

**STRONG FOUNDATIONS
HEALTHY PERFORMANCE**

2019 ANNUAL REPORT



2019 ANNUAL REPORT

Anadolu Isuzu continues its operations in line with its growth strategy without interruption with the market diversity its product portfolio provides, its marketing competencies and the support of its shareholders in the light of its strengthening financial structure.

Tuğrul Arıkan
General Manager

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**FOR MORE YOU CAN VISIT THE INVESTOR RELATIONS
SECTION OF OUR WEBSITE**

<https://www.anadoluisuzu.com.tr/en/investor-relations>

Highlights of 2019

TL million

258.9

40.5% increase in gross profit

USD

144 million

developing export volume

TL million

53

R&D expenditure

leadership in midibus exports for

16 years in a row

Strategy

Strong and Fast Growth in the Global Market

Towards New Horizons and New Businesses

Strong Customer Value Proposition and Market Positioning

Goal of Increasing Efficiency in All Processes from End-to-End

INTRODUCTION

Corporate Profile

TOTAL NUMBER OF EMPLOYEES AT ANADOLU ISUZU

817

AS OF 2019

ANADOLU ISUZU IN BRIEF

The foundations of Anadolu Isuzu were laid in 1965 where the production of trucks and motorcycles were carried out in the first stage of activities, which started under the title of the Steel Assembly. Production of the Skoda branded light truck continued until 1986.

Anadolu Isuzu assumed its current title with the license agreement reached with Isuzu Motors Ltd. in 1983. Production of Isuzu vehicles started at the Istanbul Kartal Plant in 1984.

Anadolu Isuzu today continues its activities as a joint venture consisting of leading groups in Turkey and the world:

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

Anadolu Isuzu, which operates in the commercial vehicle segment of the automotive sector, has a wide product range, high added value after-sales services and an extensive dealer and technical service structure. Carrying out vehicle production in the truck, light truck, midi bus, bus and pick-up segments, Anadolu Isuzu commands an ambitious position in export markets.

Carrying out the production and marketing of commercial vehicles, the Company's production facilities are located in Şekerpınar, Çayırova. The annual production capacity of Anadolu Isuzu's production facilities, which are located on 300,000 m² of land, stands at 19,000 vehicles in single shift production.

Serving its customers in 62 provinces across Turkey through 99 authorized service points, Anadolu Isuzu has distributors in more than 40 countries abroad. As of the end of 2019, Anadolu Isuzu employed a total workforce of 817 people. Anadolu Isuzu shares have been trading on the BIST under the "ASUZU" ticker since 1997.

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

www.anadoluisuzu.com.tr

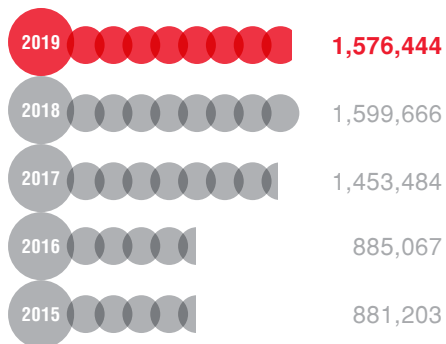


The annual production capacity of Anadolu Isuzu's production facilities, which are located on 300,000 m² of land, stands at 19,000 vehicles in single shift production.

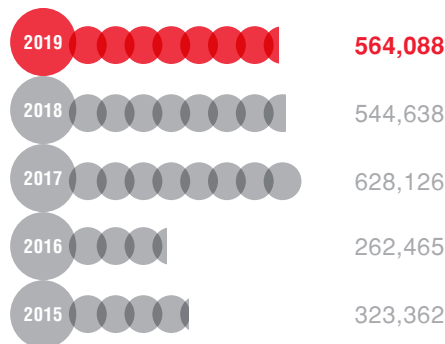


2019 Financial and Operational Highlights

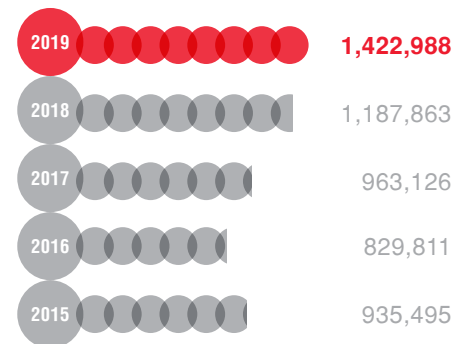
TOTAL ASSETS (TL thousand)



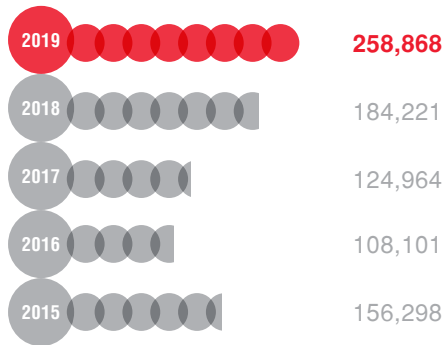
EQUITY CAPITAL (TL thousand)



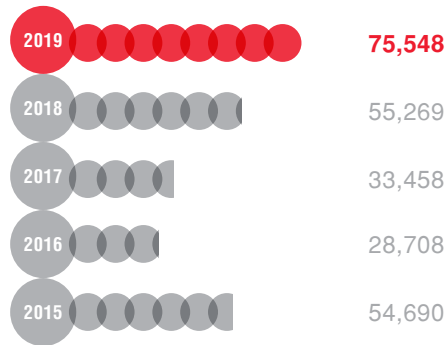
NET SALES (TL thousand)



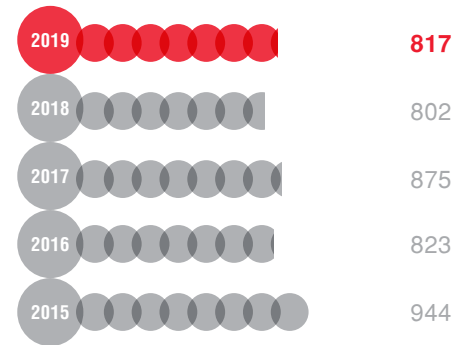
GROSS PROFIT (TL thousand)



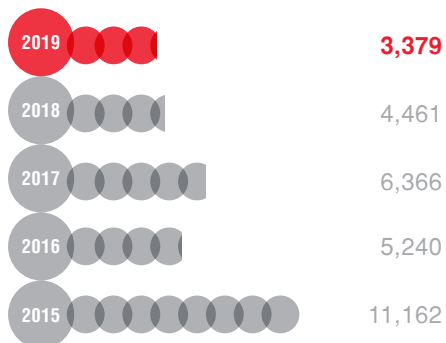
INVESTMENT EXPENDITURES (TL thousand)



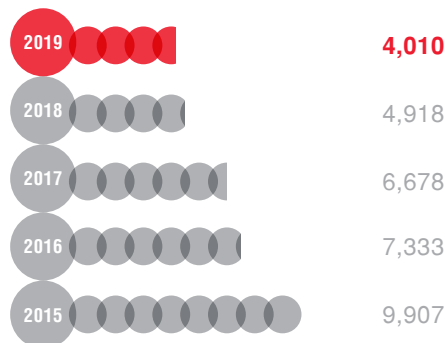
NUMBER OF EMPLOYEE (Person)



TOTAL PRODUCTION (Unit)



TOTAL SALES (Unit)



FINANCIAL FIGURES (TL)	2019	2018
Sales	1,422,987,899	1,187,862,785
Gross Profit	258,868,134	184,220,769
Operating Profit	114,589,212	39,710,347
EBITDA	148,748,427	72,864,313
Profit Before Tax	2,788,954	-94,129,902
Net Profit (Controlling shares)	21,787,825	-80,508,600
PROFITABILITY	2019	2018
Gross Profit Margin	18.2	15.5
Operating Margin	8.1	3.3
Net Profit Margin	1.5	-6.8
Return on Equity	3.9	-14.8
Operational Expenses/Net Sales	10.1	12.2
Financial Expenses/Net Sales	7.9	11.3
EBITDA Margin	10.5	6.1
CURRENT RATIOS	2019	2018
Current Ratio	1.00	1.02
Cash Ratio	0.16	0.10
Liquidity Ratio	0.70	0.51
SOLVENCY RATIOS	2019	2018
Trade Payables/Equity	74.8	59.7
Total Financial Liabilities/Equity	63.6	100.3
(Trade Payables+Total Financial Liabilities)/Equity	163.4	177.7
Total Liabilities/Total Assets	64.2	66.0
Equity/Total Assets	35.8	34.0
MARKET VALUE (TL)	2019	2018
ASUZU	1,022,280,000	519,120,000

SHAREHOLDING STRUCTURE

The shareholding structure of Anadolu Isuzu as of 2019 year-end is as follows:

SHAREHOLDER'S NAME	AMOUNT (TL)	SHARE (%)
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
Others	12,482,556.00	14.87
Total	84,000,000.00	100.00

2019 Highlights

ANADOLU ISUZU DELIVERED ISUZU CITIPORT TO REPUBLIC OF MOLDOVA

Anadolu Isuzu exports its products to more than 40 countries. The Company delivered 31 Isuzu Citiport buses at a ceremony organized by the municipality of Chisinau, capital of Republic of Moldova.



ANADOLU ISUZU DELIVERED NOVOCITI LIFE TO POLAND'S LODZ MUNICIPALITY.

Anadolu Isuzu continues its growth in export markets with its shipments realized and tenders won. In line with its growth in export targets, the Company added Poland Lodz to its shipment points in Europe. 24 Isuzu Novociti Life buses delivered to Lodz started to operate in the streets of Lodz for the community's comfortable and safe transporting needs.



ANADOLU ISUZU PARTICIPATED THE BUS2BUS BERLIN FAIR WITH NOVOCITI LIFE MIDIBUS.

Taking firm steps forward to become a global bus brand, Anadolu Isuzu started to show its presence more at organizations and fairs at export markets. Having introduced Isuzu branded buses and midibuses produced in Turkey in international markets successfully, the Company participated Bus2Bus Fair on 19-21 March 2019 after IAA Hannover, Birmingham Euro Bus Expo and Busworld Moscow fairs attended in the prior year.



BULGARIAN MINISTRY OF EDUCATION PREFERRED ANADOLU ISUZU ONCE AGAIN.

Anadolu Isuzu continues to increase its global sales. The Company delivered 27 Isuzu Novo vehicles, which are preferred by the Bulgarian Ministry of Education. Midibuses in Novo series, which offer maximum comfort to both its drivers and passengers, will be used in city transportation in various large cities, particularly in Sofia,



ANADOLU ISUZU IS IN GREECE WITH NOVOCITI LIFE.

Anadolu Isuzu entered in to the Greek market with its most exported midibus, Isuzu Novociti Life. 4 Novociti Life midibuses designed at Anadolu Isuzu plant in Turkey started operating in Greece's port city, Piraeus.

ANADOLU ISUZU'S STRONG ENTRY TO TRUCK EXPORTS

Anadolu Isuzu continues to enhance its growth graphic in export markets and made a move by realizing its first truck export of 234 trucks to Italy per the agreement signed with Italian distributor Midi. Thus, Anadolu Isuzu became the brand which realized the largest quantity of truck sales at once, that are produced in Turkey and sold to Italy. Among these NQR 90 model vehicles, 42 of them were for right hand drivers which will be used as garbage trucks and the remaining 192 will be used for various purposes.



ANADOLU ISUZU INTRODUCED SEYİT VEHICLE WITH ITS NEW BRAND ANADOLU DEFENSE AT THE IDEF FAIR

As one of the leading manufacturers of commercial vehicle industry, Anadolu Isuzu transfers its experience and assertions to defense industry through "Anadolu Defense" brand. Exhibiting its heavy trucks designed for military use with the "Anadolu Defense" brand for the first time at the 14th IDEF 2019 International Defense Industry Fair, Anadolu Isuzu introduced its 8x8 tank transporter vehicle, 8x8 tactical wheeled vehicle and 4x4 tactical wheeled vehicle at the fair.



2019 Highlights

BELTUR PREFERRED ISUZU NPR 10.

Beltur A.Ş., one of the leading commercial vehicle leasing companies in Turkey, received its vehicles with a ceremony organized in Istanbul. At the ceremony where a plaque was presented, 11 NPR 10 vehicles with garbage case were delivered for public use in various municipalities of Turkey. NPR 10 vehicles which will be used in cities' municipal activities can easily fit in narrow roads with their suitable sizes and will make municipalities' operations easier with their favorable operational costs.



ERZİNCAN PREFERRED ANADOLU ISUZU FOR CITY TRANSPORTATION.

"Erzincan Kent İçi Ulaşım A.Ş." which provides city transportation in Erzincan received its new and modern transportation vehicles, Isuzu Novo Citi and Novo Citi Life, at the ceremony held on 18 June in the front of Erzincan Municipality Building.



ANADOLU ISUZU PARTICIPATED THE UITP STOCKHOLM FAIR ORGANIZED IN SWEDEN.

Continuing to increase its exports in 2019, Anadolu Isuzu attended Stockholm Global Public Transportation Summit 2019 held on 9-12 June in Sweden. Exhibiting Isuzu Visigo and Isuzu Novociti Life at its fair stand, Anadolu Isuzu also introduced its newly appointed Swedish dealer for the first time at UITP Stockholm Fair. .



ANADOLU ISUZU REALIZED ITS FIRST BUS EXPORTS TO MACEDONIA WITH CITIPOINT.

Citiport which is the prize-winning bus manufactured at Anadolu Isuzu's plant in Turkey started to operate in Macedonia. As part of the capacity increase project of Skopje Airport, 3 Citiports were delivered. Anadolu Isuzu realized its first bus export to Macedonia after its delivery of trucks 15 years ago.



ANADOLU ISUZU ATTENDED BUSWORLD CENTRAL ASIA FAIR AT ALMATY.

Anadolu Isuzu attended Busworld Central Asia held on 25-27 June at Kazakhstan Almaty. The Company exhibited the Citiport bus with CNG system produced in Turkey at the fair stand and attracted a great deal of attention.



ANADOLU ISUZU PREFERS CASTROL AT ITS VEHICLES.

Anadolu Isuzu, the leading brand in commercial vehicle industry, signed a 5-year agreement with the leading metallic oil producer of Turkey, Castrol. In accordance with this agreement, the initial filling of Anadolu Isuzu vehicles will be supplied by Castrol.

ANADOLU ISUZU MANUFACTURED ITS 170 THOUSANDTH VEHICLE.

Achieving many successful projects from the day it started manufacturing in Turkey in 1983, Anadolu Isuzu celebrated its 170 thousandth vehicle produced at a ceremony held at its factory.



ANADOLU ISUZU DELIVERED ISUZU CITIPOINT WITH CNG SYSTEM TO PRILEP MUNICIPALITY OF MACEDONIA.

Isuzu Citiport CNG which is produced in Turkey and exported, was the preference of Prilep Municipality of Macedonia. Macedonian Prime Minister Zoran Zarev participated the delivery ceremony.



ANADOLU ISUZU BROKE RECORDS IN FRANCE BY SELLING THREE TIMES MORE OF ITS COMPETITORS MINIBUS AND MIDIBUS SALES.

In the last four years, Anadolu Isuzu increased its share of midibus sales from 6% to 33% and minibus sales from 2% to 41% in the French market which plays an important role for commercial vehicle producers in export markets. Thus, the Company became a leader of the French market in 7-10 meter segment with all its products.



ANADOLU ISUZU TOOK ITS DEALERS WITH OUTSTANDING SUCCESS TO THAILAND.

Having an extensive service network for commercial vehicles in Turkey, Anadolu Isuzu took 10 successful services out of its 102 authorized services to Thailand. Invitees had the opportunity to learn the culture of Thailand and visited Isuzu's International Operational Distributor Center and Isuzu 4x4 off-road course in Thailand.



AGRICULTURAL CREDIT COOPERATIVES' İZMİR REGIONAL ASSOCIATION PREFERRED ANADOLU ISUZU.

Agricultural Credit Cooperatives, Turkey's largest farming family, purchased Anadolu Isuzu's N-Wide short, N-Wide Long and NPR 3D vehicles to be used in İzmir, Aydın, Denizli, Manisa and Muğla.



2019 Highlights



ISUZU NOVOCITI LIFE STARTED ITS 2ND DEMO TOUR IN EUROPE.

Isuzu Novociti Life which is produced at Anadolu Isuzu's factory in Turkey and which became the leader in both Turkish and global markets in its segments in a short period of time, started its 2nd Demo Tour within the scope of its global promotions in Europe.

ISUZU D-MAX PROVED ITS STURDINESS ONE MORE TIME BY FINISHING TRANSANATOLIA RALLY WITH WOMEN RACE PILOTS FOR THE THIRD TIME.

Women race pilots of Anadolu Isuzu finished the 9th Transanatolia Rally which is one of the most challenging rallies of the world with Isuzu D-MAX. Being the first and only pick-up manufactured in Turkey, Isuzu D-MAX took the start for the third time at the Transanatolia race which covered challenging courses of 2,300 km from Abant to Göbeklitepe and registered its sturdiness one more time.



STRONG PLAYER OF OFF-ROAD, ISUZU D-MAX PARTICIPATED THE OUTDOOR FESTIVAL.

Anadolu Isuzu was one of the sponsors of Outdoor Fest 2019 held on 14-15 September at İstanbul Kilyos. The Company exhibited the D-MAX race automobile which raced at Transanatolia Rally, the New Isuzu D-MAX and provided the opportunity to test drive the vehicles during the organization.



ANADOLU ISUZU REALIZED THE LARGEST MIDIBUS EXPORTS OF TURKISH AUTOMOTIVE HISTORY IN ITS SEGMENT.

Anadolu Isuzu continues to play an active role in export markets with its midibus Isuzu Novociti Life, which achieved great success in a short period of time. Anadolu Isuzu sold large quantities to Tbilisi municipality of Georgia after its sales to Poland, Italy, Greece and France. The delivery of midibuses at the amount of Euro 16.9 million was realized on 9 October 2019 in Tbilisi.



ANADOLU ISUZU IS OPTIMISTIC ABOUT 2020.

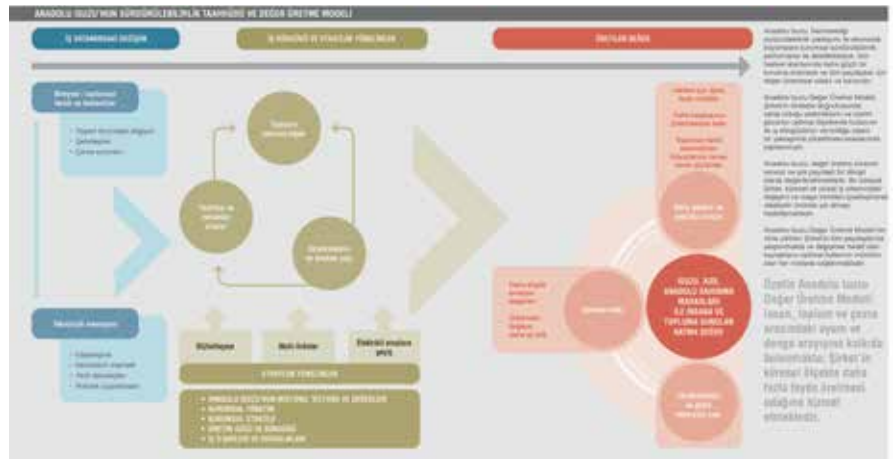
Anadolu Isuzu, with the most extensive service network for commercial vehicles in Turkey, met with its authorized service providers and dealers in Cyprus.

