	8.799.026
Provision for Unused Vacation	3.330.914	2.332.644
Total	15.495.235	11.131.670

Short-term provisions for employee benefits consist of provisions that were calculated and unpaid as of the end of period.

Movements of the provision for unused vacation during the period are as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Opening Balance	2.332.644	1.130.612
Recognized provision during the period	3.421.630	4.155.242
Paid During The Period	(2.423.360)	(2.953.210)
Total	3.330.914	2.332.644

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 16 - EMPLOYEE BENEFITS (cont'd)

b) Long-Term Provisions for Employee Benefits

	31 December 2021	31 December 2020
Provision for Severance Payments to Employees	47.235.042	32.134.270
Total	47.235.042	32.134.270

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men). Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements.

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared

of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TL 10.848,59 (1 January 2021: TL 7.638,96) applicable as of 6 January 2022 has been regarded for the calculation of the Group's provision of severance pay.

Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered.

Considering the Liability of Severance Pay are related to the next periods as per TAS 19, current values of the severance payments which will be made as of the balance sheet date are calculated to determine an approximate inflation expectation whose net difference refers a real discount rate and find an appropriate discount rate.

The actuarial assumptions considered in the calculation of the provision for employment termination benefits are as follows:

	31 December 2021	31 December 2020
Annual Net Discount Rate (%)	4,35	4,15
Turnover Rate to Estimate the Probability of Retirement (%)	5,10	4,91

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.

Movements of the provision for employee termination benefit during the period are as follows:

	31 December 2021	31 December 2020
Opening Balance	32.134.270	27.764.472
Interest Cost	1.397.142	1.154.677
Gain/(Loss) on Remeasurement of Defined Benefit Plans	(1.003.924)	3.237.454
Paid Within the Period	(1.839.489)	(2.482.888)
Service Cost	16.547.043	2.460.555
Closing Balance	47.235.042	32.134.270

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 17- OTHER ASSETS AND LIABILITIES**a) Prepaid Expenses**

	<u>31 December 2021</u>	<u>31 December 2020</u>
Advances Given For Inventory Purchase	32.816.898	13.718.429
Prepaid Extended Warranty Expenses	2.605.512	2.454.978
Prepaid Insurance Expenses	238.763	223.007
Prepaid Subscription Expenses	205.682	71.949
Prepaid Advertisement Expenses	-	73.665
Prepaid Maintenance Expenses	369.619	339.669
Prepaid Other Expenses	1.025.527	952.974
Total	37.262.001	17.834.671

b) Other Current Assets

	<u>31 December 2021</u>	<u>31 December 2020</u>
Deferred VAT	18.617.567	41.792.419
Other Current Assets	4.609.154	2.541.977
Total	23.226.721	44.334.396

c) Prepaid Expenses

	<u>31 December 2021</u>	<u>31 December 2020</u>
Prepaid Extended Warranty Expenses	2.296.978	4.902.490
Prepaid Expenses	1.063.081	912.934
Total	3.360.059	5.815.424

d) Deferred Income (Short-Term)

	<u>31 December 2021</u>	<u>31 December 2020</u>
Order Advances Received	20.225.035	65.608.817
Deferred Income ⁽¹⁾	1.421.577	1.018.084
Total	21.646.612	66.626.901

⁽¹⁾ The amount of cash incentives received for the company's R&D activities and which should be transferred to the income statement for upcoming months as of 31 December 2021 is TL 848.821 (31 December 2020: R&D cash support income that will be transferred to the income statement for upcoming months is TL 983.880).

e) Liabilities Arising from Contracts with Customers (Short-Term)

	<u>31 December 2021</u>	<u>31 December 2020</u>
Deferred Maintenance and Repair Income	10.863.604	4.680.955
Total	10.863.604	4.680.955

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 17- OTHER ASSETS AND LIABILITIES (cont'd)**f) Deferred Income (Long-Term)**

	31 December 2021	31 December 2020
Order Advances Received	3.368.213	3.962.861
Deferred Income ^(*)	2.018.062	2.866.883
Total	5.386.275	6.829.744

^(*) The amount of cash incentives received for the company's R&D activities and which should be transferred to the income statement for upcoming months as of 31 December 2021 is TL 2.018.062 (31 December 2020: TL 2.866.883).

f) Liabilities Arising from Customer Contracts (Long-Term)

	31 December 2021	31 December 2020
Deferred Maintenance and Repair Income	35.813.919	15.299.447
Total	35.813.919	15.299.447

NOTE 18- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Capital/Elimination Adjustments**

As of 31 December 2021, the share capital of the Company is TL 84.000.000 (31 December 2020: TL 84.000.000).

This share capital is divided into 8.400.000.000 in total, including 4.515.314.511 A Group registered shares, 2.498.204.373 B Group registered shares, 1.386.481.116 C Group bearer's shares, each with nominal value of 1 (one) Kr. The distribution of this share capital on the basis of share group is as follows:

31 December 2021

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	55,40
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	16,99
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	9,46
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	3,28
Other	308.373	-	12.174.183	12.482.556	14,87
Total	45.153.145	24.982.043	13.864.812	84.000.000	100,00

31 December 2020

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	55,40
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	16,99
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	9,46
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	3,28
Other	308.373	-	12.174.183	12.482.556	14,87
Total	45.153.145	24.982.043	13.864.812	84.000.000	100,00

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 18- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

b) Privileges Granted to the Share Groups

The Company is directed by the fourteen members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

Four members of the Board of Directors are elected from the candidates nominated by the shareholders of Group B, the eight members of the Board of Directors are elected from the candidates nominated by the shareholders of Group A and Two members are elected by the General Assembly from among the candidates to be nominated as independent board members.