ANADOLU ISUZU’S LOCAL PRODUCTION QUALITY WAS REGISTERED ONCE MORE.

Anadolu Isuzu’s outstanding production and quality management certificate IM (Isuzu Monozukiri) for its truck and bus factory and D-MAX lines was renewed. As a result of the audits performed by Isuzu Japanese team at the factory, Anadolu Isuzu was granted this certificate for another time and became the only truck and pick-up factory in Europe and the only bus factory in the world with the IM certificate.

ANADOLU ISUZU PUBLISHED ITS FIRST “SUSTAINABILITY REPORT”.

Turkey’s leading commercial vehicle brand Anadolu Isuzu continues its efforts with its mission of leaving a livable world to future generations. The Company shared its activities in this context with public through its “Sustainability Report” published for the first time. The report which was prepared in accordance with GRI G4 reporting standards tells about Anadolu Isuzu’s environmental, social and managerial activities in detail for 2018.



ISUZU NOVOCITI LIFE ON STREETS OF ŞANLIURFA

Isuzu Novociti Life, developed by Turkish engineers at the R&D Center of Anadolu Isuzu started operating in the streets of Şanlıurfa to ease the lives of citizens. The vehicles, 23 Novo Citi Life AT and 4 Novo Luxes were delivered to the subsidiary of the Şanlıurfa Municipality, BELSAN A.Ş., at the ceremony held on 7 December 2019.



SEFERİHİSAR’S PREFERENCE WAS ALSO ISUZU NOVOCITI LIFE.

Isuzu Novociti Life developed by Turkish engineers started cruising the streets in İzmir Seferihisar. 28 Novociti Life vehicles were delivered to S.S. 43 Seferihisar Motor Carriers Cooperative which operates under the control of ESHOT General Management to provide a more comfortable and safe travel experience to İzmir citizens.

Message from the Chairman of the Board of Directors



As Anadolu Group, we have always given great priority to contribute to the industrialization of our country and to the production that creates domestical value, since our establishment.

Tuncay Özilhan
Chairman of the Board of Directors

A handwritten signature in blue ink, appearing to be 'Tuncay Özilhan'.

As a company focused on transforming development, production and sales competencies into value in a most effective way, we are happy to have our 170 thousandth vehicle off the production line in 2019.

With its domestic and international integrated value creating network, Anadolu Isuzu is a global manufacturer serving in more than 40 different regions.

Dear Stakeholders,

2019 was a year when global trade volume shrank and the growth recession became more apparent.

Domestic demand which was at a stagnant state for the majority of the year affected all segments of the automotive industry and domestic sales volume and quantities decreased.

ANADOLU ISUZU CONTINUED TO PROCEED AND CREATE VALUE WITH APPROPRIATELY DESIGNED STRATEGIES AND BUSINESS MODEL IN 2019.

Our Company succeeded to develop and launch its new initiatives with the support of its outstanding R&D and engineering competencies in addition to its strong and competitive product range. The pace of growth in exports became more concrete which contributed to its strong performance.

Anadolu Isuzu has been a building stone of our country's automotive industry from the date of inception. Our Company which is focused on transforming development, production and sales competencies into value in a most effective way collaborate with the leading motor manufacturers of the world.

In 2019, on our journey of 36 years with our Japanese business partner Isuzu, we are happy to produce the 170 thousandth vehicle on our production line.

With its domestic and international integrated value creating network, Anadolu Isuzu is a global manufacturer serving in more than 40 different regions.

Anadolu Isuzu is focused on being a leading economic actor which develops and designs its products and services using its own resources rather than adapting to innovation and modern technology.

SERVICES BOTH IN TURKEY AND in more than 40 COUNTRIES WITH OUR STRONG PRODUCT PORTFOLIO AND AFTER SALES SERVICE NETWORK

OUR WINS IN TERMS OF SUSTAINABILITY MAKE US STRONGER.

As a responsible producer and corporate citizen, Anadolu Isuzu presented its first sustainability report to its stakeholders in 2019. Our sustainability report which reflects our Company's efforts of leaving a better world to future generations in a transparent way is an important output to demonstrate Anadolu Isuzu's performance achieved in economic, environmental and social platforms.

Presenting its support to sustainable development of Turkish economy with its production, employment and finally with the total value it creates, Anadolu Isuzu continues to contribute to the global ecosystem and sustainable development goals.

Sustainability is a topic common to all Anadolu Group companies and it is internalized in all aspects. With our strong financial structure, it will help us reduce our carbon foot print and accelerate our contribution to climate action with the commercial vehicles we produce while making it possible to increase the value we provide to our stakeholders and society in all aspects.

WE ARE FOCUSED ON PRODUCING AND SHARING MORE IN THE FOLLOWING PERIOD.

We are determined to continue our strategic investments which will increase our country's competitive edge and create a difference within the frame of our long-term plans.

On behalf of our Board of Directors and myself, I would like to express my sincere gratitude to my colleagues, business partners and distributors who are the sources of our strength, our customers and shareholders who continuously increase their trust in us. I wish all the best for our Company, our Group and our country in 2020.

Sincerely,

Tuncay Özilhan
Chairman of the Board of Directors

Message from the President of the Automotive Group



Creating value for its stakeholders with its export amount of USD 144 million in 2019, Anadolu Isuzu continued and enhanced its contribution to Turkish economy at the same time.

Bora Koçak

President of the Automotive Group

Dear shareholders, business partners and employees,

Trade wars and protective policies which tend to expand across the world resulted in a recession in 2019 in global trade, production and demand. In this process, industrial production and commodity prices decreased on a global scale.

Anadolu Isuzu, as the leading participant of Anadolu Group Automotive Segment, continued to improve its performance and raised the bar higher in this unsteady and somewhat challenging market.

Our 2019 performance results point out many new peaks and successes: The highest ever vehicle export quantity,

the highest ever vehicle export revenue and the highest ever spare part export revenue. These records broken are not coincidences but are concrete results of determination, perseverance and ambition of our management team and employees.

Another topic that I believe is important in this context is our success in midibus exports. Isuzu Novociti Life developed in Anadolu Isuzu R&D Center by Turkish engineers and produced in our factory continued to draw a bright sales graphic in export markets and our Company achieved a first in the Turkish automotive history by realizing the highest ever quantity of midibus exports in 2019.

Creating value for its stakeholders with its export amount of USD 144 million in 2019, Anadolu Isuzu continued and enhanced its contribution to Turkish economy at the same time.

As a player who is focused on beating the odds, Anadolu Isuzu will continue its journey in different geographies of the world and will provide high quality commercial vehicles compatible with new trends of mobility for millions of individuals around the world.

On the other hand, besides the commercial vehicle segment, we have strong confidence in our Company to strengthen its assertions in the defense industry business line that it focused on and developed recently and to increase the total value it creates even more.

Our 2019 performance results point out many new peaks and successes.

2019 HAS BEEN A CORNERSTONE IN OUR JOURNEY OF INTERNALIZING SUSTAINABILITY.

Our Company, a member of Anadolu Group, continued many projects within the scope of the Group's prioritized sustainability approach and targets observing a long-term perspective and achieving new returns.

In 2019, many sustainability projects were launched on economic, environmental and social platforms.

One of the most important steps in this context was the announcement of our sustainability policy to the public after it's been studied in detail and presentation of our sustainability report to our stakeholders.

In accordance with the framework we defined at the policy we published, Anadolu Isuzu is committed to internalize and adopt sustainability and expand it across the whole value chain. In accordance with our commitment, we monitor global sustainability agenda closely, climate change and global warming in particular. We consider emerging concepts and mega trends as separable parts of operations, corporate governance approach, our structuring and production-trade cycle and take actions.

As long as Anadolu Isuzu maintains its financial wellness, the essential and driving force of everything, its efficiency and its profitability, it will accelerate its performance in other aspects of sustainability and develop its exemplary identity. Furthermore, our Company will continue to be an example in Turkish industry and automotive sector with the sustainability projects it conducts. As long as we have our stakeholders' valuable support and contributions, Anadolu Isuzu will carry its sustainability performance to new horizons.

**TOTAL VEHICLE PRODUCTION
WAS 3,379 AND
TOTAL SALES QUANTITY WAS**

4,010

INVESTING IN PEOPLE IS OUR NUMBER ONE PRIORITY.

Human resources is our most valuable asset. We owe our reputation and market position built in the last half century to our employees who have been working loyally attached to Anadolu Isuzu and devotedly built today. When we focus on our future, we continue to invest in our people and are committed to equip our employees with the most up-to-date competencies.

As our investments in human resources increase every passing period, we move forward with projects we believe will take their places in literature as best practices in our industry.

Another topic we care about in human resources is occupational health and safety. As a company in heavy industry, we aim to keep a working environment which is good and proper for human life and dignity at all departments. We care about personal health and wellness of our employees more than anything else.

WE CARRY ANADOLU ISUZU TO THE FUTURE WITH FIRM STEPS.

We are committed to achieve new successes and carry our brands to the future as a result of steps taken within the scope of our strategic road map, our long-term and well-planned investment tradition, our emphasis on production and technology and with the strength we get from our main stakeholders, our employees, our customers and our business partners.

The devoted work hours of our human resources which is at the center of our success keep us strong on our growth journey. We will continue to launch infra- and super-structure investments we believe will improve our R&D, production and service approach which are already focused on customer satisfaction and safety of our end-users. We will also carry our value proposition to new horizons.

I would like to express my gratitude to all our customers and dealer organization, who accompany us in our sustainable growth journey, our employees for their significant contribution to reach successful results, our investors who always believe in us and our shareholders who always provide full support.

Bora Koçak
President of the Automotive Group

Message from the General Manager



Anadolu Isuzu's main goal is to carry our presence in domestic and international markets to a new level by adopting the change and transformation needed at every level of our Company, across the value chain from procurement to after sales services thus transforming into a more efficient and more value creating company.

Tuğrul Arıkan
General Manager

Dear Stakeholders,

STRONG FOUNDATIONS, HEALTHY PERFORMANCE

Anadolu Isuzu, a well-established company of the Turkish automotive industry, finished the year 2019 with new achievements in sustainability and a healthy financial performance.

Our Company continued its operations in accordance with its growth strategy without any disruption, in the light of its ever-strengthening financial structure, market diversity, marketing competencies achieved with its diversified product portfolio and continuous support of its shareholders. While compensating the slow-down in domestic markets with its export oriented marketing strategy, Anadolu Isuzu was also focused on its operations in the defense industry.

Anadolu Isuzu's sales volume increased by 19.8% YoY to reach TL 1,423 million.

Our total investment expenditures were TL 76 million in 2019 and our R&D investments which we consider key to our sustainable growth and competitive edge approximated TL 51 million.

Our gross profit increased by 40.5% in comparison with prior year and was realized as TL 258.9 million. Our operating income which was TL 39.7 million in 2018 reached TL 114.6 million in 2019.

As a result of the financial management strategies adopted, Anadolu Isuzu's financial structure has become stronger, more enduring and flexible in 2019.

As it can clearly be observed from our financial ratios, as of 2019 year-end, our EBITDA was TL 148.7 million and EBITDA margin was 10.5%.

I believe these important achievements, which make shareholder and investor value continuous and sustainable, will position our Company at a stronger and more productive point in our shareholders' assessments; and brand value as well as market value will be reinforced.

**IN 2019 OUR TOTAL SALES
REVENUE INCREASED BY**

19.8%

TO REACH TL 1,423 MILLION.

NEW RECORDS AND NEW HORIZONS IN EXPORTS

In 2019, Anadolu Isuzu achieved new successes and broke new records. As a result of Anadolu Isuzu's continuous international marketing and sales operations, export volume increased to USD 144 million. Export revenues increased by 31% compared to prior year.

We continue to develop our global market with a multi-perspective approach. We also strive to provide effective after sales service to our customers at all markets.

16 YEARS OF LEADERSHIP WITHOUT DISRUPTION

Anadolu Isuzu completed 2019 as the leader of Turkey's exporter of buses and midibuses.

Midibus segment has been the admiral ship of Anadolu Isuzu's export sales and our company achieved to keep its leadership in midibus exports for 16 years in a row.

Anadolu Isuzu sustains its midibus export championship title outscoring its competitors. Our Company's share in Turkish midibus exports increased in comparison to prior year and reached 68.6%.

I would like to thank Anadolu Isuzu family for their devoted performance and ambitious work in breaking a record that is hard to achieve.

OUR INDUSTRY IS ON THE VERGE OF A BIG TRANSFORMATION AND CHANGE.

Today, the automotive industry is transforming and changing at an unprecedented pace.

Fast developing digital technologies, the new mobility concept, global warming and climate change as well as uncertainties in global economy draw the limits of the external environment affecting our operations.

Changes in our industry became faster with the support of digitalization and Industry 4.0; and rules of the game went into a large scale and fast transformation process at every stage from production to logistics and trade. Environment-friendly and alternative fueled vehicles gained importance at this platform and became a common focal point of our industry.

A common opinion is that the future of the automotive industry and smart transportation system will be shaped based on the user of the vehicles and ownership of the vehicles. Autonomous driving and shared vehicles will enter our

lives as the most important concepts. This change will also have an impact on competition, new investments and most importantly cost of transportation.

Moreover, smart cities and increasing need for mobility, developments in electrical and hybrid vehicles and dominance of internet of things on human life appears as mega trends which will define the new models in our industry all over.

ANADOLU ISUZU IS IN THE PROCESS OF INTERNALIZING CHANGE AND PREPARING FOR THE FUTURE.

Anadolu Isuzu's main goal is to carry our presence in domestic and international markets to a new level by adopting the change and transformation needed at every level of our Company, across the value chain from procurement to after sales services thus transforming into a more efficient and more value creating company.

Developing and adding alternative fueled vehicles to our product range as well as our comprehensive studies in the area of Industry 4.0 are the significant steps in the process of internalizing this rapid and complex change happening at the external environment of Anadolu Isuzu.

Message from the General Manager

To ensure sustainability of our growth and to make it long-term, we restructure our organization and transform into a structure where we can understand customer expectations more.

Within the scope of change, another area we prioritized is updating all our processes with a customer focused perspective. To ensure sustainability of our growth and to make it long-term, we restructure our organization and transform into a structure where we can understand customer expectations more. We aim to be at the service of our users with a more powerful Anadolu Isuzu identity in terms of after sales services.

In this context, we see digitalization as a valuable tool and we conduct activities to increase our digitalization level with a systematic perspective within the scope of our structuring.

Uninterrupted support of our shareholders, our competencies in R&D, production and human resources areas as well as our well-established relationships with our customers and global collaborations constitute the main strengths we focus on to help us go through this process of change and transformation in a most effective and rapid way. These strengths will also help us assess business opportunities which we anticipate will mature in the following period and take reasonable actions on a timely basis.

In summary, Anadolu Isuzu is getting ready to carry its assertive position in the industry both in Turkey and in the world at the future when the number of autonomous vehicles increase, public transportation formats change in a surprising way and shared vehicle ownership become extensive.

GOAL OF DEVELOPING OUR ECOSYSTEM IN ALL ASPECTS

We have a management approach which sees our human resources, suppliers, dealers, distributors and authorized services as the building stones of Anadolu Isuzu ecosystem.

OUR HUMAN RESOURCE IS OUR MOST VALUABLE ASSET.

We believe that the only architects of our success in the future will be our human resources as they have been so in the past. On the other hand, we assume keeping our employees up-to-date to respond to the necessities of the comprehensive change and transformation we are going through as our main objective. As we achieve employee satisfaction, we know that we will be a preferred employer and a happy organization.

In accordance with these objectives, we continued to prioritize our investments in human resources and supported our employees with numerous projects in 2019.

We will continue our efforts to improve satisfaction and loyalty of our employees. Moreover, we will focus on encouraging entrepreneurship more within the Company and increasing start-up collaborations.

SUPPLY CHAIN IS ONE OF THE KEY STONES OF OUR SUCCESS.

Developing relationships with our suppliers is another key objective. As our suppliers are able to keep up with the requirements of our age, the value we create and share will increase more.

We define internalizing sustainability in our supply chain as a significant step. Recognition of environmental and social sustainability by our suppliers in an increasing trend and projects they will apply in line with this trend will contribute to Anadolu Isuzu's total performance and will accelerate the financial values shared at the last stage.

OUR GLOBAL DISTRIBUTOR NETWORK GREW SIGNIFICANTLY TO REACH **33 DISTRIBUTORS** IN 42 COUNTRIES.

DEALERS, DISTRIBUTORS AND AUTHORIZED SERVICES ARE THE STAKEHOLDERS WHICH COMPLETE OUR COMMERCIAL CYCLE.

Our Company carried on modernization activities and launched numerous projects to provide a sustainable development in existing and potential dealer network. As we implement our new dealership standards, we started to design showrooms with a more modern and attractive approach.

We also continue to develop our distributor network, which plays key roles in reaching our export targets. In 2019, our global distributor network expanded significantly. Anadolu Isuzu reached 42 countries with 33 distributors.

Anadolu Isuzu carries on modernization of its authorized services to strengthen its value proposition to customers and end-users. We aimed for more efficient operation of authorized services and realized training activities.

Our dealers, distributors and authorized services who represent Anadolu Isuzu brand with pride whatever the circumstances of their markets and geographies are and who have a great share in our success, will continue to be

our significant stakeholders to respond to changing user needs more effectively and in an agile manner in the future.

WE WELCOME 2020 WITH AMBITIOUS TARGETS.

Anadolu Isuzu's unchanging goal is to provide rational and economic mobility solutions with each vehicle we develop, produce and support with after sale services and to add value to people's lives.

We defined 2020 as an investment year to carry this goal to the future.

Our Company planned R&D and operating investments which will be approximately 7% of revenues in 2020. Our activities in Industry 4.0 area will accelerate with these new investments and our competencies in R&D will get stronger.

These investments which will take place as we move forward with the target of being a more efficient and more agile organization will also develop our operations in defense industry. Our investments towards our goal of meeting our country's defense industry needs through domestic and national production will continue in 2020.

We anticipate our country will exhibit a growth in line with its potential in 2020 after a successful economic balancing process in 2019.