Equity	31 December 2021	31 December 2020
Paid-in Capital	84.000.000	84.000.000
Capital Inflation Adjustment Difference	30.149.426	30.149.426
Restricted Reserves Appropriated from profit	23.784.678	23.784.678
Previous Year Profits	33.032.805	19.384.487
Gain/(Loss) on Revaluation and Measurement	1.022.267.501	417.373.045
(Losses) on Remeasurement of Defined Benefit Plans	(12.390.286)	(13.193.425)
Net Profit/(Loss) for The Period	211.426.746	13.648.318
Shareholders' Equity Attributable to Equity Holders of the Group	1.392.270.870	575.146.529
Total Shareholders' Equity	1.392.270.870	575.146.529

c) Restricted Reserves Appropriated from Profit

Restricted reserves appropriated from profit are comprised of legal reserves and other reserves.

Restricted Reserves Appropriated from Profit	31 December 2021	31 December 2020
Legal Reserves	23.784.678	23.784.678
Total	23.784.678	23.784.678

According to the provisions of the Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The first legal reserves are allocated at the rate of 5% of the legal period profit until it reaches 20% of the historical or registered Company capital. Secondary legal reserves are allocated at the rate of 10% of all dividend distributions exceeding 5% of the Company's capital. According to the Turkish Commercial Code, first and second legal reserves cannot be distributed unless they exceed 50% of the total capital. They can only be used to compensate the losses in case the voluntary reserves are exhausted.

Retained earnings is comprised of extraordinary reserves, miscellaneous inflation differences and other prior years' income.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 18- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

d) Retained Earnings/Losses

The Group's prior years' income details as of period ends are as follows:

Retained Earnings/Losses	31 December 2021	31 December 2020
Extraordinary Reserves	153.577.593	151.914.057
Legal Reserves Inflation Difference	24.820.489	24.820.489
Retained Earnings/(Losses)	(145.365.277)	(157.350.059)
Total	33.032.805	19.384.487

Quoted companies make profit distributions as follows:

If the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit should be distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period. In accordance with the CMB's decision dated 27 January 2010, it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for publicly owned companies.

Inflation adjustment on Equity; the carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses. However, equity inflation adjustment differences will be liable to corporate tax if it is used in cash profit distribution.

Group's retained earnings is TL 33.032.805 based on the financial statements prepared in according with TAS/IFRS Financial Reporting Standard for the period ended 31 December 2021 (31 December 2020: TL 19.384.487).

In accordance with the Communiqué No:XI-29 and related announcements of TAS/IFRS, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amount. The valuation differences (such as differences from inflation adjustment) shall be classified as follows:

- "the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Capital Adjustment to Share Capital";
- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 19- REVENUE AND COST OF SALES

	1 January- 31 December 2021	1 January- 31 December 2020
Domestic Sales	1.701.689.766	878.241.241
Foreign Sales	1.165.242.132	425.926.312
Other Income	22.064.823	10.831.088
Sales Total (Gross)	2.888.996.721	1.314.998.641
Sales Discounts (-)	(210.954.866)	(73.785.388)
Sales (Net)	2.678.041.855	1.241.213.253
Cost of Sales	(2.113.442.723)	(989.548.126)
Gross Operating Profit	564.599.132	251.665.127

Cost of sales are summarised as follows;

Cost of Sales	1 January- 31 December 2021	1 January- 31 December 2020
Raw Materials and Supplies Expenses	(1.588.136.170)	(810.658.546)
Direct Labor Expenses	(86.970.941)	(53.929.397)
Depreciation and Amortization Expenses	(39.217.690)	(30.459.653)
Other Production Costs	(30.829.967)	(14.280.689)
Total Cost of Production	(1.745.154.768)	(909.328.285)
Change in Goods Inventory	(33.584.296)	64.322.299
Cost of Trade Goods Sold	(332.380.815)	(141.053.032)
Cost of Other Sales	(2.322.844)	(3.489.108)
Cost of Sales	(2.113.442.723)	(989.548.126)

NOTE 20- ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) Research and Development Expenses	1 January- 31 December 2021	1 January- 31 December 2020
Personnel Expenses	(9.882.436)	(1.949.987)
Depreciation Expenses	(902.777)	(871.182)
Outsourced Benefits and Services	(255.221)	(290.029)
Other	(798.874)	(528.265)
Total Research and Development Expenses	(11.839.308)	(3.639.463)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 20- ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (cont'd)

b) Marketing Expenses	1 January- 31 December 2021	1 January- 31 December 2020
Personnel Expenses	(34.434.424)	(23.905.709)
Export Expense	(22.107.671)	(15.377.996)
Transportation, Freight Expenses	(27.691.005)	(9.638.304)
Royalty Expenses ⁽¹⁾	(19.238.610)	(8.828.674)
Domestic Sales Expense	(9.747.980)	(7.925.796)
Advertisement Expenses	(7.417.755)	(3.820.395)
Business and Service Expenses	(9.772.139)	(2.946.219)
Warranty Expense Provision	(8.006.113)	(1.975.879)
Depreciation Expenses	(1.273.571)	(1.702.238)
Travel Expenses	(3.085.707)	(987.611)
Representation-Hospitality Expenses	(692.813)	(604.056)
Tax, Duties and Fee Expenses	(1.518.178)	(496.404)
Insurance Expenses	(1.456.172)	(468.589)
Maintenance and Repair Expenses	(369.806)	(129.864)
Consulting, Audit Expenses	(882.969)	(29.929)
Other	(8.438.450)	(5.174.095)
Total General Administrative Expenses	(156.133.363)	(84.011.758)