In line with this expectation, we also anticipate the domestic heavy commercial truck market which demonstrated a significant fall recently will recover again in 2020. I would like to emphasize that this expectation of ours is not only limited to Anadolu Isuzu but it is a threshold that needs to be reached in terms of our industry's future sustainability and competitive power.

On behalf of Anadolu Isuzu management team, I would like to express my gratitude to our employees who are with us in our journey of growth and value creation and who contribute to our performance with their devoted work, our shareholders, domestic and international customers, our suppliers, dealers and distributors.

Tuğrul Arıkan
General Manager

Anadolu Isuzu from Past to Present

1965

Foundation of Çelik Montaj company.

1981

Registration of Anadolu Otomotiv Industry title.

1983

Signature of technical assistance agreement with Isuzu.

1984

Start of truck manufacturing with Isuzu Motors Ltd.

1985

Launching of the first vehicle NPR 59 produced with Japanese license.

1986

Signature of partnership agreement between Isuzu, Itochu and Anadolu Endüstri Holding; Establishment of the first Turkish-Japanese partnership in the automotive sector.

1996

ISO-9002 certificate received and foundation of new factory has been started.

1997

The Company's shares started to be traded in Borsa İstanbul.

1999

The new factory in Gebze Şekerpinar commenced production. NQR truck production has started.

2000

TURKUAZ bus production has started.

2002

NQR 3 axle truck production has started.

2008

The Memorandum, which confirms the intention to develop the cooperation between Isuzu Motors and Anadolu Isuzu, was signed in Japan. The production of first 9 meter bus model Citimark was initiated. IMM (Isuzu Manufacturing Management), globally shared manufacturing system of Isuzu, started to be implemented in AIOS truck factory.

2009

25th anniversary of vehicle production in Turkey with Isuzu was celebrated. NOVO, NOVO LUX and NOVO ULTRA, our new buses in the Euro 4 emission class, were introduced. NLR, NLR LONG, NNR, NNR LONG, NPR, NPR LONG and NPR HP, our N-Series vehicles in the Euro 4 class, were introduced. Anadolu Isuzu has gained the right to be the R&D Center.

2016

Specially designed for service and school transport, the NOVO S was promoted. Within the framework of EU regulations, the transition was carried out from Euro 5 to Euro 5b+emission standards in the light duty truck segment and from Euro 5 to Euro 6 in the truck and bus segments. Anadolu Isuzu's new, independent R&D center was officially opened.

2017

Anadolu Isuzu lodged the highest number of patent applications of any company in Turkey in the first half of the year. Numerous launches were completed during the year including the introduction of a public transportation vehicle and smart mobility system, as well as the New Isuzu D-Max. The IMM Certification has been updated to cover all production at Anadolu Isuzu. BBC Top Gear awarded D-Max with the Pick Up of the Year award.

1987

Start of the manufacturing of the midibus and the small bus which were the designs of AIOS (Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.).

1989

Municipality type vehicle production has started.

1991

NKR-WIDE light truck production has started.

1994

Export operations have started.

1995

The Company name changed as Anadolu Isuzu. Usage of total quality management systems was activated. The share of Japanese partners reached 35%.

2003

Bus export to European Union began. ISO 9000:2000 quality certificate was acquired.

2004

The 20th anniversary of Isuzu brand in Turkey was celebrated. Sales of D-Max pick-up have begun. The 80,000th Isuzu was unloaded from Isuzu production line.

2005

The 2,000th TURKUAZ bus was unloaded from the production line. N-Series truck and light duty trucks were renewed. D-Max pick-up was renewed. ROYAL bus took the name of ROYBUS with its turbo engine.

2006

The production of new-looking TURKUAZ has started. NPR, NQR, NQR 3D's new face and engines were renewed. ROYBUS, CLASSIC and URBAN's face and engines were renewed.

2007

Euro 4 engine started to be used on TURKUAZ model which was exported to EU member countries. Front and rear appearance designs were renewed. The launching of first 9 meter bus model CITIMARK was made. Exterior and interior designs of D-Max 4x4 and 4x2 were renewed. The 100,000th Isuzu vehicle was unloaded from the production line.

2010

In the truck segment of Anadolu Isuzu 3 new models of NPR; NPR 8, NPR 10 and NPR 3D were launched. NPR's capacity was increased from 7.5 tons to 8 tons..

2011

9.5 meter long new public transportation vehicle CITIBUS was launched.

2013

New bus model VISIGO and renewed NOVO model midibus were launched.

2014

The first domestic D-Max model pick-up was manufactured. 12 meter long new public transportation vehicle CITIPOINT was launched.

2015

Passing to upper segment in truck class by launching new model TORA with the capacity of 15.7 tons The CITIPOINT was chosen as Europe's most ergonomic and comfortable vehicle.

2018

Anadolu Isuzu achieved its highest international sales figure in the last 24 years in 2018, with export sales of USD 110 million. The Company, which launched its AOS brand, won the Platinum Award with the Visigo, the Gold Award with the Citiport and Novociti Life, and brought three awards to Turkey in the A-design Award&Competition, which is one of the world's most prestigious design awards. Anadolu Isuzu started to operate in the defense industry.

Anadolu Isuzu brought the domestically produced 4x2 D-Max to the market and launched the world's first electric truck.

2019

Anadolu Defense brand was introduced at IDEF.

First sustainability report was published.

The largest midibus export of the Turkish automotive industry at one single time was realized.

Isuzu broke exports record.

Anadolu Isuzu factory became the only plant with IM certificate in Europe for truck and pick-up segments and the only plant in the world for bus segment.

Shareholders of Anadolu Isuzu

The main objective of the Anadolu Group is to carry its reputation to future generations by providing the best services and products to the countries it operates in, as well as all of the people in the world.

THE ANADOLU GROUP: THE SHINING BRIDGE THAT CONNECTS ANATOLIA TO THE WORLD AND THE WORLD TO ANATOLIA

The foundations of the Anadolu Group were laid in 1950 by the Honorary Presidents, Mr. Kamil Yazıcı and Mr. İzzet Özilhan. The Anadolu Group carries out operations in both the national and international arena with its vision of becoming a shining bridge that connects Anatolia to the world and the world to Anatolia.



The Anadolu Group carries out activities focused on the fields of energy, agriculture, real estate and health care in addition to the beverages, automotive and retail sectors with its brands which command a global reputation.



ANADOLU GROUP

A well-established presence in Turkey, the Anadolu Group generates value for Turkey and the world and provides services with nearly 80 companies, employing over 80,000 people in 66 production plants at 9 different industries in 19 countries:

- Anadolu Efes in the Beer Group
- Coca-Cola İçecek in the Soft Drinks Group
- Migros in the Migros Group
- Anadolu Isuzu, Çelik Motor (Steel Engine), Anadolu Motor (Engine) and Anadolu Landini in the Automotive Group
- Adel Kalemcilik (stationery and office supplies), Faber-Castell Anadolu (Russia), and Efestur (tour operator) in the Retail Group
- Anadolu Caucasian Energy Investments, Aslancık Electricity Generation, AES Electricity Energy Wholesale in the Energy Group
- Anadolu Etap in the Agriculture Group
- AND Real Estate in the Real Estate Group

In addition to the Group companies, the Company continues its social responsibility activities with its social organizations - the Anadolu Foundation, the Anadolu Medical Center and the Anadolu Efes Sports Club - working to an awareness of its duty to contribute to society in the fields of education, health and sports.

In 2019, the Group's pro-forma revenue stood at TL 51.7 billion. Anadolu Group is one of Turkey's leading holding companies with 5 companies traded at BIST and the Group itself is also public under the name AG Anadolu Grubu Holding A.Ş.

The Anadolu Group has adopted the principle values of trust, transparency, loyalty, sensitivity to society and the environment, adopting a people-centric approach and placing priority on knowledge in all its units.

For detailed information about the Anadolu Group, please visit www.anadolugrubu.com.tr.

THE ANADOLU GROUP OPERATES IN COOPERATION WITH THE WORLD'S BIGGEST BRANDS

AB InBev
The Coca-Cola Company
Faber-Castell
Isuzu
Kia
Lombardini
Honda

Shareholders of Anadolu Isuzu



Isuzu Motors Ltd.: A global leader in the field of commercial vehicles and diesel engines, Isuzu Motors Ltd. began operations in 1916.

ISUZU MOTORS LIMITED: A GLOBAL LEADER IN THE FIELD OF COMMERCIAL VEHICLES AND DIESEL ENGINES

ISUZU MOTORS LTD. BEGAN OPERATIONS IN 1916.

Isuzu Motors Ltd., a proud representative of Japanese culture carrying four important virtues such as discipline, harmony, loyalty and business ethics; takes its name from the Isuzu River near the Ise Shrine of Mie, which is Japan’s oldest temple.

Isuzu Motors Ltd. is one of the leading commercial manufacturers of vehicles and diesel engines in Japan and the world. Isuzu products, which are sold to more than 130 countries worldwide, are market leaders in at least one product category in 23 different countries.

ISUZU MOTORS LTD IS AN R&D AND CUSTOMER FOCUSED COMPANY.

Isuzu Motors Ltd., whose main philosophy is to provide high-quality products and services to its customers and to develop new technologies that will contribute to the needs of the industry, produced Japan’s first air-cooled diesel engine 100 years ago. It has always set itself apart with its pioneering, innovative structure that is highly pro-active.

The company, which places R&D at the heart of its growth strategy, has concentrated its efforts on diesel engines for more than 70 years. During its history, Isuzu Motors Ltd. has offered many technological innovations in the field of diesel engines to the global sector and for the service of its customers.

Having produced more than 26 million diesel engines to date, Isuzu Motors has a worldwide production capacity of more than 1 million diesel engines per year.

Boasting a wide range of products, the company produces various products ranging from the 1,000 cc power unit to the 24 liter heavy duty machines and marine engines.

Isuzu Motors, which is one of the world’s largest producers of diesel engines with 3 European producers, is also making a name for itself as a pioneer in environmentally friendly diesel technology research.

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



THE ITOCHU CORPORATION: A GLOBAL GIANT WHO'S ROOTS GO BACK TO 1858

GOOD FOR THE SELLER, THE BUYER AND THE COMMUNITY

In 1858, it was founded by Chubei Itoh, the famous merchant who traded linen. Adopting the sampo yoshi management philosophy that aims to be good for the seller, the buyer and the society, Mr. Itoh's business culture has evolved over 150 years and today stands as the ITOCHU-style sustainability.

The Itochu Corporation is a global group that now employs more than 100,000 people in over 120 different locations in 63 countries. The company has investments in a variety of sectors such as textiles, metals, machinery, energy, chemicals, mining, forest products, information technologies and finance.

The Itochu Corporation, which has more than 200 subsidiaries and over 100 associates, serves with its branch in Istanbul in addition to its Ankara office, which entered operation in 1963.

A SOLUTION PARTNER UNDERTAKING DUTIES IN MAJOR PROJECTS IN TURKEY

Providing support as a solution partner to mega projects around the world, the Itochu Corporation is specialized in



creating financial resources. Contributing to the progress of developing countries, the Company has played a role in implementation of mega projects in Turkey such as the Golden Horn (Haliç) Bridge, the Fatih Sultan Mehmet Bridge and the Bursa Thermal Power Plant.

The Itochu Corporation reinforces its presence with experience going back a century and a half, its international

perspective and strength. The company undertakes infrastructure projects in developing countries under its mission of respecting the individual, the society and the future with the commitment of global benefit. It undertakes important tasks in the continuous development of societies and individuals through social responsibility projects.

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



Anadolu Isuzu's Product Portfolio

PICK-UPS

VERSATILE D-MAX

The D-MAX, which is offered with the motto of "its self-confidence is in its DNA", is a vehicle that distinguishes itself with its high acceleration capability and a pulling capacity of 3.5 tons in the 4x4 models. Turkey's first and only domestic pick up, the D-Max, is a strong business partner as a versatile vehicle that offers added value to SMEs and tradesmen. The D-Max is also a superior vehicle offering comfort and driving pleasure, and is also popular with individual users.

TRUCKS

A WIDE PRODUCT RANGE

The Anadolu Isuzu truck group offers a wide range of products which are shaped by the needs and expectations of its customers and composed of different features. Anadolu Isuzu's trucks, which stand out with the extensive after-sales network and the affordable cost of their spare parts, have gained wide acclaim and popularity from customers thanks to these advantages.



LIGHT TRUCKS

STANDING BY THE SIDE OF SMEs

Anadolu Isuzu light trucks, which offer comfort to customers in every segment, especially SMEs in both transportation and in use, consist of four models which are popular with customers.

MIDIBUSES BUSES

EFFICIENCY AND PROFITABILITY

Anadolu Isuzu produces midibuses and buses offering solutions for the needs of public transportation, tourism, school and personnel transportation sectors. Isuzu buses are designed and produced to provide an efficient and profitable business model for the operator and comfortable and safe carriage for passengers and vehicle personnel.

Anadolu Isuzu's midibuses, which are developed for personnel carriage, school transport, tourism transportation and mass transportation, aim to provide economical solutions for their users with various technical features and equipment that respond to different sectoral needs.

Anadolu Isuzu offers its customers a combination of comfort, safety and driving pleasure with its product range, offering a strong value proposition.

The D-MAX sets itself apart with its powerful engine, robustness, aesthetic appearance, the D-VISION technology package, comfort and array of functions, while being widely liked with its design.



NPR
NPR Long
NPR10
NPR10 Long
NPR10 XLong
NPR3D
TORA

TORA Yataklı
TORA Long
TORA Long Yataklı
NQR 90
SEYİT

FOR CHALLENGING MILITARY CONDITIONS: HEAVY TRUCKS

Anadolu Isuzu manufactures trucks for challenging military conditions. Military trucks offered under Anadolu Defense brand provide excellent performance under extremely challenging off-road conditions with their modular infrastructure from 4x4 to 20x20.

NLR
NLR Long

N-Wide
N-Wide Long



Turkuaz/Turquoise
Novo/Novo S
Novo Lux/Novo Ultra

Novo Citi
Novo Citi Life

Citiport 18
Citiport 12
Citiport 12 Hyper
Citiport 12 CNG

Visigo
Visigo Hyper
Visigo Interurban



Strong and Bold D-MAX

Production of the 7th generation Isuzu D-MAX, the first and only pick-up produced in Turkey, got underway in 2018. The new Isuzu D-MAX, which now comes with new hardware, traction system and gear options, features a powerful 1.9-liter Isuzu engine.

THE ISUZU D-MAX FOR ALL CHALLENGING ROAD CONDITIONS

The new version of the domestic pick-up, the Isuzu D-MAX, which first started to roll off the production lines at Anadolu Isuzu's plant in 2014, comes fitted with two different traction systems (4x2 and 4x4), two different gear options (6 forward manual and 6 forward automatic) and four different hardware options (V-GO, V-LIFE, V-JOY and V-CROSS).

Offered to the Turkish market in 2004, a total of 34,719 D-MAX vehicles were sold by the end of 2019.

The majority of D-MAX models are produced in Turkey and only the latest high-end models are imported. Anadolu Isuzu has a production capacity of 3,450 D-MAX vehicles per year in single shift production.

CARRIAGE AND TRACTION CAPACITIES OF THE D-MAX

The Isuzu D-MAX has a carriage capacity ranging from 976 to 1,371 kg depending on the model of the vehicle. Traction capacities reach 2,500 kg in the 4x2 models and 3,500 kg in the 4x4 models.

VERSATILE D-MAX

The D-MAX, a versatile vehicle, is a powerful business partner that offers tremendous convenience for both SMEs and tradesmen. It also addresses individual customers and is a good choice for personal users.

The sporty D-MAX design was designed by bringing aesthetics, comfort and functionality together with the LED daytime running lights, standard accessories.

The new D-MAX V-Cross 4x4 A/T offers the MTV advantage and low fuel consumption with a 1.9-liter engine.

With its equipment and technical features, the D-MAX offers comfortable driving for all conditions with maximum safety.

Providing 164 ps/360 Nm/2000-2500 rpm straight torque, the 1.9-liter D-MAX's engine is not only powerful, but also long-lasting and economical. With all controls on the steering wheel, the vehicle is also attractive with its new LED daytime running lights, heated front seats, electric driver's seat, keyless entry and operation, hill holder, hill descent control, cruise control, climate controlled air conditioning and foldable electric side mirrors.

In the advanced models of the D-MAX, the 8" D-VISION Multimedia System with Navigation has an Android operating system which can be used with all smart phones, while a reverse view camera comes as standard.

As well as its superior safety systems such as EBD, ABS, BAS, ESC, TCS, the D-MAX also has a shock absorber nose,

impact absorbing bars that can reduce lateral impacts, a reinforced new cab skeleton and active seat belts.

SUPERIOR ENGINEERING FEATURES

Anadolu Isuzu has introduced the "shift-on-the-fly" system to the market with the D-MAX, which allows the driver to switch to 4x4 driving at the push of a button during driving, instead of an off-road gear, a feature that sets the car apart. Constantly improving on its engineering superiority, the D-MAX produces as much power as its predecessor with its new 1.9-liter diesel engine and 6-speed forward manual and automatic transmission, while offering lower fuel consumption, a quiet interior and comfortable driving.

The new D-MAX V-Cross 4x4 A/T offers the MTV advantage and low fuel consumption with a 1.9-liter engine.

The 7th generation domestic production model, the 4x2 D-MAX, fitted with a wide range of hardware options, was offered to customers in 2018.



VERSATILE D-MAX

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The Truck Group

The Anadolu Isuzu truck group offers an array of important features, from comfort, capacity and efficiency in transportation to durability and safety.

TORA

Equipped with the Isuzu engine, which is one of the most produced and longest-lasting diesel engines in the world, the TORA is supported by an engine that boosts power and torque, a turbocharger and an intercooler. The 210 PS engine is extremely quiet and fuel efficient.

NPR

With a useful chassis length of 4.2 m and maximum gross vehicle weight of 7,500 kg, the NPR responds to the needs of its drivers with a new generation Isuzu engine with high fuel economy despite its high performance. With 150 PS of power and a torque of 375 Nm, the Isuzu engine stands out with its low fuel consumption.

NPR LONG

Launched in 2016, the NPR LONG is an ideal vehicle for those seeking volume and performance in the city with high maneuvering ability thanks to a useful chassis length of 4.9 m. With a simple and renewed external design that is modern and has been renewed, the vehicle provides a combination of driving comfort and a comfortable range of motion with a wide viewing angle and interior volume.



A WIDE RANGE OF PRODUCTS AND AN EXTENSIVE AFTER SALES NETWORK

Anadolu Isuzu offers a wide range of truck groups consisting of different features, shaped according to customer needs and expectations. Anadolu Isuzu trucks, distinguished with an extensive after-sales network and affordable spare part costs, have attracted wide customer acclaim with the advantages they offer.



HIGH TRANSPORTATION CAPACITY AND SUPERIOR MANEUVERING CAPABILITY

The Anadolu Isuzu truck group offers an array of important features, from comfort, capacity and efficiency in transportation to durability and safety. The Anadolu Isuzu trucks provide an increasing level of added value to companies in terms of transportation costs.



The Truck Group

NPR10

The NPR10 truck leaves the user in no doubt of its performance with its 190 PS power engine and torque of 510 Nm. The NPR10 is popular for those seeking the best in city transportation with a maximum gross vehicle weight of 9,800 kg and equipped with air braking system. The vehicle has won the acclaim of its users with its high-end features, such as the fully air front back disc braking system, high carrying capacity and superior maneuvering ability.

NPR10 LONG

Attracting experienced drivers and customers, the NPR10 LONG is a preferred vehicle for intra-city and near intercity distances. It brings gains to the customer with full air braking system, low operating cost advantage, lower fuel consumption, reduced maintenance requirement, greater carrying capacity and transferring of load area, in addition to its dynamic and flexible structure, and it is much sought after by the public and private sectors.

NPR10 XLONG

The NPR10 XLONG is used in a wide range of sectors including food, construction and transportation, as well as in municipal services. The vehicle provides significant gains in terms of income and time with the ergonomic cabin that breathes Isuzu quality and safety, its strong chassis that can accommodate a frame of up to 6.3 m, full air disc braking system and superior maneuvering ability.

NPR3D

The NPR3D provides its worth with the load that it carries based on its class and its economical operation and stands out with its characteristics. Providing the user with flexibility thanks to its user friend cabin and functional dimensions, which allow it to pass through narrow streets, the key features of the NPR3D are listed below.

High payload capacity thanks to its third axle, maximum gross vehicle weight of 12,500 kg, 190 PS power engine and 510 Nm torque, full-air, dual circuit disc brake system, Electronic Brakeforce Limitation System that brake system adjusting pressure according to load, automatic brake lining adjustment and safety systems such as AEBS, ABS, ASR, ESC.



The Light Truck Group

Anadolu Isuzu light trucks offer a number of novelties including the Isuzu engine, with its higher torque and power, the increased payload capacity, low fuel consumption, automatic clutch adjuster and an exhaust system that does not require additional additives (AdBlue).



With the transition to Euro 6b emission standards for light trucks in Turkey in 2018, Anadolu Isuzu light trucks offer a number of novelties including the Isuzu engine, with its higher torque and power, the increased payload capacity, low fuel consumption, automatic clutch adjuster and an exhaust system that does not require additional fuel (AdBlue).

N-WIDE

The N-WIDE, which provides ease of use thanks to its wider and deeper interior and the special importance given to driver comfort with its advanced suspension system, stands out with a number of features including its 3.5 m useful chassis length, the new generation Isuzu engine with 120 PS and 300 Nm of torque.

N-WIDE LONG

In addition to requiring less maintenance, the N-WIDE LONG offers the user the advantage of affordable spare parts and fuel economy. The N-WIDE LONG offers a solution for those requiring large volumes with its useful chassis length of 4.3 m.

NLR

As well as a special design enabling parking easily in narrow streets and small spaces, the NLR also offers the user convenience during loading and unloading.

In addition, the vehicle provides unique maneuverability in its class thanks to its 3 meter useful chassis length and durable chassis construction, performance and flexibility.

With its superior climbing capability reaching 49%, the NLR reduces the ramp effect to a minimum thanks to the advantage provided with the 120 PS power and 300 Nm of torque.

NLR LONG

The NLR LONG commands a lofty position with its world class technology. The vehicle is equipped with a Commonrail Turbo Diesel Intercooler engine of 120 PS, which provides the required level of traction and protects the environment. In addition to its agile structure, the vehicle also has a useful chassis length of 4.3 m, meeting the volume requirements of both individual and fleet users.

EFFICIENCY IN TRANSPORTATION, COMFORT IN USE

The Anadolu Isuzu light goods vehicles offer efficiency in transportation and comfort in use for customers in all segments, especially SMEs. The light goods vehicles produced by Anadolu Isuzu meet the volume needs of individual and fleet users in addition to their agile structures.



Buses and Midibuses

VISIGO

Anadolu Isuzu's 9.5 meters midicoach, VISIGO, VISIGO, has gained great popularity both at domestic and foreign markets with its aesthetic interior/exterior design and a level of comfort which is above its class. With a passenger capacity up to 39 seats, it offers an ideal solution for small tour groups looking for luxury travel.

VISIGO INTERURBAN

Sharing the same platform with Visigo, VISIGO INTERURBAN version offers solutions to meet the needs of the personnel transportation sector rather than tourism, with its different interior design and more economical level of comfort. VISIGO INTERURBAN version is registered as a Class2 coach, so it can also carry standing passengers on suburban routes. VISIGO INTERURBAN provides access to disabled passengers through an additional middle door and a wheelchair lift.

VISIGO models, lengths and engine powers:

- VISIGO / 9.5 m, 248 hp
- VISIGO HYPER / 9.6 m, 320 hp
- VISIGO INTERURBAN / 9.5 m, 248 hp
- VISIGO INTERURBAN HYPER / 9.5 m, 320 hp

CITIPORT 18 & CITIPORT 12

CITIPORT 18 is the largest bus produced by Anadolu Isuzu. It offers unique solutions for the needs of municipal and private public bus carriers serving the public transportation sector.

CITIPORT 12, which won the "most ergonomic and comfortable vehicle in Europe" award in the Busworld Kortrijk 2015, stands apart from its peers with its aesthetic exterior design and spacious interior layout. The articulated CITIPORT 18 - the largest in the CITIPORT family - can carry up to 155 passengers. CITIPORT 12 is also available with a stronger engine version. CITIPORT 12 Hyper offers 341 hp with the same platform.

CITIPORT models, lengths and engine powers:

- CITIPORT 18 / 18 m, 370 hp
- CITIPORT 12 / 12 m, 300 hp
- CITIPORT 12 / HYPER 12 m, 341 hp
- CITIPORT 12 / EURO 5 12 m, 289 hp
- CITIPORT 12 / CNG 12 m, 320 hp

CITIBUS

Another solution that Anadolu Isuzu offers the public transportation sector is the 9.5 meter CITIBUS. With its attractive price, economical fuel consumption and low operating costs with a durable top and bottom structure, it is popular in more sparsely populated areas where a 12 meter bus investment is not needed, and on intermediate lines.

CITIBUS models, lengths and engine powers:

- CITIBUS / 9.5 m, 211 hp
- CITIBUS EURO 5 / 9.5 m, 204 hp

TURKUAZ

With a passenger capacity up to 33 seats, the TURKUAZ - which is one class bigger than the NOVO class midibuses - is the ideal midibus for the tourism sector. With its external appearance, interior design, luggage capacity and standard equipment, the TURKUAZ offers a high level of comfort for both its users and its passengers, and it is known as the flagship of the midibuses used in the tourism transportation segment.

Within the scope of special projects, TURKUAZ is also produced with the configurations that contain VIP features and with a wheelchair lift for disabled passengers.

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



AESTHETIC DESIGN, HIGH PASSENGER COMFORT

Anadolu Isuzu's buses offer efficiency in transportation and comfort in use.

Its buses are popular in many areas ranging from public transportation to tourism.



LOW FUEL CONSUMPTION AND LOW OPERATION COSTS

Anadolu Isuzu's midibuses appeal to customers from all segments with their low fuel consumption and low operation costs.

In addition to their agile structures, the midibuses meet the needs of individual and fleet customers and have become one of the most popular transportation solutions in the service sector.



Buses and Midibuses

NOVO / NOVO S

Designed with seat capacities of 27 or 29, with particular consideration of the needs of personnel and school transportation, the NOVO S is a midibus with low fuel consumption and low operating costs. Thanks to its durable engine and high level of passenger comfort when compared to minibuses, it has become one of the most popular transportation solutions in the personnel sector.

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

The NOVO LUX, which shares the same platform as NOVO S, but offers a higher level of comfort than the NOVO S with its interior design and equipment that it offers as standard, addresses personnel and tourism transportation needs with a more comfortable travel experience. Thanks to the level of hardware, it is suitable for versatile usage and can be used in both the personnel and tourism sectors. The rear air suspension offered in the NOVO ULTRA version offers an even more comfortable ride.

NOVO LUX/ULTRA models, lengths and engine powers:

- NOVO LUX/ULTRA EURO 5-6 / 7.3 m, 190 hp
- NOVO ULTRA INTERURBAN EURO 6 / 7.3 m, 190 hp

NOVOCITI

With a length of 7.5 m, the NOVOCITI addresses the needs of low-population towns and historical metropolises with narrow streets through its superior maneuverability, low investment and operating costs and economic fuel consumption in urban transportation. The NOVOCITI is also the first example in its class to offer a disabled ramp. The NOVOCITI, the best-selling model in its segment, has also enjoyed similar success in international markets.

NOVO CITI models, lengths and engine powers:

- NOVO CITI EURO 6 / 7.5 m, 190 hp
- NOVO CITI EURO 5 / 7.5 m, 155 hp

NOVOCITI LIFE

Thanks to its compact size and its low floor platform, Novociti Life offers fuel efficiency, high-maneuverability and a barrier-free transportation solution for operators and municipalities.

7-8 meter public bus segment leader Anadolu Isuzu aims to continue its market leadership with its brand-new, 8 meter low floor bus, Novociti Life. Due to changing market conditions and customer needs, new Novociti Life is developed on a low floor platform with a rear engine, a new transmission and with higher passenger capacity compared to old Novociti.

NOVOCITI LIFE length and engine power:

- NOVOCITI LIFE / 8 m, 186 hp



ARMORED AND UNARMORED TRUCKS FOR THE DEFENSE INDUSTRY

Anadolu Isuzu produces armored and unarmored heavy trucks for the defense industry under Anadolu Defense brand.

These vehicles which have superior off-road capabilities, high endurance and that are suitable for multiple purposes are being produced completely by domestic means to serve logistic operations of Turkish Armed Forces.



Defense Industry

Anadolu Defense is Anadolu Isuzu's brand for the defense industry. Under the Anadolu Defense brand, armored and unarmored 4x4 to 20x20 trucks are produced for the logistic needs of the armed forces.

8x8 Container Carrier

8x8 Seyit Container Carrier vehicles with superior off-road capabilities, high endurance and that are suitable for multiple purposes are produced by domestic resources and presented to Armed Forces to ensure uninterrupted logistics supply to the combat zone and transport of firepower to the required region on time.

8x8 Tactical Wheeled Vehicle

8x8 Seyit Tactical Wheeled Vehicle is the most appropriate solution for the transportation of sensitive systems and different hauls with its 600 hp engine power that can reach up to 90 km speed, 500 km range, 120 cm fording, 60% gradeability and 30% side slope capability as well as an outstanding axle and suspension system.

8x8 Recovery

8x8 Seyit Recovery Vehicles which have superior off-road capabilities and high endurance are produced by domestic resources and presented to Armed Forces to be used at rescue activities that may be required at combat zones during their operations.

8x8 Tank Transporter

8x8 Seyit Tank Transporter Vehicles which have superior off-road capabilities and high endurance are produced by domestic resources and presented to Armed Forces to ensure transportation of firepower at the desired region and time at the combat zone.

Concealed Armored D-MAX

Concealed Armored D-MAX BR6 provides secure transportation of personnel with ballistic protection level and bottom protection against explosive attacks ensuring high performance and comfort.



The Economy in Turkey and the World

2019 was a year when favorable strong performance was achieved in exports and gradual improvement in current deficit continued.

UNCERTAINTIES IN GLOBAL ECONOMY

In 2019, the impact of political developments on macroeconomic indicators was intense. Course of trade wars between USA and China, concerns about global economic growth and uncertainties at Brexit process caused fluctuations in the economy until the end of the year. As a result of these variables, globalization trend which has been going on for a long period of time gave its way to increasing protective policies.

According to its latest report, the IMF projects a growth rate of 3.3% for 2020 amid the ongoing concerns in the global economy.

INTEREST RATES DECLINE GLOBALLY

Central banks of the developed countries exhibited a tendency to change their tight monetary policy applications and decisions to start interest increasing processes into expansive monetary policies. The World started the year with USA Central Bank's (Fed) projections of increasing interest hikes; however, Fed took a decision to lower interest rates in the second half of the year. Fed lowered the policy rate to 1.50-1.75% band with three

interest reductions. European Central Bank (ECB) started a comprehensive support package with the provision that the recovery of European economy did not reach the anticipated level. Lower interest rates in developed countries caused a slight shift of capital to developing countries and stock markets of those countries boomed.

AS THE TURKISH ECONOMY STARTED GROWING IN THE THIRD QUARTER, CURRENT DEFICIT GRADUALLY DECREASED DURING THE YEAR.

Turkey started 2019 when economic activity was low, Turkish Lira was losing value, interests were high and stock market was weak and fluctuating. The Turkish economy, which grew 2.8% in the previous year; contracted by 2.3% in the first quarter of 2019 and 1.6% in the second quarter, and entered a growing trend of 0.9% in the third quarter and 6% in the fourth quarter. In the second half, the economy started to recover, with interests dropping rapidly and sharply, and stock market going up. Inflation and current balance improved in general in 2019 and inflation was in a decreasing trend. Consequently, 2019 has been a year when current balance turned to a positive state with low domestic demand and Turkish Lira tried to stabilize itself after significant devaluation in the prior year.

In 2019, exports demonstrated a favorable and strong performance and gradual improvement in current balance continued. As we moved to the last quarter of the year, slowdown of the global economy caused exports to shrink. Elimination of structural instabilities in the European Union, which have political impacts as well, has become significant as the region is the destination of half of Turkey's exports. Low interest rates globally, high liquidity and risk appetite as well as relative improvement of risk perception for our country had favorable impacts on markets and increased expectations for the economic performance.

Overview of the Sector

Even though it shrank by 5% year-on-year, exports became the driving force of the automotive sector in 2019. The sector exported 1,253,000 vehicles, 828,000 of which were cars, constituting 86% of its total production with the sector maintaining its positive and strong contribution to Turkey's economy.

AS THE AUTOMOTIVE MARKET CONTINUES TO SHRINK, EXPORTS REMAIN TO THE DRIVING FORCE.

For the automotive industry, 2019 was an operating period when a risk-based management was required as the changing macro-economic conditions ruled and domestic consumption declined. There was shrinkage in all segments; automobiles, light commercial vehicles and heavy commercial vehicles, parallel with the prior year.

On the other hand, the contraction in the commercial vehicle sector was steeper than the contraction in sales of cars.

The truck segment shrank by 35% in 2019 (including tow trucks), similar to the 35% rate in 2018. While shrinkage rate in tow truck segment reached 42%, 6t-16t mid truck segment which is mostly preferred in cities demonstrated a better performance.

The 3.5t chassis light truck segment contracted by 33% on the back of falling domestic demand. Midibus and bus market which had a negative outlook in 2017 and 2018 continued shrinking in 2019.

AUTOMOTIVE SECTOR SUFFERS 5.7% DECLINE IN TOTAL PRODUCTION IN 2019.

The total production of the automotive sector decreased by 5.7% in 2019 and the production of cars decreased by 4.3%. In this period, the total vehicle production in the sector stood at 1,461,000 units, including 983,000 cars. In 2019, the total automotive market contracted by 23% to be realized at 492,000 vehicles.

PRODUCTION OF COMMERCIAL VEHICLES DOWN BY 8.6% IN 2019

Production of light commercial vehicles decreased by 6.0%, while production of heavy commercial vehicles shrank by 18%. When compared to 2018, the commercial vehicle market contracted by 41.2% and the light commercial vehicle market by 31.8%. The contraction in the market for heavy commercial vehicles stood at 37.7%.

In 2019, the production of commercial vehicles carrying load and passengers decreased by 8.6%. On the basis of the product group, the changes in production were as follows:

- 47.3% decrease in small trucks
- 23.1% decrease in large trucks
- 7.7% increase in minibuses
- 23.8% decrease in midibuses
- 10% decrease in light trucks/pick-ups
- 8.2% increase in buses

AUTOMOTIVE INDUSTRY CONTINUED TO CONTRIBUTE TO TURKEY'S EXPORT PERFORMANCE.

Based on Uludağ Exporters Association, exports of the automotive industry were US Dollars 31 billion. This figure which represents 17% of our country's total exports is the second largest export performance to date after the record of 2018.

At the same time, the automotive industry maintained its leading position among all sectors in the exports ranking.

A total of 423,842 commercial vehicles were exported in 2019. With this result, commercial vehicle exports decreased by 4.5% compared to 2018. When export statistics are reviewed, an increase is observed in all segments other than pick-up. While the midibus, bus and truck segments grew by 41.8%, 17.3% and 2.4%, respectively, 6% shrinkage in the pick-up segment caused the cumulative difference to be at a negative level.

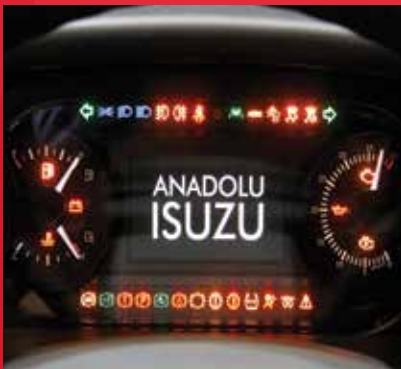
Activities

In 2019

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SUSTAINABLE PERFORMANCE



In 2019, Anadolu Isuzu continued its activities in line with its global vision.

Turkish automotive industry demonstrated a stable outlook in the changing global and domestic economic conditions of 2019.

Anadolu Isuzu, in this process, strengthened its financial structure even more and achieved a healthy performance.

Evaluation of Activities in 2019

In Summary

In 2019, Anadolu Isuzu continued its activities in line with its global vision. The Company's total revenue reached TL 1,423 million in 2019.

MARKET SHARES

MIDIBUSES	TRUCKS	PICK-UPS	BUSES	LIGHT TRUCKS
30.9%	10.9% 6-16 t: 37.4%	7.4%	0.7%	5.6%

In 2019, Anadolu Isuzu continued its activities in line with its global vision. The Company's total revenue reached TL 1,423 million in 2019.

Despite the volatility in global and national economic conditions and the sluggish situation in the automotive sector in 2019, Anadolu Isuzu

maintained its financial stability and achieved a healthy operational performance.

At the same time, the company followed financial strategies aimed at stabilizing the impact of volatility in exchange rates and interest rates throughout the year,

and continued to take measures to strengthen shareholder value with a risk-focused approach.

Anadolu Isuzu again maintained its clear leading position in the 6t-16t truck segment in 2019.



Export Activities

Anadolu Isuzu's export revenues consisted of vehicle sales of USD 139 million and USD 5 million of spare part sales.