⁽¹⁾ As of 31 December 2021, TL 19.238.610 part of TL 18.878.743 amounted royalty expenses is related to license agreements with Isuzu Motors Ltd. Tokyo, TL 30.670 is related to license agreements with Isuzu Motors International Operation Thailand, TL 329.197 is related to licence agreements with AG Anadolu Holding A.Ş.(As of 31 December 2020, TL 8.720.845 part of TL 8.828.674 amounted royalty expenses is related to license agreements with Isuzu Motors Ltd. Tokyo, TL 107.829 is related to license agreements with Isuzu Motors International Operation Thailand).

c) General Administrative Expenses	1 January- 31 December 2021	1 January- 31 December 2020
Personnel Expenses	(34.128.993)	(33.577.515)
Business and Service Expenses	(17.164.266)	(13.052.667)
Consulting, Audit Expenses	(13.865.831)	(12.174.803)
Depreciation Expenses	(7.216.968)	(5.385.086)
Insurance Expenses	(3.780.879)	(3.272.064)
Tax, Duties and Fee Expenses	(4.086.534)	(2.754.247)
Maintenance and Repair Expenses	(462.211)	(273.423)
Representation-Hospitality Expenses	(330.969)	(158.239)
Travel Expenses	(42.159)	(65.880)
Rent Expenses	(323.726)	(60.129)
Other	(5.257.808)	(4.777.675)
Total General Administrative Expenses	(86.660.344)	(75.551.728)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 21- EXPENSES BY NATURE

	1 January- 31 December 2021	1 January- 31 December 2020
Direct Raw Material and Supplies Costs	(1.588.136.170)	(810.658.546)
Cost of Trade Goods Sold	(332.380.815)	(141.053.032)
Change in Finished Goods and Semi-Finished Goods	(33.584.296)	64.322.299
Personnel Expenses	(165.416.794)	(113.362.608)
Depreciation And Amortisation Expenses	(48.611.006)	(38.418.159)
Other	(199.946.657)	(113.581.029)
Total Expenses	(2.368.075.738)	(1.152.751.075)

Expenses by nature include cost of goods sold, marketing, selling and distribution expenses, general administration expenses and research and development expenses.

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	2021	2020
Independent audit fee for the reporting period	152.475	140.000
Fees for services other than independent audit	8.000	-
Fee for other assurance services	1.750	1.000
Total	162.225	141.000

NOTE 22- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	1 January- 31 December 2021	1 January- 31 December 2020
Foreign Exchange Income on Trade Receivables and Payables	120.946.913	55.463.665
Income from Derivative Transactions	87.016.214	-
Sale Support Income	8.635.432	3.211.138
Service Income	2.148.285	2.585.423
Export D.F.I.F Support	925.177	1.155.011
Delay Interest Income	1.251.239	1.018.209
Discount Income on Trade Payables	-	801.856
Incentive Income	978.828	733.399
Rent Income	558.275	549.005
Tubitak R&D Incentive	522.309	418.131
Provisions no longer required	240.613	-
Other Income	4.806.363	3.563.243
Total	228.029.648	69.499.080

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 22- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)

Other Expense from Operating Activities:	1 January- 31 December 2021	1 January- 31 December 2020
Foreign Exchange Expense on Trade Receivables and Payables	(295.406.814)	(79.692.068)
Lawsuit Provisions	(2.293.562)	(2.075.717)
Discount Income on Trade Receivables	(500.383)	(747.019)
Allowances for Doubtful Receivables	-	(397.803)
Donations and Contributions	(26.000)	(343.573)
Other Expenses	(4.178.777)	(2.264.496)
Total	(302.405.536)	(85.520.676)

NOTE 23- INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income From Investing Activities	1 January- 31 December 2021	1 January- 31 December 2020
Gain on Sale of Machinery and Equipment	384.471	4.793.371
Total	384.471	4.793.371

Expenses from Investing Activities	1 January- 31 December 2021	1 January- 31 December 2020
Loss on Sale of Machinery and Equipment	-	(2.271)
Total	-	(2.271)

NOTE 24- FINANCE INCOME AND EXPENSES

Finance Income:	1 January- 31 December 2021	1 January- 31 December 2020
Foreign Exchange Gain	297.223.026	167.686.945
Income from Derivative Transactions	71.135.621	-
Interest Income	13.972.367	7.340.707
Total	382.331.014	175.027.652

Finance Expenses:	1 January- 31 December 2021	1 January- 31 December 2020
Foreign Exchange Losses	(303.170.569)	(170.427.017)
Interest Expense	(71.830.775)	(52.276.140)
Expense from Derivative Transactions	(24.457.022)	(21.274.167)
Letter of Guarantee Expenses	(4.769.160)	(2.761.641)
Forward Purchase Expense	(1.937.122)	(1.834.072)
Other Finance Expenses	(8.991.089)	(3.153.746)
Total	(415.155.737)	(251.726.783)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 25- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Group's tax expense (or income) is comprised of current period corporate tax expense and deferred tax expense (or income).

Account	1 January- 31 December 2021	1 January- 31 December 2020
Current Income Tax Provision (-)	(1.102.061)	(474.554)
Deferred Tax Income/(Expense) (Income Statement)	9.378.830	13.590.321
Tax Income/(Expense) - Income Statement	8.276.769	13.115.767
Tax Income/(Expense) (Comprehensive Income Statement)	(83.000.718)	647.491
Total Tax Income/(Expense)	(74.723.949)	13.763.258
	31 December 2021	31 December 2020
Current Corporate Tax Provision	1.102.061	474.554
Less: Prepaid Taxes	(1.458.726)	(1.202.830)
Tax Payable	(356.665)	(728.276)

As of 31 December 2021, the amount of corporate tax paid in advance is amounted to TL 356.665 which is portion of exceeding the corporation tax amount to be paid and it is included in the Assets Related to Current Period Taxation (31 December 2020: TL 728.276).

i) Provision for Current Period Tax

The Group is subjected to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit; deducting investment and research and development allowances, income that is not subjected to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Consolidation principle is not utilized to prepare financial statements related to tax that is effective in Turkey.

The effective tax rate in 2021 is 25% (2020: 22%).

Tax losses can be carried forward to offset against future taxable income for up to five years. However, tax losses cannot be carried back to offset profits from previous periods.

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years and may issue re-assessment based on their findings.

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed. The rate of income tax withholding is 15%.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 25- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

ii) Deferred Tax

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to TAS/TFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/TFRS standards and tax purposes.

Timing differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Timing differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and liabilities, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, 51.670.512 TL was spent. The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 129788, 13.666.518 TL was spent. The contribution rate to the investment is 45%.

	31 December 2021		31 December 2020	
	Cumulative Temporary Differences	Deferred Tax Assets/ (Liabilities)	Cumulative Temporary Differences	Deferred Tax Assets/ (Liabilities)
Inventories	1.115.794	223.159	943.975	188.795
Fixed Assets (Net)	(1.224.500.986)	(151.508.697)	(525.802.123)	(66.507.869)
Provision for Employment Termination Benefits	47.235.042	9.447.008	32.134.270	6.426.854
Guarantee Provisions	21.418.335	4.283.667	13.412.222	2.682.444
R&D Discount and Investment Incentive	709.834.782	116.328.010	501.204.099	75.324.662
Carried Forward Financial Loss	-	-	138.546.236	27.709.247
Derivative Instruments	(102.675.578)	(23.615.383)	21.274.167	4.254.833
Rediscount Expenses/Income (Net)	(7.129)	(1.640)	(542.863)	(108.573)
TFRS 15 Revenue from Contracts with Customers	(11.979.340)	(2.755.248)	(32.803.222)	(6.560.644)
Employee Benefits	3.205.155	737.186	17.848.059	3.569.612
Extended Warranty Income	46.677.523	9.335.505	19.980.402	3.996.080
Dealer Premium Provisions	29.299.728	6.738.937	-	-
Lawsuit Provisions	8.543.291	1.708.658	6.249.729	1.249.946
Other (Net)	1.196.807	175.338	2.316.019	463.205
Total		(28.903.500)		52.688.592
Provision for Deferred Tax		(16.945.954)		(24.916.158)
Total		(45.849.454)		27.772.434

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 25- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)*ii) Deferred Tax (cont'd)*

Movement of Deferred Tax Assets/(Liabilities):	1 January- 31 December 2021	1 January- 31 December 2020
Opening Balance	27.772.434	13.534.622
Deferred Tax (Expense)/Income Charged to Profit or Loss	9.378.830	13.590.321
Deferred Tax Income Charged to Comprehensive Income	(83.000.718)	647.491
Closing Balance	(45.849.454)	27.772.434

The reconciliation of the current tax expense with the period profit/loss is as follows:

Reconciliation of Tax Provision:	1 January- 31 December 2021	1 January- 31 December 2020
Income/(Loss) from Continuing Operations	203.149.977	532.551
Corporate Tax Rate 25%	(46.724.495)	(117.161)
Tax Effects of:		
- Impact of change in tax rate on deferred tax amount	12.891.245	10.651
- R&D Incentive	18.210.330	13.746.623
- R&D Support Income	196.776	91.989
- Non-deductible expenses	15.007.073	-
- Disallowable expenses	8.320.601	(696.474)
- Income Not Subject to Tax	158.044	(131.544)
- Other	217.195	211.683
Income/(Expense) on Tax Provision Recognised in Profit or Loss	8.276.769	13.115.767

NOTE 26 - EARNINGS/(LOSS) PER SHARE

	1 January- 31 December 2021	1 January- 31 December 2020
Net Profit/(Loss) for The Period	211.426.746	13.648.318
Weighted Average Number of Shares with Nominal Value of 1 Piaster	8.400.000.000	8.400.000.000
Income Per 100 Share with Nominal Value of TL 1 Each	2,5170	0,1625

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 27- RELATED PARTY DISCLOSURES

a) Related Party Payable and Receivable Balances:

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

The Group does not charge interest on its trade receivables from related parties.