2019 WAS A YEAR OF RECORDS WITH US DOLLAR 144 MILLION EXPORT REVENUE.

Anadolu Isuzu exported 1,523 vehicles in 2019 and achieved export revenues of EUR 144 million. Results achieved represent the highest number of units exported, highest vehicle revenue and highest spare part revenue realized in Anadolu Isuzu history and they confirm the new records broken.

While vehicle sales accounted for EUR 139 million of the Company's export revenues in 2018, the total revenue obtained from spare parts sales amounted to EUR 5 million.

The midibus product group was the flagship product in Anadolu Isuzu's export sales.

In 2019, sales to top 10 countries accounted for 90% of Anadolu Isuzu's total exports, with the top three countries (by sales) being Italy (22%), France (19%) and Georgia (16%).



STEADY GROWTH IN MARKET SHARE IN ITS SEGMENT IN THE EXPORT MARKET

Anadolu Isuzu completed the year 2019 as the leading exporter of busses and midibuses in Turkey.

Anadolu Isuzu's quantity based export market share in its own segment was 35% in 2019. The Company became the leader in midibus product for the 16th time in 2019 and achieved a new record that is hard to break.

INCREASE TREND IN MIDIBUS EXPORTS CONTINUED IN 2019.

Anadolu Isuzu achieved an increasing sales trend in the midibus product group. This increase is evident especially in the NovoCiti Life and Turkuaz models in the midibus group. Anadolu Isuzu maintained its title of leading exporter of midibuses, outperforming its competitors. Anadolu Isuzu increased its market share in midibus export market when compared to prior year and reached a share of 68.6%.

Export Activities

In 2019, Anadolu Isuzu increased its market activity in different geographical regions, particularly in the Western Europe and Asia. Anadolu Isuzu, also made its first shipment to South American market.

DIVERSIFICATION AND DEVELOPMENT OF EXPORT REGIONS CONTINUE.

In 2019, Anadolu Isuzu increased its market activity in different geographical regions, particularly in the Western Europe and Asia. Anadolu Isuzu, also made its first shipment to South American market.

In 2019, Anadolu Isuzu realized increases in sales in every region and reinforced its position even more.

FRANCE BECOMES THE BIGGEST MARKET IN TERMS OF TURNOVER IN 2019.

Anadolu Isuzu increased its sales in France by 130% in comparison with 2018. The Company was the Turkish brand which sold the highest number of vehicles in mini+midi segment in France in 2018. In 2019, Anadolu Isuzu took the first place among its competitors at the same segment with a market share of 44.8%.

INTRODUCING AOS - ANADOLU ISUZU'S NEW BRAND - TO WORLD MARKETS

Turkey's midibus export leader, Anadolu Isuzu, which has made a name for itself over many years by producing midibuses and buses in Turkey with a combination of its design capabilities, the efforts of Turkish engineers' efforts and the high level of domestic content for many years, is now more active in different geographical regions with its new brand, AOS.

In 2019, Anadolu Isuzu shipped the first AOS branded vehicle Visigo RHD model to Ireland, Turkuaz and Visigo Hyper model vehicles to Switzerland.

ANADOLU ISUZU REALIZED THE HIGHEST QUANTITY EXPORT AT A SINGLE TIME FROM TURKEY TO GEORGIA.

Anadolu Isuzu increased its effectiveness in high quantity sales and shipped 220 Novociti Life model vehicles rapidly in 2019. In addition to vehicle quality and safety, Anadolu Isuzu's high success in contract deliveries was instrumental in this performance.





ITALY WAS THE MARKET WITH THE HIGHEST UNIT SALES IN 2019.

In 2019, Italy was the country with the highest unit sales. Truck sales within the frame of collaboration with Isuzu had a significant impact on this high quantity.

ANADOLU ISUZU DELIVERED CUSTOM MADE VEHICLES TO BULGARIAN MINISTRY OF EDUCATION AND MINISTRY OF DEFENSE

Anadolu Isuzu, which has been the preferred supplier for the Bulgarian Ministry of Education for more than 10 years, realized another large-scale school bus delivery in 2019 with the Isuzu Turkuaz. The Turkuaz buses, which will be used for personnel transportation in many big cities, especially Sofia, offer the highest level of comfort for both users and passengers. Moreover, custom made vehicle deliveries to Ministry of Defense were completed.

ANADOLU ISUZU'S POSITION IN AZERBAIJAN PUBLIC TRANSPORTATION MARKET GETS STRONGER.

In 2019, Anadolu Isuzu exported public transportation vehicles to Azerbaijan and realized shipments to public transportation companies of Baku in large quantities.

NEW DISTRIBUTOR COLLABORATIONS PLAY AN IMPORTANT ROLE IN EXPORTS.

The Company, whose primary goal is to develop customer-focused, innovative products and services, also aims to maintain and develop its strong sales and service network that provides fast and proactive solutions to customer needs.

Our Export Performance

NUMBER OF VEHICLES SOLD

315

ITALY

269

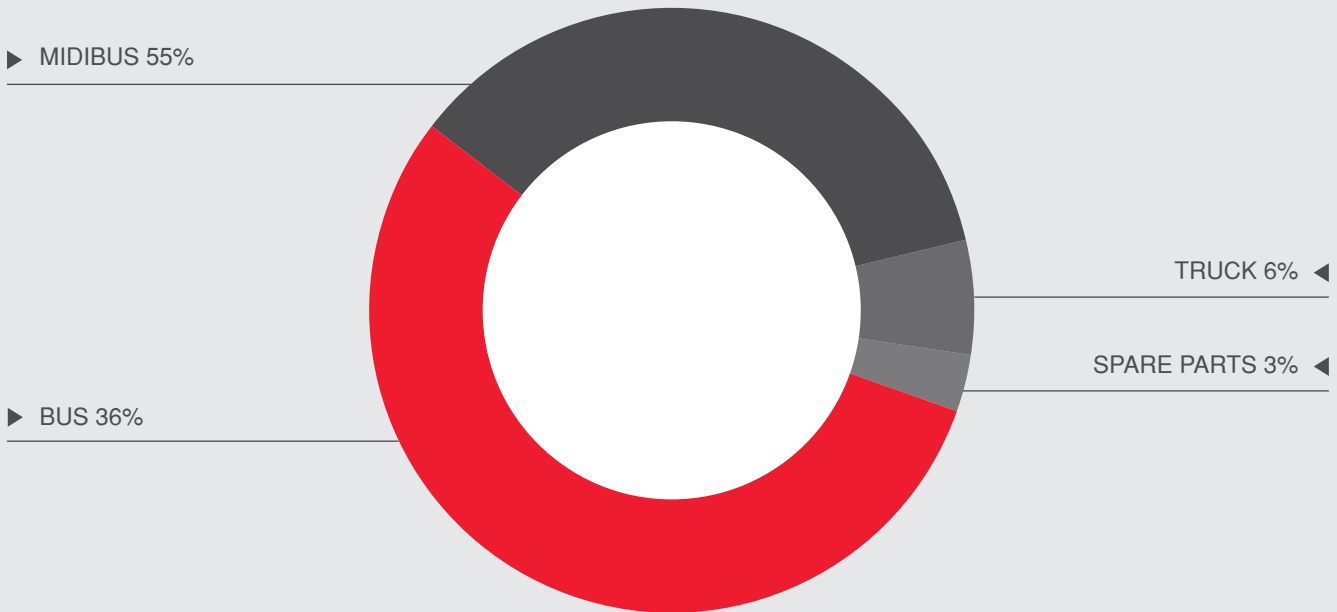
FRANCE

235

GEORGIA



2019 TURNOVER BREAKDOWN (segment based)



**In 2019, Anadolu
Isuzu had operations
in 42 countries with
33 distributors.**



Export Activities

While the Company had operations in 22 countries with 15 distributors in 2016, at the end of 2019, these numbers reached 33 distributors in 42 countries. Anadolu Isuzu's target for the following period is to reach 60 countries by increasing the number of distributors.

Anadolu Isuzu attaches great importance to synergetic cooperation with its international distributors who are a driving force of export activities. The Company ensures that its products become well-known and are rolled out in international markets through distributors, and the products are also sold through these channels.

In 2019, new distributor collaborations were established in markets such as Palestine, Hungary, Spain, North Macedonia, Belgium, Netherlands, Luxembourg, Sweden and Taiwan. The positive effect of this on the marketing and sales front has started to be observed.

Anadolu Isuzu

2019 7-10 February	AgroExpo İzmir
2019 8-12 October	BurTarım
2019 19-21 March	Bus2Bus Berlin
2019 25-27 June	Busworld Central Asia Almaty
2019 18-23 October	Busworld Europe Brussels
2019 19-22 March	Konya Tarım
2019 9-12 June	UITP Stockholm

Distributor Participation

2019 11-13 June	TransCaspian Baku
2019 26-28 November	Czech Bus
2019 8-9 October	IBE Rimini
2019 21-23 November	Expobus
2019 26-27 April	AGIR
2019 1-3 October	UTP Nantes

Defense Industry Participation

2019 30 April – 3 May	IDEF
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Marketing and Dealer Network Development Activities

ANADOLU ISUZU CONTINUOUSLY UPDATES AND ENRICHES ITS CUSTOMER SERVICE PROCESSES.

With its goal to keep customer satisfaction at the highest level in every process from product to after sales, Anadolu Isuzu continues developing its Customer Relationship Management infrastructure, BOSS, with new modules in 2018. BOSS became richer in 2019 with the addition of monitoring and management of foreign sales processes. The new addition aimed to monitor sales processes from start to finish.

With domestic demand management, a frame was created for monitoring the progress of potential sales and sales processes from the start. Moreover, a systematic foundation was provided for target-focused analysis and optimization of sales processes.

Digital approval management was designed to comply with the Law on Protection of Personal Data and Electronic Commerce Law and it has been offered to be used by users of CRM system.

ANADOLU ISUZU IMPLEMENTS PROJECTS TO CARRY ITS DEALER NETWORK TO FUTURE.

Anadolu Isuzu conducts modernization activities to ensure sustainable development in its existing and potential dealer network. Many projects were implemented in 2019 in line with this purpose.

Implementation of new dealer standards, which were issued in 2018, started in 2019. Anadolu Isuzu started to design the showrooms based on dealers' needs in a modern and attractive way and equipped them with new images.

Anadolu Isuzu aims to keep customer satisfaction at the highest level in every process from product to after sales.



Marketing and Dealer Network Development Activities

In line with the principle of continuous improvement and development, Anadolu Isuzu continues to work diligently to further develop its dealer network infrastructure.



At the same time, modernization of authorized dealers continued and new service workshops were put in use one by one which are right and proper for Isuzu customers and Isuzu vehicles.

The outer look of roadside assistance vehicles which serve customers were renewed based on the feedback from call center.

Regional meetings were held to increase the efficiency of authorized services and to increase customer satisfaction rate. Decisions taken in these meetings were put in action.

Events which were attended by sales dealers were supported.

Training needs of sales dealer personnel were identified and activities for those were accelerated. At these trainings, sales dealers' employees were updated and new sales techniques were discussed. Similar activities were carried out for foreign distributors' sales personnel and the bond between them and the Company was strengthened.

Moreover, with the purposes of developing the current status of dealers and increasing the service quality, an open audit was performed by an independent firm. Sales dealers were evaluated based on various criteria such as corporate identity, facility, personnel structure and sales processes. These activities will be regularly performed in the following periods and Anadolu Isuzu will continue to act in line with its continuous improvement and development gene in its DNA.

Efficient Driving Trainings continued at full speed based on customer requests where safe and economic driving techniques were shared. Significant fuel saving levels were reached after these trainings and also, environment-friendly driving was achieved. Efficient Driving Trainings were also delivered to customers in foreign countries in 2019 and these activities received a great deal of appreciation.



After-Sales Services

Anadolu Isuzu is focused on resolving the demands and expectations of its customers in all segments where it offers services in the quickest and best way through its service network across Turkey.

CONTINUOUSLY IMPROVED CUSTOMER SATISFACTION

Anadolu Isuzu is focused on resolving the demands and expectations of its customers in all segments where it offers services in the quickest and best way through its service network across Turkey.

Anadolu Isuzu believes the real service starts after sales, thus it continued to expand its after sales service structure in 2019 and improved its customer satisfaction level even more. In the light of the results obtained from the 10,810 satisfaction surveys conducted with customers throughout the year, Anadolu Isuzu maintained its high level of customer satisfaction in 2019.

Anadolu Isuzu's extensive service network and devoted efforts of its after sales service team have significant contributions to Anadolu Isuzu's successful sustainable customer satisfaction.

As of the end of 2019, Anadolu Isuzu's domestic service network was comprised of 99 authorized service centers operating in 62 provinces. Anadolu Isuzu provides its customers abroad with high added value services through 118 authorized service providers in 31 countries.

IN 31 COUNTRIES
ABROAD

118

AUTHORIZED
SERVICE CENTERS

IN 62 PROVINCES
THROUGHOUT THE COUNTRY

99

AUTHORIZED
SERVICE CENTERS



Supply Chain at Anadolu Isuzu

In line with customer demands, the production of hundreds of different models in 5 different vehicle segments on 4 separate production lines at 2 plants positioned on the same location is provided with precise plans.

A KEY FUNCTION THAT CONTRIBUTES TO ANADOLU ISUZU'S COMPETITIVE CLOUT

The supply chain activities of Anadolu Isuzu include 3 main functions.

- Production Planning
- Domestic and International Purchasing,
- Internal and External Logistics

The Company's Supply Chain Directorate has set itself the target of contributing to the competitive clout of the company by meeting the changing and diversifying customer expectations and demands with the most cost effective way and in the shortest possible time.

In line with customer demands, the production of hundreds of different models in 5 different vehicle segments on 4 separate production lines at 2 plants positioned on the same location is provided with precise plans.

A SUPPLY APPROACH IN LINE WITH PRODUCTION CONDITIONS

Anadolu Isuzu performs sales in mass production conditions for the truck, light truck and pick-up customers, while tailor-made production is mainly carried out for midibus and bus customers. The company has restructured all of its material requirement planning, procurement and integrated logistics systems in order to meet the needs of this trend fully and optimally.



Anadolu Isuzu is a company seeking to extend its horizons in exports. It realizes the majority of its exports to Europe, where the highest quality is expected. In this respect, the company selects the entire supply network from suppliers that will meet the high quality expectations of the target European market.

35,000 ITEMS AS DIFFERENT INPUTS

While a total of 20,000 imported and domestically produced items with different requirements are planned for production, 15,000 items were supplied to meet the requirements for spare parts.

COOPERATION WITH 375 SUPPLIERS

In order to thrive in the fiercely competitive conditions which characterize the markets where the company operates, considerable importance is placed on supplying materials which are optimal on the axes of cost, quality and logistics. As of the end of 2019, Anadolu Isuzu was working with 300 suppliers in the country and 75 suppliers abroad.

Business relations have been continuing with 20% of suppliers for more than 30 years. Most of the domestic suppliers are based in the Marmara Region. The company has suppliers of strategic importance located in other geographical regions of Turkey, especially the Aegean region.

Our commercial business partnerships with both domestic and foreign suppliers of major product groups got mutually deeper with long-term agreements. Commercial relationships with our suppliers under the umbrella of value chain created with a win-win perspective and approach were transformed into strategic partnerships.

DOMESTICATION RATE

One of Anadolu Isuzu's main goals is to increase the domestication rate and maintain it at a high level in all manufactured products.

WORK ON DEFENCE PROJECTS

In addition to exports, Anadolu Isuzu has started to take part in the defense projects as required by the Turkish Armed Forces. Within the scope of the development of domestic and national solutions in accordance with these projects, the Company has sought to direct its existing suppliers to this field and started joint R&D activities.

In addition to the existing means and capabilities of the supply portfolio, new sub-system manufacturers which are suitable for the needs of defense projects have been included in the system and their validation processes have been completed.

STRIVING TO INCREASE EFFICIENCY FROM END TO END

The Anadolu Isuzu Supply Chain Directorate is closely following technological innovations in order to ensure optimization in the supply and logistics operations, and aims to increase efficiency through electronic monitoring and control systems.

DIGITAL TRANSFORMATION, INDUSTRY 4.0

Anadolu Isuzu Supply Chain Directorate has a structure which closely monitors technological developments and implement them to its processes.

Digital solutions to fit today's needs are identified and implemented, such as smart shelf and collection systems, online shipment monitoring, one-to-one delivery methods and advanced planning systems.

EFFICIENCY ACHIEVED WITH THE MILK-RUN SYSTEM

Anadolu Isuzu deploys the Milk-Run system widely in the Marmara and Aegean regions with the aim of rendering its logistics performance sustainable at the highest level possible. Every passing period, significance of Milk-Run system increases at Anadolu Isuzu supply chain; its management and reporting are done in digital system.

THE INCREASING IMPORTANCE OF TRANSPORTATION

While most of the imports are provided by sea over Japan-Thailand, the variety and volume of supplies obtained from different geographical areas of the world is increasing day by day. In line with this, the ratio and importance of overland transportation among total transportation modes is increasing for Anadolu Isuzu. Air transportation only has a small share among supply modes.

Anadolu Isuzu provides services in 22 countries over 4 continents in export vehicle logistics, and in 25 countries over 3 continents in the spare parts logistics by providing complete integration with its customers in product delivery activities.

Different transportation methods are continuously being investigated due to increased transportation costs and the Company aims to be the pioneer organization in the industry with leading applications.

R&D at Anadolu Isuzu

Anadolu Isuzu attaches special importance to its R&D activities within the scope of its corporate strategy, and is continuously stepping up its investments in this area.

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

Increasing competition in global and national arenas and rapidly evolving demand conditions increase the importance of R&D and innovation for all economic actors. R&D, which reduces companies' dependence on external resources, enables the development of innovative technologies and contributes to the national economy.

R&D activities not only increase the competitive clout of companies in domestic and international markets, but also strongly contribute to the improvement of overall performance in many fields such as cost management, efficiency and customer satisfaction and especially sustainability. R&D centers, which offer companies the opportunity to improve their competitive thresholds, also bear key importance in adapting to technologies in the world in product and production quality.

Companies operating in Turkey's automotive sector which are intertwined with technology closely monitor both the rapidly developing and changing trends in the sector and the customer expectations in the sector, and they carry out activities in this direction.

ANADOLU ISUZU R&D CENTER: THE ONLY R&D CENTER WITH A JAPANESE PARTNER

As part of its corporate strategy, Anadolu Isuzu attaches special importance to R&D activities and continuously develops its investments in this field.

The history of the Anadolu Isuzu R&D Center, which was one of first R&D Centers to be registered by the Ministry of Industry and Technology, dates back to 2009. It had been carrying out its activities as the engineering departments in previous years.

With the investment implemented in 2015, the Anadolu Isuzu R&D Center is now housed in a modern building with all kinds of technological equipment, and it has become a fully equipped R&D center.

FOR ANADOLU ISUZU, R&D IS A FUNCTION THAT CONTRIBUTES TO THE COMPANY'S PROFITABILITY AND ITS SUSTAINABLE FUTURE

The modern building of the R&D Center, with 6,220 m² of enclosed area, houses one of the largest new test centers in Turkey and Europe, a prototype workshop, office and meeting areas.

The R&D Center Directorate, which operates under the General Manager within the company, consists of 2 departments, 7 groups and 23 teams, in which the following activities are carried out.

- New Vehicle Development,
- Product Verification
- Defense Industry
- Special Projects,
- Test Center, Validation Services and Product Verification
- Design Center,
- Production Engineering,
- Project Management.

The R&D Center, which employs approximately 146 people, continues to offer innovative products and services in the international arena by respecting the environment with its dynamic and expert human resources, and adds value to the lives of its customers.



THE YEAR 2019 IN R&D - GAINS AND OBJECTIVES

The Anadolu Isuzu R&D Center rounded off 2019 by exceeding its targets.

NEW PRODUCTS REALIZED WITH STRONG R&D SUPPORT

Anadolu Isuzu continued to develop and launch new products that responded to market and customer needs in 2019. While developing all of its product portfolio to meet EuroVI-D emission levels per European and Turkish emission criteria, the Company also took steps towards increasing its presence in Turkey and Europe by manufacturing 4 new product prototypes.

The most important feature of the new products which were developed at Anadolu Isuzu R&D Center is their low emission levels based on Anadolu

Isuzu's sustainable environmental strategies. Serial production of these natural gas or electrical vehicles will start in 2020. 8.5m Toro project is an intercity midibus with 35 seats, low fuel consumption and low emission level. 13 m Interliner CNG vehicle is a Class2 intercity bus with 63 seats which works with natural gas. The entire design of the vehicle was developed by the Turkish design team at Anadolu Isuzu's R&D Center.

Furthermore, 8 m and 12 m low-floored electric public transportation buses were developed and prototypes were manufactured. These electric cars provide a comfortable and livable urban life for both passengers and environment with their advantages of being quiet and having zero emission.

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

Anadolu Isuzu's products, services and R&D activities continued to win the acclaim of stakeholders in 2019 and scored highly in independent rankings. Anadolu Isuzu R&D Center maintained its success and consistency in terms of intellectual property with 340 patent applications and 41 registrations. In 2019, the Company applied for 72 patents, 26 design registrations and 15 utility model registrations.

R&D at Anadolu Isuzu



BOOSTING EXPORT PERFORMANCE WITH THE SUPPORT OF R&D EFFORTS

The R&D team has intensively continued its efforts to support exports. Within this scope, studies have been carried out in existing and/or potential markets in the international market in 2019.

Distributors visited corporate customers and leading foreign companies in their sectors, where the demands and expectations of existing and potential customers were assessed. Developments and expectations in the technological field were analyzed in detail.

In addition to the information obtained, the tender specifications of potential markets were also examined. Work was stepped up to ensure that the vehicles being developed in Anadolu Isuzu's product portfolio were in line with current and potential customer requests. Within this scope, the produced vehicles were developed by taking into consideration the tender delivery times, and designed to be safe, fast and high quality.

COLLABORATION WITH UNIVERSITIES AND CONFERENCES ATTENDED

The Anadolu Isuzu R&D Center continued its cooperation with METU, ITU, Yıldız Technical University, Bartın University, Sabancı University, Okan University and Gebze Technical University, which are among Turkey's leading universities.

Within the scope of the projects developed with these institutions, the focus is on collaboration between industry and academia, with the opportunity to work with specialized academics.

Communication with the TTOs (Technology Transfer Offices) was further strengthened to support collaboration platforms and to increase close contact with universities.

On the other hand, employees at Anadolu Isuzu who are continuing postgraduate studies were given the necessary support to carry out their academic work through the framework of the collaboration between industry and academia.

Staff from the R&D Center participated in many conferences in Turkey and abroad in 2019, contributing to the recognition of Anadolu Isuzu on national and international platforms, where they attended or took part in 9 conferences during the year where presentations were given.



The medium and long-term goal of the Anadolu Isuzu R&D Center is to further develop the studies that it conducts in synergistic cooperation and enhance the added value that it produces.

TÜBİTAK (THE SCIENTIFIC AND TECHNOLOGICAL RESEARCH COUNCIL OF TURKEY) SUPPORT FOR AN INCREASING NUMBER OF PROJECTS...

The basic functions of TÜBİTAK include developing industrial research and technology, supporting, and encouraging innovation and developing relations between universities and industry.

The programs and activities to realize these functions are carried out by the Technology and Innovation Funding Programs Directorate (TEYDEB).

Anadolu Isuzu, which is conducting TEYDEB-supported projects, also provides opportunities for undergraduate and doctoral students to gain experience

Anadolu Isuzu continued its project within the scope of Eureka in 2019 and applied for 2 H2020 projects.

GOALS FOR THE FUTURE

The medium and long-term goal for the Anadolu Isuzu R&D Center is to further develop its work that it carries out in synergy with other departments, in line with market needs and customer expectations and the added value that it produces.

At the same time, the R&D Center will continue its efforts to apply the necessary systems to vehicles by complying with the new regulations that will be introduced in areas such as safety and emissions within the framework of current legislation, and to expand and improve its product range by keeping abreast of technological developments.

The R&D Center, on the other hand, is focused on providing the necessary support to Anadolu Isuzu's work conducted in new segments such as the defense industry and electric vehicles.

Production

A 4% increase in efficiency was achieved at the truck plant when compared to the previous year, with a 3.5% increase at the bus factory.

LEAN PRODUCTION

Within the scope of lean production activities carried out within Anadolu Isuzu, the Company aims to meet customer demands by providing optimum production conditions in the shortest time with the least resources. At the same time, it aims to carry out analysis to minimize inventory costs, waste and customer dissatisfaction.

Lean manufacturing activities carried out in line with these aims are applied to the personnel of many institutions and at the work site in order to increase the efficiency in today's industry. Production efficiency has been ensured through line balancing, which is considered as a fundamental matter within the scope of work planning, and by identifying loss times and avoidable work.

In 2019, the Company carried out time and optimization studies, and production line balancing at the truck and bus plant, thus eliminating bottlenecks. In parallel with these efforts, efficiency was achieved in the production processes and a positive improvement was achieved in delivery speeds.



In 2019, at the truck plant, delivery speed increased by 18% compared to the previous year, with a 11% improvement achieved at the bus factory.

In 2019, a 4% increase in production efficiency was achieved at the truck plant when compared to the previous year, with a 3.5% improvement at the bus factory.



KAIZEN

In 2019, Kaizen workshop projects were implemented at affordable prices and in a fast and fit-for-purpose manner using internal resources. The Anadolu Isuzu Kaizen Portal was put into practice and the reporting of the Kaizen activities process was moved to digital media with this software. The personnel or the operator carrying out Kaizen projects may prepare a report over the kiosks on the direct line and can view all data graphically and instantly. In addition, this data is automatically backed up in the database.

ISUZU KAIZEN ACTIVITIES

System improvement activities, which are planned and completed under the main headings of efficiency, quality, ergonomics, cost reduction and process, are implemented through the Kaizen (Continuous Improvement) work, which is one of the important steps of the IM (Isuzu Monozukuri) System. In the Kaizen project activities, obtaining ideas from employees at every level and incorporating employees into the process are important factors for generating effective and lasting solutions and ensuring the sustainability of the

In 2019, Kaizen workshop projects were implemented at affordable prices and in a fast and fit-for-purpose manner by using internal resources.

application. Within the scope of the Kaizen activities carried out at our enterprise, technological investments that are worker and environmentally friendly are conducted proactively.

The Technical Directorate has adopted the Japanese Kaizen philosophy since its establishment and employees have provided a significant contribution to the improvement projects.

With the Kaizen workshop, each idea has been deemed valuable, and it was ensured that the suggestions, which the employees have submitted for the improvement of their production processes, were implemented.

In 2019, efficiency, occupational safety, quality and cost savings were obtained through a total of 766 Kaizen applications, with a 72% increase year-on-year.

Automation, sensor applications and internet of things (IOT) activities have been included in the Kaizen applications. Projects defined under various titles such as quality, efficiency, ergonomics and cost reduction have been realized.

The following Kaizen projects were implemented:

- Maintenance room dashboard system
- Dining hall sales program
- Truck tire assembly manipulator
- Midibus windshield manipulator
- Section door improvement
- Cataphoresis monitoring system
- Contract follow-up program

Anadolu Isuzu and the Environment

Anadolu Isuzu aims to continuously improve the environmental performance of its production activities, products and services in line with its goal of continuous protection of the environment.

ENVIRONMENTAL POLICY AT ANADOLU ISUZU

Anadolu Isuzu is committed to creating a sustainable environmental management system by continuously improving the environmental performance of its production activities, products and services and without compromising the natural balances of the resources, by complying with the required legislative obligations and the expectations of the concerned parties and by preventing environmental pollution at its source. It is also committed to continuous protection of the environment in line with these goals.

THE ANADOLU ISUZU ENVIRONMENTAL MANAGEMENT SYSTEM

Anadolu Isuzu implements various projects, in which internal and external contexts are taken into consideration for the matters of climate change and consumption of natural resources. The Anadolu Isuzu Environmental Management System, which contributes to the organization to manage their own environmental problems and at the same time, to produce solutions about the issues of general interest, brings leadership, commitment, goals, risks and opportunities to the fore.

Setting out with the philosophy of IM (Isuzu Monozukiri) at Anadolu Isuzu, continuous improvement and sustainable efficiency studies are carried out by the employees on the processes with the

goal of achieving excellence with quality and production sustainability. Within this scope, employees are assigned to take responsibility for fast determination and commissioning of projects.

ANADOLU ISUZU SHARES ITS ENVIRONMENTAL PERFORMANCE WITH ITS EMPLOYEES.

Anadolu Isuzu continuously improves its environmental performance through the numerous projects and studies that it carries out. The Company shares the results of its environmental performance with its employees through the Environmental Bulletin, which is prepared with data from the preceding 3 months.

The projects inspired by the ideas of the employees on the environment at Anadolu Isuzu, where sustainability is adopted as a corporate culture, are evaluated and rewarded at competitions organized in certain periods.

32% IMPROVEMENT IN THE VOC EMISSION

Anadolu Isuzu constantly monitors and controls the release of volatile organic compound (VOC) emissions released into the atmosphere within the scope of its production activities.

The company reports the cumulative VOC values annually to the Ministry

of Environment and Urban Planning. Short and medium term projects are developed with the aim of reducing these values.

Efficiency and saving projects were carried out in the use of chemical products in 2019, and solvent consumption amounts were brought under the control of a follow-up system. Chemical usage optimization was achieved in the truck and bus groups and this significantly contributed to bringing VOC emissions and consumption of chemicals under control. Thanks to these efforts, the 2019 VOC values were improved by 32% compared to the previous year.

Anadolu Isuzu aims to lower the VOC limits to much lower values within the scope of the European Union climate change studies. In 2019 the company continued to conduct extensive work to the transition to new legal limits.

CALCULATION OF GREENHOUSE GAS EMISSION VALUES FOR 2019 CONTINUES.

Anadolu Isuzu has focused on reducing energy consumption and greenhouse gas emissions at the Şekerpınar production site. In this context, the Company has carried out a number of activities aimed at minimizing the impact of its processes and products on the environment.



In 2019, the Anadolu Isuzu production plant continued to be a low-emission plant on the basis of current process and energy consumption data.

Work on Greenhouse gas reduction is conducted in parallel with the energy efficiency projects.

WATER CONSUMPTION PER VEHICLE CUT BY 10%.

Environmental issues such as climate change and global warming are making it gradually more difficult to access available water resources. Anadolu Isuzu aims at the sustainability of water resources, which will gain more importance than all other resources in future periods, and in this vein conducts work to reduce water consumption in its processes.

Important projects at the paint room cataphoresis area and monitoring system used in garden irrigation system presented favorable results in reduction of water consumption. As a result of these efforts, the amount of water

consumed per vehicle produced has been cut by 10% when compared to previous years.

Anadolu Isuzu plans to continue projects by monitoring department-based water consumption across the facility.

REDUCTION IN VOLUME OF WATER ENTERING WASTEWATER TREATMENT PLANT.

There are two different wastewater treatment systems - industrial and domestic - in the treatment plant, which has been in operation since the establishment of the Anadolu Isuzu Plant.

The treatment of industrial wastewater is carried out in a continuous treatment plant based on chemical treatment. Wastewater is fed from three different sources (the acid-alkaline wastewater line, the industrial oily water line and the paint house wastewater line) to the chemical (continuous) treatment plant.

The wastewater treatment plant discharges water of a quality which complies with the discharge standards determined for industrial wastewater sources under the current Water Pollution Control Regulation in Turkey.

The control of pollution parameters is followed up by daily analysis in the laboratory located in the plant. Thanks to the high-tech and environmentally friendly practices that have been adopted, the pollutant values of the output from the Anadolu Isuzu wastewater treatment plant are well below the limits set out by the applicable legislation in Turkey.

In 2019, as a result of the improvement projects implemented in water consumption, a decrease in the amount of water entering our wastewater treatment plant and a reduction in the treatment chemical consumption was achieved.

Anadolu Isuzu and the Environment

Anadolu Isuzu keeps a close eye on environmental publications and complies with existing laws and regulations.

32% REDUCTION IN WASTE OUTPUT PER VEHICLE

Anadolu Isuzu implements a department-based waste inventory management system in order to incorporate the different departments at its plants into the waste reduction efforts. In this context, the implementation of line-based waste officers in production departments continued. Projects aimed at cutting waste arising from each department's own processes were implemented. Moreover, targets were set for production units based on product lifecycle principle.

Waste management trainings for all employees in truck and bus factories were completed and activities to create awareness were carried out. Waste sorting system was enhanced with zero waste approach in offices and dining halls. All waste boxes can be audited with the new system.

Anadolu Isuzu realized a 32% improvement in specific waste consumption per vehicle when compared to the figures for the last two years.

ZERO WASTE TARGET

Activities were conducted to establish Zero Waste Management system at Anadolu Isuzu in line with Regulation on Zero Waste which will provide effective management of raw materials and natural resources and protection of environment and human life. Waste sorting is performed in dining halls in accordance with Zero Waste Regulation. This project which provides less waste

At Anadolu Isuzu, work is in ongoing to minimize the environmental impact of its processes and products with focus on reducing the energy consumption and greenhouse gas emissions of its production plant.

also helped waste utilization. Food wastes are sent to animal shelters. With this project, daily food waste decreased by 39% in December, compared with July. Average daily bread waste is decreased by 83%.

Elimination of carton and plastic cups, which caused problems in waste sorting, was one of the items in Anadolu Isuzu's zero waste project. Using glass instead of plastic not only eliminated the unfavorable impact on health and environment, it also prevented approximately 15 tons of domestic waste.

ENVIRONMENTAL AWARENESS SUPPORTED THROUGH TRAINING AND INFORMATIVE ACTIVITIES.

Anadolu Isuzu carries out regular environmental information training programs to increase environmental awareness of its employees. Environment and ADR trainings of employees were completed 100% with the conferences held. Additionally, drills were organized at certain areas to practice the knowledge shared in trainings.

Information notes and plasma publications concerning current environmental issues are placed in common areas within the company.

In 2020, comprehensive efforts are planned with the aim of raising the awareness of stakeholders as well as the plant employees.

ENVIRONMENT AWARENESS ACTIVITIES

"Leave a Mark for Nature" event organized with the purpose of leaving a meaningful mark in nature and increasing the awareness on environment was the first step in creating a green area together.

Within the scope of this event, employees raced by pedaling to produce energy in line with the "Climate Change Awareness" theme. At this event where the purpose was to create awareness on difficulty of energy production, the Company emphasized energy savings in a different way, which is among its environmental objectives and goals.

Industry 4.0 and Digitalization Projects

The digital transformation and Industry 4.0 efforts provide a faster adaptation of the changing implementation requirements in the production processes.

WORKING TO CONTINUOUSLY INCREASE EFFICIENCY IN THE PRODUCTION AND TRADE CYCLE

Digitalization efforts have carried out within the scope of Industry 4.0 at Anadolu Isuzu.

With the aim of more efficient business models, the Company continued to expand its digitalization activities throughout the plant, which enable each item of data to be collected and carefully monitored and analyzed, with the goal of creating a smart plant system.

The digital transformation and Industry 4.0 efforts provide a faster adaptation of the changing implementation requirements in the production processes. In this context, various projects are being carried out at the Anadolu Isuzu production campus.

DIGITAL ACCESS TO OPERATION INSTRUCTIONS (PRODUCTION)

To enable operators to rapid access to instructions which they need for assembly operations, access to the operation instructions was provided from the kiosks used by each production group.



FUEL FILLING AND AIR LEAK TEST

The digital transformation projects of the Fuel Filling System and Air Leak Test, which were developed by the Kaizen Workshop, and which will facilitate the follow-up, record and control operations in production, were realized with very low investment.

MAINTENANCE ANALYSIS DASHBOARD

With this analysis and dashboard software program developed by Auxiliary Operations, instant reporting of current activity planning, analysis and monitoring can be made, trends can be observed on graphics and more efficient work force management decisions are taken.

Industry 4.0 and Digitalization Projects

Anadolu Isuzu, will continue digital transformation activities in 2020. Within this scope, automation works for heating, ventilation and compressed air systems in order to increase energy efficiency and AGV project to increase material delivery efficiency are carried out in the plant.

CATAPHORESIS MONITORING SYSTEM

The system was developed using in-house resources to record materials going into the Cataphoresis Monitoring Facility instantly.

KD MENU SOFTWARE

This software was developed with the objective of preventing errors which may be caused by misloading of ABS program parameters at the truck line. This software enabled obtaining QR-Code parameter information suitable for a specific vehicle by scanning the chassis number.

DOOR AUTOMATION

Opening and closing information from 108 doors across the factory are obtained with IoT technology and a smarter maintenance is ensured by processing this information. Based on this data, activities were conducted for keeping just-in-time inventory parts and cost reduction.



IM Global Leader Company

In order to ensure effective quality management at the plant, in-line control systems, providing quality assurance of supplied parts, torque management and feedback meetings are the main pillars of the IM system.

IM (ISUZU MONOZUKURI) GLOBAL LEADER COMPANY

IMM system, which was designed in 2000, was updated in 2019 as IM system. IM system provides global quality assurance by producing ISUZU branded vehicles based on equivalent production management and quality system regardless of the location of production facility around the world, within the scope of goal of being the "global leader company".

Main elements of the IM system are as follows:

- Customer focus,
- Continuous development,
- Sustainability in production and quality.

In-line control systems, quality assurance for parts purchased, torque management and feedback meetings in order to provide effective quality management in the factory.

Within the scope of the IM, plants that produce with the Isuzu brand are periodically audited by the Isuzu-Japan auditors. Production plants which are found to be successful as a result of the audit are awarded with the IM certificate and therefore receive certification that they may carry out quality production.