31 December 2021	Receivables		Payables	
	Trade	Non-Trade	Trade	Non-Trade
Balances with Related Parties				
Itochu Corporation Tokyo	29.390	-	632.126.548	-
Isuzu Motors Ltd. Tokyo	1.464.103	-	6.187.633	-
Çelik Motor Ticaret A.Ş.	616.018	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	870.795	-	-	-
Isuzu Motors Europe NV	98.421	-	-	-
Türkiye'nin Otomobil Girişimi Grubu	168.740	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	345.049	-
Oyex-Handels Gmbh	295.146.200	-	-	-
AG Anadolu Grubu Holding A.Ş.	-	-	458.729	-
Migros Ticaret A.Ş.	-	-	699.303	-
Adel Kalemçilik Tic. ve San. A.Ş.	-	-	19.394	-
Payables to Shareholders ⁽¹⁾	-	-	-	9.109
Total	298.393.667	-	639.836.656	9.109

31 December 2020	Receivables		Payables	
	Trade	Non-Trade	Trade	Non-Trade
Balances with Related Parties				
Itochu Corporation Tokyo	25.905.891	-	291.116.848	-
Isuzu Motors Ltd. Tokyo	9.138.712	-	3.924.448	-
Çelik Motor Ticaret A.Ş.	751.645	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	656.345	-	-	-
Isuzu Motors Europe NV	27.064	-	-	-
Itochu France	-	-	175.654	-
AEH Sigorta Acenteliği A.Ş.	-	-	143.405	-
Isuzu Motors Co. Thailand Ltd.	-	-	76.225	-
AG Anadolu Grubu Holding A.Ş.	-	-	69.542	-
Migros Ticaret A.Ş.	-	-	2.280	-
Payables to Shareholders ⁽¹⁾	-	-	-	9.109
Total	36.479.657	-	295.508.402	9.109

⁽¹⁾ Non-Trade Payables to Shareholders balance is classified under other payables in balance sheet.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 27- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-31 December 2021

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/Sales
Isuzu Motors Ltd. Tokyo	43.205.552	-	-	43.205.552
Itochu Corporation Tokyo	2.832.481	-	-	2.832.481
Çelik Motor Ticaret A.Ş.	4.910.413	-	-	4.910.413
Anadolu Motor Üretim ve Paz. A.Ş.	4.238.328	1.000	-	4.239.328
Isuzu Motors International Operation Thailand	871.860	-	-	871.860
AEH Sigorta Acenteligi A.S.	90.000	-	-	90.000
Isuzu Motors Europe NV	593.090	-	-	593.090
AG Anadolu Grubu Holding A.Ş.	11.058	212	-	11.270
Oyex-Handels Gmbh	295.516.096	-	-	295.516.096
Adel Kalemcilik Tic. ve San. A.Ş.	4.153	-	-	4.153
Türkiye'nin Otomobil Girişimi Grubu	208.000	-	-	208.000
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	2.116	-	-	2.116
Toplam	352.483.147	1.212	-	352.484.359

1 January-31 December 2020

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/Sales
Isuzu Motors Ltd. Tokyo	17.670.431	-	-	17.670.431
Itochu Corporation Tokyo	27.357.983	-	-	27.357.983
Isuzu Motors International Operation Thailand	2.814.612	-	-	2.814.612
Anadolu Motor Üretim ve Paz. A.Ş.	2.263.713	-	-	2.263.713
Çelik Motor Ticaret A.Ş.	1.725.094	-	115.000	1.840.094
Isuzu Motors Europe NV	245.801	-	-	245.801
AEH Sigorta Acenteligi A.S.	80.000	-	-	80.000
AG Anadolu Grubu Holding A.Ş.	1.462	-	-	1.462
Toplam	52.159.096	-	115.000	52.274.096

1 January-31 December 2021

Purchases from Related Parties	Goods and Services Purchases	Fixed Assets Purchases	Other Income	Total Expense/Purchases
Itochu Corporation Tokyo	644.238.675	-	-	644.238.675
Isuzu Motors International Operation Thailand	111.439.415	-	-	111.439.415
AG Anadolu Grubu Holding A.Ş.	10.605.294	-	-	10.605.294
Oyex-Handels Gmbh	4.402.643	-	-	4.402.643
Efestur Turizm İşletmeleri A.Ş.	403.941	-	-	403.941
Çelik Motor Ticaret A.Ş.	236.930	-	-	236.930
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	1.022.715	-	-	1.022.715
Adel Kalemcilik Tic. ve San. A.Ş.	46.292	-	-	46.292
Anadolu Bilişim Hizmetleri A.Ş.	24.274	-	-	24.274
Migros Ticaret A.Ş.	189.951	-	-	189.951
Total	772.610.130	-	-	772.610.130

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Financial Information**NOTE 27- RELATED PARTY DISCLOSURES (cont'd)****b) Related Party Transactions: (cont'd)****1 January-31 December 2020**

Purchases from Related Parties	Goods and Services Purchases	Fixed Assets Purchases	Other Expenses	Total Expense/Purchases
Itochu Corporation Tokyo	337.805.486	-	-	337.805.486
Isuzu Motors International Operation Thailand	34.888.097	-	107.829	34.995.926
Isuzu Motors Ltd. Tokyo	4.043.005	-	8.720.845	12.763.850
AG Anadolu Grubu Holding A.Ş.	8.572.294	-	-	8.572.294
Efestur Turizm İşletmeleri A.Ş.	1.078.838	-	-	1.078.838
Çelik Motor Ticaret A.Ş.	199.722	9.261	-	208.983
Isuzu Motors Co. Thailand Ltd.	145.387	-	-	145.387
Migros Ticaret A.Ş.	62.645	-	-	62.645
Anadolu Bilişim Hizmetleri A.Ş.	30.924	-	-	30.924
Anadolu Motor Üretim ve Paz. A.Ş.	6.515	23.043	-	29.558
Adel Kalemcilik Tic. ve San. A.Ş.	17.320	-	-	17.320
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	17.995	-	-	17.995
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş.	-	5.713	-	5.713
Total	386.868.228	38.017	8.828.674	395.734.919

c) Donations to Anadolu Eğitim ve Sosyal Yardım Vakfı:

As per the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. Donation was not made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2021 (Donation was not made in 2020).

d) Benefits to Top Management:

	1 January-31 December 2021	1 January-31 December 2020
Salaries and Other Short-Term Liabilities	19.756.859	12.068.117
Total	19.756.859	12.068.117

The benefits provided to top management (General managers and Directors) include salaries, bonuses, premiums, and the employer's share of social security.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents in Note 4 and equity items in Note 18.