IM TRAINING

Within the scope of IM trainings, Anadolu Isuzu organizes workshop based training programs in accordance with its needs. It provides technical training programs aimed at developing the competence and hand skills of the employees.

IM AUDITS

In 2019, 56 internal audits were conducted within the framework of the IM audits conducted across the Şekerpınar campus. All audits were

carried out for all production lines at the truck and bus plant as in parallel to each other.

In 2019, work continued on the 5S audits, the scope of which was developed and which were implemented in 2017. A total of 13 audits were conducted at the truck and bus plants in parallel with each other. These activities have offered a significant contribution to a positive result of the ISUZU-J IMM audits in 2019.

IM Global Leader Company

Activities aimed at meeting the training needs of employees continued in 2019 through the technical training and evaluation workshops established within Anadolu Isuzu.

IM CERTIFICATE

Anadolu Isuzu was entitled to receive the IM certificate for its pick-up and bus production facilities in 2019.

Anadolu Isuzu's truck and pick-up production facility is the only one with IM certificate in Europe and the bus production facility is the only one in the world with that certificate.

TECHNICAL TRAINING AT ANADOLU ISUZU-COMPETENCY/SKILL EVALUATION AND DEVELOPMENT ACTIVITIES

Activities aimed at meeting the training needs of employees continued in 2019 through the technical training and evaluation workshops established within Anadolu Isuzu.

Workshop-based technical training and activities, responding to the needs of Anadolu Isuzu, were carried out in the workshops. The training sessions, which were designed by taking the needs of the sector and expectations of export markets into consideration, were given by expert trainer staff.

HEADLINES OF THE TRAININGS CARRIED OUT

- Ergonomics, assembly, painting and welding training programs were provided in order to improve operator skills and knowledge levels.
- On-the-job training was provided in order to enable planning of personnel on the production lines. The majority of employees working in the truck and bus plants were subjected to rotation.
- Development and training programs were organized for all group leaders to increase their technical and leadership competencies.
- Within the scope of completed ergonomics training and measurement, operator based improvement work is ongoing. Work to establish a Physiotherapy Center got underway.
- Ergonomics improvement (Physiotherapy Center) was set up and started operations. At the Physiotherapy Center, 355 hours of therapy was provided for 60 people.

In 2019, ergonomics and hand skill trainings were given to 503 operators which became mandatory for new hires and 306 man*hours of in-house trainings were given to group leaders under 16 topics such as OHS- ergonomics, kaizen and problem solving.

Energy Performance of Anadolu Isuzu

The Anadolu Isuzu energy policy has adopted long-term environmental and economic sustainability as its main goal.

Anadolu Isuzu has adopted the following objectives

- to carry out studies aimed at achieving energy savings and improving efficiency in production activities,
- to support the supply of energy efficiency and environmentally friendly products, equipment and services,
- to propose that choices are made in accordance with energy efficiency in the design and revision of the plants and processes,
- to raise the awareness of all employees through the transfer of information and training for the efficient use of energy, and to foster a sense of environmental awareness,
- to increase the long-term environmental and economic sustainability of the activities by reducing energy consumption and cost.

ENERGY PERFORMANCE IN 2019

- A number of projects were implemented to increase energy efficiency at the plant, increasing energy efficiency by 10%.
- As a result of production being realized at a lower level than had been planned and the increase in unit prices in the energy market, consumption values per vehicle exceeded the targeted level.

ANADOLU ISUZU IS FOCUSED ON CONTINUOUSLY IMPROVING ITS ENERGY PERFORMANCE.

Anadolu Isuzu is continuously seeking to improve its energy performance with the range of projects and applications which it implements. The Company, which considers energy performance to be a key component of competition on a global scale, always targets the better in this field.

In 2019, energy saving efforts continued at Anadolu Isuzu with work taken on potential improvements as well as the implementation of Quick-Win projects that produce quick results.

Anadolu Isuzu monitors energy consumption at different departments instantly over the energy system. Within the scope of this cycle, short-term, medium-term and long-term development / improvement activities are designed and implemented by identifying any problems that may be faced or potential areas for saving in energy consumption.

Consumption data pertaining to areas of the plant with high levels of energy consumption are shared daily with the department managers, who have the opportunity to evaluate energy performances immediately.

In 2019, departmental based training and information meetings were held in order to raise awareness of energy among Anadolu Isuzu employees.

PROJECTS TO LOWER ENERGY CONSUMPTION PER VEHICLE PRODUCED

Anadolu Isuzu implemented electricity energy efficiency projects in different fields in 2019:

Major projects are as follows:

- Optimization of boiler working hours was realized.
- More efficient pump supply was provided and used at the boiler and waste facility.
- More efficient LED armatures were installed for lightening of PDI and Mechanical Test areas.
- Broiler maintenance of bus and truck paint room furnaces were made and more efficient combustion was achieved.
- Activities for renewal of Administrative building Chiller unit isolation were carried out.
- UPS at the bus plant was changed with a more efficient one.
- Outside lightening units were optimized.
- High energy efficient machinery and equipment were purchased.

Human Resources

Anadolu Isuzu observes equal opportunity and diversity in all human resources practices and cares about creativity and innovation concepts.

ANADOLU ISUZU'S HUMAN RESOURCES MISSION

To improve the qualifications of its employees by increasing the motivation and loyalty of employees in line with the company's reason d'être and strategies, to contribute to the profitability of the company and to provide added value to the whole organization

ANADOLU ISUZU'S HUMAN RESOURCES VISION

Anadolu Isuzu's Human Resources Strategy is carried out within the following main policies:

- To be a strategic business partner that creates a competitive advantage.
- To attract the right human resources with a global perspective and talents to the Company.
- To create a working culture which constantly looks for the better, and human resources systems in a work environment based on open communication and trust by working in teams and with knowledge.
- To contribute to organizational efficiency and organizational development.
- To strengthen the culture of employee loyalty.
- To create a preferred employer brand that is people-centric.



In the light of the values and corporate culture at Anadolu Isuzu, the Company serves under a "people first" approach without discrimination on the basis of language, religion, race or gender. Anadolu Isuzu attaches importance to its employees being global thinkers, who are open to teamwork and communication, who place importance on development and who can analyze and can take initiative. The company works under a business and customer oriented working principle while recognizing the qualifications of leadership, strategic thinking and managerial effectiveness as a priority for the executive candidates.

AN APPROACH BASED ON EQUAL OPPORTUNITY, WHICH PROMOTES INNOVATION, AND DOES NOT DISCRIMINATE

In the light of the values and corporate culture at Anadolu Isuzu, the Company serves under a "people first" approach without discrimination on the basis of language, religion, race or gender.

The Company upholds equality of opportunity, which is included in the working principles of the Anadolu Group, and is applied unwaveringly. It ensures that the principle of equal opportunities

starts from the recruitment process of the employees and continues in all human resources applications including training, remuneration and in their careers. Diversity is encouraged. In addition to this, Anadolu Isuzu attaches tremendous importance on creativity and innovation.

THE GOAL OF BEING A PREFERRED EMPLOYER

Anadolu Isuzu aims to be a preferred employer in all circumstances in the market through the human resources practices that it implements.

In 2019, a total of 817 people worked in Anadolu Isuzu. The total number of employees in the Company's R&D Center stood at 109 in the same period.

SUPPORTING WOMEN'S PARTICIPATION IN WORK LIFE

The number of women working in Anadolu Isuzu increased by 2.5% (in terms of the total number of employees) in the last 2 years as a result of the employment approach that has been realized in line with the goal of providing equality between men and women.

The Human Resources team at Anadolu Isuzu, which continues to work to promote women's employment, also develops projects aimed at raising the standards and satisfaction of existing women employees in the work environment.

ANADOLU ISUZU'S PERFORMANCE MANAGEMENT SYSTEM

Decisions taken in the Board of Directors at Anadolu Isuzu are included in the performance targets determined on an annual basis for the employees within the framework of performance criteria.

The Anadolu Isuzu Performance Management System aims to increase the performances of teams and individuals and develop their competencies. Contributing to the success of the company, the Performance Management System focuses on the development of employees as well as business results,



and provides feedback on all employees' strengths and areas which are open to improvement.

CONTRIBUTIONS FROM ORGANIZATIONAL DEVELOPMENT ACTIVITIES

Always attaching importance to organizational development activities, Anadolu Isuzu continued to work on organizational designs that will also help the company achieve its strategic goals in 2019. In addition, the Company implemented new business models.

A TOTAL OF 9,944 HOURS OF TRAINING PROVIDED TO EMPLOYEES

Anadolu Isuzu aims to develop all employees in its areas of strategic focus through the training and development activities undertaken to ensure continuous improvement and development.

Organizational development programs are held within the Academy Isuzu to support young talent and raise new leaders at the Company.

A total of 9,944 hours of training were given to employees at Anadolu Isuzu in 2019, with an average of 12 hours of training per person.

HIGHLIGHTS FROM THE TRAINING ACTIVITIES CARRIED OUT IN 2019...

- One-on-one Financial Coaching program was started which covers topics such as understanding, analysis and applications of financial statements and with an objective of developing financial literacy of every manager, not only financial managers, and observing how their actions in their own areas affect the results of the Company and the financial statements as a whole.
- Occupational health and safety, accident investigation and risk analysis trainings were organized with the objective of creating a healthy and safe environment, decreasing work accidents and occupational illnesses, explaining employees occupational risks they are exposed to and precautions to be taken and creating awareness for occupational health and safety.
- ISO 9001/14001 Integrated Management System Requirements and 27001 Information Security Management System trainings were held within the scope of Quality Management Systems.

Human Resources



- Power of the Site Manager Development Program which started in 2018 continued as “Power of the Site - Group Leader Development Program” this year to respond to current needs in the Company’s organization and business manners in the changing and transforming world by emphasizing “Continuing Improvement and Development” to go one step beyond and to reflect them as contributions to the work environment.
- Leadership Development Program was designed and organized with Sabancı University for First Level Managers and Team Leaders to support their managerial skills, to help them develop a common management approach and language, and to provide an opportunity to review their leadership skills and their perspective on work and problems with an integrated approach.
- Effective Feedback and Focusing on Results training was organized for all managers to increase the effectiveness of performance evaluation process.
- Development process for senior managers continued through coordination with Holding Human Resources by Harvard Online Trainings and one-on-one coaching.

UNDERSTANDING THE IMPORTANCE OF INTERNAL COMMUNICATION AND EMPLOYEE SATISFACTION

Attaching importance to internal communication activities, the Human Resources team at Anadolu Isuzu publishes all human resources policies and procedures through a portal that is open to all employees.

Employee satisfaction and loyalty surveys are carried out at certain intervals within the company. Employees may share their innovative ideas through an e-platform, so that communication between the employees and the management team can be carried out in a healthy manner.

Within the scope of an online application, surveys take place in order to obtain feedback and suggestions from employees on different subjects. This structure allows feedback on any subject at any time, where employees can take part in the surveys either from their smart phone or their computer. The online platform allows employees to convey their suggestions and wishes, and related suggestions are evaluated by the HR department and feedback is given to the employee.

Competitions were held in order to improve the environment and create a better environment within the scope of Environment Day, and to strengthen the perspective of the “zero accident” goal and raise safety awareness in the

Occupational Safety Week. Employees who took part in Anadolu Isuzu’s environmental projects and responded to the questions in the OHS knowledge competition were awarded within the scope of Isuzu Extraa.

Forum theatre application was conducted with the objective of creating awareness and behavior change in occupational health and safety.

Anadolu Isuzu employees celebrated 23 April National Sovereignty and Children’s Day with their children at Istanbul Toy Museum.

Painting sets were given to employees’ children as gifts at the new education year.

A dinner organization was held to meet with women employees at International Women’s Day.

Anadolu Isuzu employees got together with Ozan Güven at a special conversation event at the Fathers’ Day.

Çanakkale trips were organized twice during 2019.

A picnic was organized for employees and their families to get together enjoying music, fun and games.

Seniority awards were presented to those employees who have provided contribution to Anadolu Isuzu for years.

At December 3 International Day of Persons with Disabilities, a Bowling Tournament was organized. Little surprises were made for employees and their spouses who have children with disabilities to express feelings of togetherness.

Tickets were given to employees within the scope of collaborations with Galatasaray and Anadolu Efes sports clubs.

PROJECTS OF COLLABORATION BETWEEN INDUSTRY AND ACADEMIA

The aim of the projects of collaboration between industry and academia is to bring the qualified work force with potential into Anadolu Isuzu. Under the project, students in their final year at university are given long-term project internship opportunities and on-the-job training in various departments, and then have the chance to be employed in the company.

In 2019, 13 students were employed in the Production, Quality Control, Human Resources, Supply Chain and R&D departments. In addition, 105 students were provided with short-term internship opportunities during the summer term. Networking and Inspiring Stories of Winners seminars were held for interns to guide them for a successful work life.

Within the scope of Chief Young Officer (CYO) internship program designed for a real work life experience by Anadolu Holding, 6 students interned for 3 months at R&D, Marketing and Corporate Relations, Sales, Export and Information Technologies Departments. Interns transformed their experiences into projects and presented them to their managers and team members.

The creation of voluntary brand ambassadors on the campus, achieved by increasing the company's recognition among young talented individuals and which represent one of the most important resources for Anadolu Isuzu's customers, consumers and human resources, and the establishment of synergy by utilizing the fresh ideas these young talented individuals in the projects



planned in line with the real business needs, were among the primary topics looked into during 2019.

PROJECTS FOR COOPERATION BETWEEN VOCATIONAL SCHOOLS AND INDUSTRY

Within the scope of cooperation between vocational high schools and industry, a total of 35 final year students studying in industrial vocational high schools were offered internship opportunities at Anadolu Isuzu.

Within the scope of the collaboration between Vocational High Schools and Industry, vocational education was provided with significant support by establishing the Anadolu Isuzu Paint Technologies Workshop at the Küçükalyal Vocational and Technical Anatolian High School in 2015.

The aim of the project is to train qualified paint professionals who follow innovation and are willing to bring them into operation, who are aware of the practical applications together with the theoretical knowledge, who adopt the rules of occupational health and safety and act with environmental awareness. The project also contributes to the creation of the qualified human resources needed by the industrial sector.

Anadolu Isuzu continued its support for this project in 2019 as well and contributed to development of students'

competences. As of 2019, 46 students graduated from the Workshop.

PUBLICITY ACTIVITIES CONDUCTED AT UNIVERSITIES

Anadolu Isuzu participates in career days at Turkey's leading universities and sponsors case analysis studies.

The Tech Tour trip gave Anadolu Isuzu a chance to introduce itself to students and academics coming from many areas in Turkey and abroad. Visitors could learn more about Anadolu Isuzu through talks about the technologies used, tours of the R&D and production areas, and with questions answered by specialized and experienced staff. During the year, technical trips were organized to visit Doğuş, Düzce, Gazi, İstanbul Technical University student clubs and Vocational High Schools to share activities and experiences of expert employees.

With Industry 4.0 significant advantages are being realized in automation of production processes in terms of cost reduction, accelerated production and increased user satisfaction.

Thus, production processes and production world keep developing, changing and production sites which are affected by the power of digital technology are being reshaped by the advancements in technology.

Human Resources



Anadolu Isuzu planned its activities for 2019 focusing on quality systems and digitalization based on Industry 4.0. The following activities were realized within this frame:

- Anadolu Isuzu R&D Center, R&D Design Process and Innovation approach were presented to young engineers with examples at the Career Plus event.
- Future of production was discussed with the perspective of digital transformation and Industry 4.0 at the IDC Manufacturing Summit.
- Industry 4.0 and future of the industry was discussed at İTÜ Electric Vehicles Summit.
- Anadolu Isuzu and work experience at Anadolu Isuzu were discussed at Yıldız Technical University National Quality Event.
- Careers of young talents and future are discussed with the managers from the Company at İTÜ industry days, automotive, defense and aerospace industry summit.
- At Kocaeli University Engineering Club's Automotive Days Event, conversations were held with students on work life and their careers.
- The Company attended the battery technologies panel at transportation industry which took place at the 4th Battery Technologies and Energy Systems Workshop.
- At the International Defense Industry Fair IDEF '19 Career Day event,

Anadolu Isuzu got together with students who are interested in career opportunities in the Company.

- Anadolu Isuzu was at the TÜBİTAK Efficiency Challenge finals which aims to develop the use of alternative energy in vehicles and observed the competitions of the universities.
- A conversation on future with young talents was organized at the Young Executive Academy.
- The Company had the opportunity to interview more than 100 students through the Virtual Career Fair platform, which the Company participated in on virtual media.
- The Company attended Kocaeli Human Resources and Employment Fair and Career Days for 3 days in April.
- The Company participated Okan University Career Center's COOP Internship Program and received "The Closest Company to the University" award.

TRADE UNION RIGHTS AND COLLECTIVE BARGAINING AGREEMENT AT ANADOLU ISUZU

Relations with blue collar workers at Anadolu Isuzu are organized within the scope of the collective bargaining agreement.

The United Metal Trade Union is the authorized trade union at Anadolu Isuzu.

There is one Chief Representative, and three Trade Union Representatives were elected and appointed within the Company.

These representatives are responsible for the following within the limits prescribed in the Collective Bargaining Agreement that was signed between The United Metal Trade Union and MESS (Metal Industrialists' Union of Turkey), and by the law;

To follow the demands, complaints and problems of blue collar employees,

To represent employees in committees such as the Disciplinary Board and the Occupational Health and Safety Board, and to oversee their legal rights.

VOCATIONAL QUALIFICATION CERTIFICATION ACTIVITIES

In accordance with the communiqué issued by the Ministry of Labor and Social Security, the Vocational Qualification Certification process was initiated at Anadolu Isuzu in 2016. Workshop-based training programs were carried out in order to train qualified personnel for positions in the automotive sector and to score the employees in regard to their work. 293 employees were licensed within this scope until 2019.

Since 2014, Anadolu Isuzu benefited from more than 100 creative and innovative projects which were rapidly adopted, at an amount of more than TL 3 million in monetary terms.

Written exam and practice exam processes started for Portal Crane and Chain Hoist Operating License within the frame of Mandatory Occupational Competence Process. A total of 262 employees were included in the licensing process.

A total of 112 operators working at Anadolu Isuzu sat the Vocational Qualification Examinations in line with their job descriptions in the workshops where they work, and achieved success. After completing this process, operators were eligible for the professional qualification certificates approved by the Vocational Qualification Authority.

BİFİKİR (AN IDEA) APPLICATION AND BİFİKİR (AN IDEA) FESTIVAL

The BiFikir Application and the BiFikir Festival offer a platform, where the employees of the Anadolu Group offer their innovative and creative ideas, develop their creativity as individuals and as teams, and add value to the Group companies.