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet).

	<u>31 December 2021</u>	<u>31 December 2020</u>
Net Debt	1.304.949.188	888.056.735
Total Equity	1.392.270.870	575.146.529
Net Debt/Total Equity	0,94	1,54

General strategy of the Group based on shareholders' equity is not different from previous periods.

The Group conducts hedging contracts (including derivative financial instruments) for the purpose of diversifying foreign currency fluctuation risks.

(b) Price risk

The Group has no financial assets that will expose it to price risk.

(c) Market risk

The Group is subject to the financial risks related to the changes in the exchange rate (Please see (d) below) and interest rate (Please see (e) below) due to its operations and other (Please see (f) below). Also due to having financial instruments, the Group also bears the risk of other parties not meeting the requirements of agreements (Please see (g) below).

Market risks seen at the level of the Group are measured in accordance with sensitivity analyses.

The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are not different from the previous year.

(d) Foreign exchange risk management

Foreign currency transactions may result in foreign currency risk.

The Group maintains foreign currency time deposit accounts in banks as the Group has receivables and payables in foreign currencies. As a consequence, the Group is exposed to foreign currency exchange risk due to the changes in exchange rates used for converting assets and liabilities into TL. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

Foreign Currency Position Sensitivity Analysis

31 December 2021	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dollar increases/decreases in 10% against TL;		
1- USD denominated net asset/(liability)	11.580.398	(11.580.398)
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	11.580.398	(11.580.398)
In case of Euro increases/decreases in 10% against TL;		
4- EURO denominated net asset/(liability)	29.921.799	(29.921.799)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	29.921.799	(29.921.799)
Increase/decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset/(liability)	(21.320.018)	21.320.018
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	(21.320.018)	21.320.018
TOTAL (3+6+9)	20.182.179	(20.182.179)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

Statement of Foreign Exchange Rate Sensitivity Analysis

31 December 2020	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dollar increases/decreases in 10% against TL;		
1- USD denominated net asset/(liability)	1.856.641	(1.856.641)
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	1.856.641	(1.856.641)
In case of Euro increases/decreases in 10% against TL;		
4- EURO denominated net asset/(liability)	15.963.191	(15.963.191)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	15.963.191	(15.963.191)
Increase/decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset/(liability)	(11.192.347)	11.192.347
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	(11.192.347)	11.192.347
TOTAL (3+6+9)	6.627.485	(6.627.485)

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

	Statement of Foreign Currency Position				
	31 December 2021				
	TL Amount	US Dollar	Euro	Yen	Other
1. Trade Receivables	395.294.603	1.772.916	24.640.835	3.100.000	-
2a. Monetary Financial Assets	560.862.693	7.096.458	30.862.676	8.820.804	10.841
2b. Non-monetary Financial Assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	956.157.296	8.869.374	55.503.511	11.920.804	10.841
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current Assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	956.157.296	8.869.374	55.503.511	11.920.804	10.841
10. Trade Payables	724.523.796	181.252	33.680.338	1.857.447.077	2.790
11. Financial Liabilities	130.379.501	-	8.652.339	-	-
12a. Monetary Other Liabilities	46.259	-	-	400.500	-
12b. Non-Monetary Other Liabilities	43.854.769	-	2.910.322	-	-
13. Current Liabilities (10+11+12)	898.804.325	181.252	45.242.999	1.857.847.577	2.790
14. Trade Payable	-	-	-	-	-
15. Financial Liabilities	288.619.717	-	19.153.591	-	-
16a. Monetary Other Liabilities	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	288.619.717	-	19.153.591	-	-
18. Total Liabilities (13+17)	1.187.424.042	181.252	64.396.590	1.857.847.577	2.790
19. Off-balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)	433.225.125	-	28.750.000	-	-
19.a. Total Amount of Hedged Assets	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(433.225.125)	-	(28.750.000)	-	-
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	201.958.379	8.688.122	19.856.921	(1.845.926.773)	8.051
21. Monetary Items Net Foreign Currency Assets/(Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)	(187.411.977)	8.688.122	(5.982.757)	(1.845.926.773)	8.051
22. Fair Value of Financial Instruments Used for Currency Hedge	-	-	-	-	-
23. Hedged Foreign Currency Assets	(433.225.125)	-	(28.750.000)	-	-
24. Hedged Foreign Currency Liabilities	-	-	-	-	-
25. Export	1.165.242.132	-	-	-	-
26. Import	1.201.538.178	-	-	-	-

Derivative contracts that explained in Note 7 and with nominal amount of JPY 2.490.066.347 are done for Euro risks and they aren't included into the foreign exchange risk.

Statement of Foreign Currency Position

31 December 2020

TL Amount	US Dollar	Euro	Yen	Other
143.550.178	778.569	15.280.747	-	187.651
95.127.190	46.866	9.790.905	90.643.367	158.343
-	-	-	-	-
-	-	-	-	-
238.677.368	825.435	25.071.652	90.643.367	345.994
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
238.677.368	825.435	25.071.652	90.643.367	345.994
343.852.238	1.293.214	24.346.634	1.621.984.444	-
2.465.417	-	273.695	-	-
4.433.699	8.326	80.057	51.479.439	-
5.099.075	-	566.067	-	-
355.850.429	1.301.540	25.266.453	1.673.463.883	-
-	-	-	-	-
158.393.788	-	17.583.875	-	-
-	-	-	-	-
-	-	-	-	-
158.393.788	-	17.583.875	-	-
514.244.217	1.301.540	42.850.328	1.673.463.883	-
341.841.706	3.005.416	35.500.000	-	-
-	-	-	-	-
(341.841.706)	(3.005.416)	(35.500.000)	-	-
66.274.857	2.529.311	17.721.324	(1.582.820.516)	345.994
(270.467.774)	(476.105)	(17.212.609)	(1.582.820.516)	345.994
10.758	-	1.194	-	-
(341.841.706)	-	(35.500.000)	-	-
22.061.256	-	-	-	-
425.926.312	-	-	-	-
583.653.526	-	-	-	-

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(e) Interest rate risk management

The Group is exposed to interest rate risk due to variable and fixed interest rates. Group's financial liabilities and assets with fixed and variable interest rates (guarantee etc.) are respectively shown at Note 5.

	31 December 2021	31 December 2020
Financial Assets with Fixed Rates		
Financial Assets	619.210.951	248.575.997
Financial Liabilities	(621.839.760)	(567.536.647)
Financial Liabilities With Variable Rates		
Financial Assets	-	-
Financial Liabilities	(301.335.328)	(55.017.997)

As of 31 December 2021, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TL 3.013.353 (31 December 2020: higher/lower by TL 550.180).

(f) Funding risk

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) Credit risk management

Holding financial instruments also carries the risk of the other party's not meeting the requirements of the agreement. The Group's collection risk is mainly derived from trade receivables. Trade receivables are evaluated by the management of the Group depending on their past experiences and current economic conditions and are presented in financial statements when necessary allowances for doubtful receivables are provided.

Most of trade receivables are comprised of receivables from costumers who has given an adequate amount of guarantees. An effective control system was established to collect the receivables. Credit risk arising from transactions is followed and these risks are taken into account when assessing each debtor. Because there are so many costumers. The Group's credit risk is dispersed and there is no important credit risk concentration. Receivables from foreign customers as of 31 December 2021 are TL 421.667.544 and there is no geographical concentration (31 December 2020: TL 163.205.222).

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

CURRENT PERIOD	Receivables				Note	Deposit	Note
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	298.393.667	455.473.763	-	72.563.084	6	638.773.905	
- Secured portion of the maximum credit risk by guarantees etc.	-	453.235.843	-	-		-	
A. Net book value of financial assets which are undue or which is not impaired	298.393.667	433.130.374	-	72.563.084	7-8	638.773.905	4
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired	-	-	-	-		-	
C. Net book value of assets, overdue but not impaired	-	22.343.389	-	-	7-8	-	
- Secured by Guarantee, etc.	-	2.237.920	-	-	7-8	-	
D. Net book value of assets decrease in value	-	-	-	-		-	
- Overdue (gross book value)	-	(522.097)	-	-	7-8	-	
- Impairment (-)	-	522.097	-	-	7-8	-	
- The part of net value secured by guarantee etc.	-	-	-	-		-	
- Undue (gross book value)	-	-	-	-		-	
- Impairment (-)	-	-	-	-		-	
- The part of net value secured by guarantee etc.	-	-	-	-		-	
E. Elements containing credit risk off the balance sheet	-	-	-	-		-	

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

PRIOR PERIOD	Receivables				Note	Deposit	Note
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	36.479.657	388.519.490	-	3.897.746	6	262.301.354	
- Secured portion of the maximum credit risk by guarantees etc.	-	375.765.613	-	-		-	
A. Net book value of financial assets which are undue or which is not impaired	36.479.657	371.590.909	-	3.897.746	7-8	262.301.354	4
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired							
C. Net book value of assets, overdue but not impaired	-	16.928.581	-	-	7-8	-	
- Secured by Guarantee, etc.	-	12.753.877	-	-	7-8	-	
D. Net book value of assets decrease in value	-	-	-	-		-	
- Overdue (gross book value)	-	(762.710)	-	-	7-8	-	
- Impairment (-)	-	762.710	-	-	7-8	-	
- The part of net value secured by guarantee etc.	-	-	-	-		-	
- Undue (gross book value)	-	-	-	-		-	
- Impairment (-)	-	-	-	-		-	
- The part of net value secured by guarantee etc.	-	-	-	-		-	
E. Elements containing credit risk off the balance sheet	-	-	-	-		-	

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

The ageing of trade receivables, overdue but not impaired, is as follows:

31 December 2021	Receivables		Deposits at Banks	Derivatives	Other
	Trade Receivables	Other Receivables			
Past due up to 30 days	264.816	-	-	-	-
Past due 1 - 3 months	1.973.104	-	-	-	-
Past due 3 - 12 months	-	-	-	-	-
Past due 1 - 5 year	-	-	-	-	-
Past due over 5 years	-	-	-	-	-
Assets covered portion with guarantee letter etc.	2.237.920				

31 December 2020	Receivables		Deposits at Banks	Derivatives	Other
	Trade Receivables	Other Receivables			
Past due up to 30 days	9.386.630	-	-	-	-
Past due 1 - 3 months	1.583.425	-	-	-	-
Past due 3 - 12 months	1.783.822	-	-	-	-
Past due 1 - 5 year	-	-	-	-	-
Past due over 5 years	-	-	-	-	-
Assets covered portion with guarantee letter etc.	12.753.877				

Liquidity risk tables

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and having the availability and flexibility of funding through an adequate amount of (committed) credit facilities.

The risk of meeting existing and probable future liabilities is managed only by means of having access to sufficient number of trustable creditors.

The table below indicates derivative and non-derivative financial liabilities of the Group in terms of TL and maturity term.

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk tables (cont'd)

Non-Derivative Financial Liabilities

31 December 2021

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Bank Loans	923.175.088	1.082.468.272	134.030.340	308.454.864	540.369.184	99.613.884
Other Financial Liabilities	10.272.981	10.257.627	2.098.670	4.689.130	3.469.827	-
Trade Payables	1.011.249.834	1.015.044.036	1.011.822.757	3.221.279	-	-
Other Payables	20.609.322	22.001.406	20.609.322	1.392.084	-	-
Total	1.965.307.225	2.129.771.341	1.168.561.089	317.757.357	543.839.011	99.613.884

31 December 2020

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Bank Loans	622.554.644	689.725.081	96.966.447	274.723.698	286.561.279	31.473.657
Other Financial Liabilities	6.005.385	6.372.145	977.439	1.954.879	3.439.827	-
Trade Payables	526.584.529	529.552.240	528.670.220	882.020	-	-
Other Payables	16.948.648	17.744.927	14.264.718	2.088.126	1.392.083	-
Total	1.172.093.206	1.243.394.393	640.878.824	279.648.723	291.393.189	31.473.657

Derivative Financial Liabilities

31 December 2021

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Derivative Cash Outflow	2.675.660	2.675.660	2.110.238	565.422	-	-
Total	2.675.660	2.675.660	2.110.238	565.422	-	-

31 December 2020

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Derivative Cash Outflow	21.327.299	21.327.299	9.616.707	11.710.592	-	-
Total	21.327.299	21.327.299	9.616.707	11.710.592	-	-

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 28- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**Fair Value and Hedging Disclosures**

The Group believes that registered values of financial instruments reflect their fair values.

Objectives of financial risk management

Finding access to financial markets and managing financial risks arisen from operational activities of the Group fall under the responsibility of the Group's finance department. Aforementioned risks include market risk (foreign exchange risk, interest rate risk and price risk); financial risk covers market risk (exchange rate risk, fair value of interest risk and price risk), credit risk liquidity risk and cash flow risk.

Determination of the fair value of financial assets and liabilities are explained below:

Level 1: Valuation of the financial assets and liabilities over the stock exchange prices of similar assets and liabilities resulting from the transactions in active markets.

Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is directly or indirectly observable in the market other than the stock exchange price of the relevant asset or liability determined on the first level.

Level 3: Valuation of the financial assets and liabilities carried out in the absence of observable data in the market for determining the fair value of the relevant asset or liability.

Derivative Financial Instruments

In order to hedge these risks, the Group enters into forward foreign currency transaction agreements as a financial instrument where necessary.

As of 31 December 2021, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

Financial assets carried at fair value	Level 1	Level 2	Level 3	Total
Derivative assets (Note 7)	-	105.351.238	-	105.351.238
Total	-	105.351.238	-	105.351.238

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 7)	-	2.675.660	-	2.675.660
Total	-	2.675.660	-	2.675.660

As of 31 December 2020, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

Financial assets carried at fair value	Level 1	Level 2	Level 3	Total
Derivative assets (Note 7)	-	53.132	-	53.132
Total	-	53.132	-	53.132

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 7)	-	21.327.299	-	21.327.299
Total	-	21.327.299	-	21.327.299

**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 29- EVENTS AFTER REPORTING PERIOD

According to the Law No. 7352 Amendments to the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation accounting in the financial statements based on the Tax Procedure Law was postponed to 31 December 2023.

In addition, with the temporary article 14 added to the Corporate Tax Law with the 2nd article of the same Law, an exemption is provided for the profit obtained from the translation of the foreign currencies and gold accounts of the companies into Turkish Lira deposit and participation accounts.

According to the regulation, in the event that the companies convert their foreign currencies in their balance sheets as at 31 December 2021 into Turkish Lira until the date of submission of the declaration for fourth provisional tax period (25 February 2022), and the Turkish Lira asset obtained is valued in Turkish Lira deposit and participation accounts in the time and manner stipulated in the Provisional Article 14, the portion of the exchange gains arising from the period-end valuation of foreign currencies corresponding to the period between 1 October 2021 and 31 December 2021 and exchange gains regarding the accounts converted into Turkish Lira until the submission of the declaration for the fourth temporary tax period of 2021 (25 February 2022) and interest and profit shares and other gains obtained at the end of maturity, including foreign exchange gains arising from the period-end valuation of the related accounts, will be exempt from corporate tax. This issue is considered as a non-adjusting event according to TAS 10 "Events After the Reporting Period" in the accompanying financial statements. Within the scope of the regulation, the Company has provided a tax advantage of TL 5.763.073 for 2021 and has not reflected this amount in its accompanying financial statements.

Reporting consultancy, content
development, Turkish and English editing,
design:

TAYBURN®

T: +90 212 227 0436

www.tayburnkurumsal.com
Brands & Reputations.

ANADOLU ISUZU

Headquarters	Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok 34771 Tepeüstü/Ümraniye/İstanbul/TURKEY
Factory	Şekerpınar Mahallesi, Otomotiv Caddesi No: 2 41435 ÇAYIROVA-KOCAELİ/TURKEY
Tel	+90 850 200 19 00
E-mail 1	info@anadoluisuzu.com.tr
E-mail 2	custom@anadoluisuzu.com.tr
Web	www.anadoluisuzu.com.tr