This platform is aimed at developing the creativity and innovation of the employees individually and as a team and to embed these features in the organizational culture.

Anadolu Isuzu continues to transfer the creative and innovative ideas which it has initiated with the Quality Circle studies and which it has transformed into a corporate culture over time, where

all employees in every area participate in “BiFikir”.

Anadolu Isuzu hosted the final organization of Anadolu Group innovation program BiFikir (AnIdea) where the best projects of 2019 were selected.

At the BiFikir KAP Finals where innovative projects of university students were awarded, “Additional Panic Brake System” project which was supported by Anadolu Isuzu received the second prize.

INNOVATIVE IDEAS GOT TOGETHER AT KAIZEN DAYS.

Anadolu Isuzu always supports and encourages creative and innovative ideas which started with the activities of the Quality Circle and Kaizen, and which has become a corporate culture over time. Since 2014, the company has achieved more than TL 3 million in monetary benefit with more than 100 projects implemented.

AG AKADEMİ – THE DISTANCE LEARNING PLATFORM

The Anadolu Isuzu Human Resources undertakes pioneering work in digitalization so it can create the infrastructure of a qualified workforce and provide an environment of innovation supportive of technological development.

In 2019, more than 250 virtual trainings were appointed to employees of the Company in this context.

ANADOLU ISUZU R&D CENTER

109

TOTAL NUMBER OF EMPLOYEES

ANADOLU ISUZU

817

TOTAL NUMBER OF EMPLOYEES

OHS/Employee Safety

Anadolu Isuzu is unwavering in its goal of ensuring the sustainability and continuous development of a healthy and safe working environment.

THE 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 of the Occupational Health and Safety legislation and other requirements, we carry out work to create a safe work environment, to raise our employees' awareness of health and safety and to prevent work accidents, injuries and occupational diseases. We are aware of our responsibility to protect the health and safety of our subcontractors, suppliers and trainees who work at our plant, as well as visiting guests and all other stakeholders.

Anadolu Isuzu is committed to monitoring and supporting the sustainability and continuous improvement of a healthy and safe working environment with occupational health and safety targets, where hazards are eliminated and Occupational Health and Safety risks are reduced, thus ensuring continuous development. We also undertake kinds of work necessary to prevent any deterioration in the health of our employees.

ANADOLU ISUZU'S OCCUPATIONAL HEALTH AND SAFETY TARGETS

Anadolu Isuzu has adopted the matter of human health and safety as a fundamental priority. The Company has adopted the unwavering goal of zero work accidents with the continuity of safe working areas and by raising employee awareness.

The Anadolu Isuzu plant, working with this target of a zero accident rate, reduces the IFR (Injury Frequency Rate) each year. Thanks to its focus on occupational safety and healthy work targets, the frequency of accidents in 2019 decreased by 74% when compared to 2015 and by 10% compared to 2016.

Anadolu Isuzu's Injury Frequency Rate in 2019 was lower than the sector average. Zero work accidents and zero occupational disease are the most important targets in this vein.

With the near-miss notification on occupational health and safety, the working environment is assessed from an employee viewpoint and areas requiring improvement are identified on-site.

FOR US, OHS IS MORE IMPORTANT THAN ANYTHING.

Anadolu Isuzu organized short plays and dramas which emphasized the importance of OHS practices for a safe and healthy work environment at the Occupational Health and Safety Week.

MESS GOLDEN GLOVE AWARD

Anadolu Isuzu's Ergonomics Improvement Project received the first prize in Golden Glove Awards at the Occupational Health and Safety Competition organized by MESS at the "Work Place with 500-1,499 Employees" category. The competition was designed with the objective of expanding occupational health and safety culture.

Conducting activities to improve and support the ergonomic conditions in work environment and connecting with people through that is one of Anadolu Isuzu's most important priorities.

In this context, OHS quiz shows were organized to create awareness and employees who responded with correct answers were awarded within the scope of Isuzu Extraa. Moreover, forum theatre events were realized with the purpose of creating awareness and behavioral changes.

Social Awareness Projects at Anadolu Isuzu

As one of Turkey's leading manufacturers of commercial vehicles, Anadolu Isuzu touches all segments of society and all aspects of commerce with its vehicles that perform various tasks in the cycle of life and commerce. Acting on this simple premise, Anadolu Isuzu views social responsibility activities as an important means of complementing its corporate identity.

Anadolu Isuzu implements social responsibility activities in order to create sustainable and lasting value for the society and raise the welfare of individuals. It supports social development activities in a determined manner through the collaborations it has realized.

At Anadolu Isuzu, volunteering stands at the core of its social responsibility activities.

Anadolu Isuzu is a member of the Private Sector Volunteers Association, which works to spread corporate volunteering in the private sector and to carry this out in a sustainable and systematic manner. It actively takes part in the activities.

Anadolu Isuzu sees social responsibility activities as a significant supplement of its corporate identity and contributes with its employees' voluntary actions.

ANADOLU ISUZU EMPLOYEES VOLUNTARILY PARTICIPATE IN EDUCATION, ENVIRONMENT AND DISABILITY PROJECTS.

Since 2014, Anadolu Isuzu's social responsibility activities have been carried out with the contribution of an increasing number of voluntary employees each year.

The activities continuing under the framework of Social Awareness Projects have mainly focused on education, the environment and disability.

Competitions were held with the aim of improving the environment in which we live and to help bring about a better environment within the scope of the Environment Day. Competitions were organized in order to reinforce the perspective of our goal of zero accidents and raising awareness of safety in the Occupational Safety Week.

Unused clothes, unread books, and unwanted toys were left in the colorful gift boxes at the lobby in the Anadolu Isuzu Head office, where the gifts would reach their new owners. By donating these gifts, employees could share in the joy by producing and sharing.

The clothes and toys which were donated in the boxes were sent to the Anadolu Foundation.

Social Awareness Projects at Anadolu Isuzu

Biomimicry which starts innovation taking natural systems as model was experienced with children at the workshop organized.



HIGHLIGHTS FROM THE SOCIAL AWARENESS PROJECTS UNDERTAKEN BY ANADOLU ISUZU IN 2019.

Within the scope of the work carried out by R&D team volunteers, shelters were built from waste wood to protect the stray animals from cold winter conditions.

The 18th Blood and Stem Cell Donation event was organized in cooperation with the Red Crescent Blood Center.

Employees got together with young brains at the Biomimicry Workshop organization during the employee volunteering week with the objective of getting inspiration from the nature and observing life with a different perspective. During the Workshop, organized in collaboration with Çekül and Private Sector Volunteers Association, biomimicry discipline which starts innovation taking natural systems as models was experienced with children.



Within the scope of “Catch the Future Workshop”, children of the employees designed their robots, mobile games and 3-D products.

The Company took its first steps to create a green field at the “Leave a Mark for the Nature” event to create more awareness on environment. At the “Pedaling Energy for the Nature” event, employees competed to produce energy by pedaling.

Within the scope of Zero Waste project, wastes are sorted based on their materials at correct places and recycling starts. The Company also started to use glass to avoid use of plastic and paper cups.



Board of Directors



From left to right: Orhan Özer, Salih Metin Ecevit, Tuncay Özilhan, Recep Yılmaz Argüden, Ahmet Murat Selek, Ahmet Boyacıođlu

Toshiyuki Abe, Yasuyuki Nijjima, Kozo Yamaguchi, Reo Sawada, Kamil Ömer Bozer did not participate in the photo shoot. Board of Directors resume information can be found on page 84-86.



From left to right: Efe Yazıcı, Hurşit Zorlu (Anadolu Grubu CEO), Kamilhan Süleyman Yazıcı, Talip Altuğ Aksoy.

Board of Directors

Tuncay Özilhan **Chairman**

Tuncay Özilhan was born in Kayseri. Mr. Özilhan studied in Saint-Joseph high school then graduated from the Faculty of Economics of İstanbul University. He has received his MBA degree from Long Island University in the United States. He has undertaken responsibilities such as General Director of Erciyas Brewery, Coordinator of the Beer Group and General Coordinator of the Anadolu Group. Mr. Özilhan acted as the CEO of the Anadolu Group from 1984 to February 2017. He is the Chairman of the Anadolu Group since May 2007. He has also been serving as Chairman of Anadolu Foundation as well as various Group companies. Mr. Özilhan served as TÜSİAD's (Turkish Industrialist's and Businessmen's Association) Chairman from 2001 to 2003 and he is currently Chairman of its High Advisory Council. His other responsibilities include; Member of The Board and Chairman of the Turkish – Russian Business Council at the Foreign Economic Relations Board (DEİK), Honorary Consul for the Republic of Estonia and President of the Anadolu Efes Sports Club. Tuncay Özilhan holds Ministerial Medal by the Ministry Foreign Affairs of the Republic of Estonia and "The Order of the Rising Sun, Gold and Silver Star", constituting one of the most important orders awarded by Japanese government.

Kamilhan Süleyman Yazıcı **Vice Chairman**

Kamilhan Yazıcı holds a bachelor's degree in business administration from Emory University in USA, an MBA degree from AIBEC (American Institute of Business and Economics) in Russia and has completed the GMP program at Harvard Business School. Starting his career in Anadolu Group Finance Department in 2000, Mr. Yazıcı later worked in Anadolu Efes Russia Marketing Department between 2003-2005 and was appointed New Product Development Manager in 2005. Continuing his career in Russia as Logistic Systems Manager during 2006-2008, Mr. Yazıcı was appointed as Supply Chain Director in 2008 and as Development Director in 2010. Mr. Yazıcı assumed the role of Anadolu Efes Moldova Managing Director between 2011-2014 and was later appointed as Market Development Director in Anadolu Efes Headquarters, a position held until April 2017. Mr. Yazıcı currently serves as Board Member and Vice-Chairman in Anadolu Group companies.

Talip Altuğ Aksoy **Member**

T. Altuğ Aksoy received his bachelor's degree in economics from Oglethorpe University in USA. He began his career as Finance Assistant Specialist at Anadolu Group in 1995 and was appointed as a Finance Specialist in 1996. Mr. Aksoy worked as Human Resources and Treasury Specialist from 1998 to 2000. He served as Director of Sales and Marketing at Efes Invest from 2000 to 2003 and was appointed as the Director of Trade and Export at Efes Beer Group in January 2003. Continuing his career at the Group as the Director of Purchasing and Logistics from 2006, Mr. Aksoy was appointed Director of Supply Chain of Efes Beer Group in June 2008. In November 2011, he was appointed as Efes Turkey Managing Director and served in this position until January 2017. Mr. Aksoy still continues to serve as a Board Member in various Anadolu Group companies.

Efe Yazıcı **Member**

Efe Yazıcı received his bachelor's degree in management from the George Washington University in 1999 and his executive MBA degree from Sabancı University in 2003. He worked as an Assistant Fund Manager at Merrill Lynch from 1997 until 1999 when he joined Anadolu Group. After working in various positions at ABank, Anadolu Endüstri Holding, TurkeCom, Anadolu Efes, and Efes Moscow between 1999 and 2002, Efe Yazıcı held the positions of Exports Specialist, Exports Supervisor, Marketing Supervisor, Marketing Manager, Sales Manager and Exports Manager from 2003 through 2014. Serving as the General Manager of Antgıda A.Ş. since 2015, Mr. Yazıcı has been serving as a Board member of Billurtuz A.Ş.

Salih Metin Ecevit **Member**

Metin Ecevit graduated from Faculty of Political Sciences in 1967. He also received a master's degree from Syracuse University in Economics in 1976. From 1967 to 1980, he worked as a Government Auditor and served as Deputy General Manager of General Directorate of Revenues at the Ministry of Finance. Mr. Ecevit joined Anadolu Group in 1980 and worked in various roles, serving as General Manager, Board Member, and Chairman in automotive companies of Anadolu Group. He retired in 2006, while he was serving as Automotive Group President, owing to the retirement age limit regulations of the Group. He served as Board Member and Chairman of the Association of Imported Car Distributors in Turkey from 1992 to 2004. He is a board member of Anadolu Group companies.

Recep Yılmaz Argüden **Member**

Dr. Argüden is the Chairman of ARGE Consulting, a management consulting firm known for value creating strategies and institution building. He is also the Chairman of Rothschild investment bank in Turkey. His career spans the private sector, public sector, multinational institutions, NGOs, and academia. Dr. Argüden served on the boards of more than 50 national and international corporations. He is an adjunct Professor of Business Strategy; and an author of numerous books and a columnist focusing on business and strategy issues. He is a renowned governance expert and has been selected as a member of the Private Sector Advisory Group of the Global Corporate Governance Forum, as well as being the Vice-Chairman of the Public Governance Committee of the Business and Industry Advisory Committee (BIAC) to the OECD. He is also the founder of the non-profit Argüden Governance Academy. As the elected Chair of Local Networks Advisory Group he represents the National Networks at the Board of the UN Global Compact, the world's largest sustainability platform. He is an Eisenhower Fellow, a recipient of numerous leadership, distinguished citizenship and career awards, and was selected by the World Economic Forum, as a "Global Leader for Tomorrow" for his commitment to improving the state of the world.

Kamil Ömer Bozer **Member**

Born in 1958 in Istanbul, Ömer Bozer holds a bachelor's degree in Business Administration from the Middle East Technical University and received his MBA from Georgia State University. Mr. Bozer began his professional career in Koç Group as a Management Trainee in 1983 and became AGM and then General Manager at Maret and Düzey Pazarlama, respectively. Bozer served as the President of Food, Retail and Tourism Group between 2005 and 2006, as the President of Food and Retail Group between 2006 and 2008; and as the President of Food, Retail and Tourism Group between 2008 and 2011. Kamil Ömer Bozer is a Board Member at Anadolu Group Companies and Independent Board Member at Söktaş Tekstil, Tüpraş, Arçelik and Boyner Perakendecilik. Kamil Ömer Bozer is not an executive member in accordance with the CMB Corporate Governance Principles and is not an independent member.

Ahmet Boyacıoğlu **Member**

Born in 1946, Ahmet Boyacıoğlu holds a bachelor's degree in Business Administration from the Middle East Technical University. Mr. Boyacıoğlu began his professional career with the Efes Beverage Group (Anadolu Efes) in 1973. He served in various positions from 1973 to 2005 including Bursa Region Sales Manager, Ege Biracılık ve Malt San. A.Ş. Sales Manager, Güney Biracılık ve Malt San. A.Ş. General Manager, Ege Biracılık ve Malt San. A.Ş. General Manager, Eastern Europe President, International Beer Operations Group President, and Strategy and Business Development Director. Mr. Boyacıoğlu was appointed as the President of the Efes Beer Group in May 2005 and retired on 1 February 2007. Currently, he sits on the Boards of Directors of some Anadolu Group companies.

Yasuyuki Nijima **Member**

Yasuyuki Nijima was born in 1959 in city of Saitama. Graduated from the Department of Economics at Tokyo Keio University, he started his working career at Isuzu Motors Limited in 1983. After serving as domestic sales manager, group leader in the department of truck body business development, vice manager of corporate planning department of American Isuzu Motors, senior executive in the department of domestic business development, general manager of Isuzu Network Co. Ltd. in the department of domestic business development, general manager of international sales department in Isuzu Motors Ltd. respectively, Yasuyuki Nijima continues his career as the director of international sales in Isuzu Motors Ltd.

Kozo Yamaguchi **Member**

Kozo Yamaguchi was born in 1955, in Hiroshima, Japan. He graduated from Yokohama National University, Engineering Faculty in 1978. Following his graduation, he started his career at Isuzu Motors Limited in Japan. He took several roles at Isuzu from 1978 to 2019. He worked in charge of Heavy duty all wheel driving truck development between 1978-1995, then, he worked as Group Leader of Medium duty truck development & engineering between 1995-2000, as Group Leader of Bus development & engineering between 2000-2004, as General Manager of chassis development & engineering for all trucks between 2004-2008 and as General Manager of Bus product planning and development between 2008-2014. He was in charge of Bus body development bus at J-Bus as Operating Officer between 2014 -2017. He was in charge of Bus product planning since he turned back to Isuzu Motors Limited in 2017.

Board of Directors

Toshiyuki Abe **Member**

Born in 1960, Toshiyuki Abe graduated from Department of Electrical and Electronics Engineering of Sophia University and in 2009 he completed Senior Executive Program of Columbia Business School. He worked at Power Plant & Machinery Department of Itochu Corporation between 1983-1989, at Ankara Liaison Office between 1989-1994, again at Power Plant & Machinery Department between 1994-2000 and at Environment Power Infrastructure Projects Department between 2000-2004. Continuing his career in Itochu Corporation, Mr. Abe served respectively as Deputy General Manager and General Manager in Environment, Power Line Communication Group between 2004-2007, General Manager in Infrastructure & Utility Solution Group between 2007-2011, General Manager and Senior Officer in Nuclear Power Project Development Group between 2011-2017. Since April 2017, Mr. Abe is serving as Deputy Chief Operating Officer at Executive Councillor at the Plant Project, Marine & Aerospace Division.

Reo Sawada **Member**

Mr. Sawada, who was born in 1985, earned a Bachelor degree of Russian Studies from the University of Kobe. Mr. Sawada began his career in Itochu Corporation as Sales Representative in Russian Automotive Department in 2008. In 2012, he held the position of Assistant to General Director of Suzuki Motors Rus LLC in Moscow, Russia. One year later he assigned as Assistant to General Director Suzuki Motors Rus LLC in Almaty, Kazakhstan. For the last five years he worked as Project Leader in Isuzu Business Department. He is serving as the General Manager Consultant in Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. since August 2019.

Ahmet Murat Selek **Independent Member**

Murat Selek, received his bachelor degree in mechanical engineering from Boğaziçi University and completed his master's degree in Mechanical Engineering department at Cornell University (USA), started his career in 1983 as a Purchasing Specialist at Enka İnşaat. Mr. Selek worked respectively as Planning and Commercial Activities Manager in Çukurova Ziraat between 1986-1987, Project Coordinator and Foreign Purchasing Manager at Otoyol Sanayi A.Ş. between 1987-1992, Assistant General Manager in Marketing, Sales and After-Sales Services at Tofaş between 1992-2003. After serving as General Manager at Otoyol Sanayi A.Ş. between 2003-2007, at Karsan Otomotiv he served as CEO between 2008-2016 and as an advisor to BoD between 2016-2017. Mr. Selek continues to serve as a Strategy and Corporate Management Consultant. Mr. Selek complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Orhan Özer **Independent Member**

Orhan Özer graduated from Middle East Technical University, Department of Business Administration in 1982. He worked as an executive in Oyak-Renault Otomobil A.Ş. between 1984-1986, as a manager at H.Ö. Sabancı Holding between 1986-1991 and Assistant General Manager at Goetze Istanbul Segman A.Ş. between 1991-1995. In 1995, he joined the Toyota family, worked as an Assistant General Manager from 1995 to 2002 at Toyota Otomobil Türkiye A.Ş. After serving as Vice-President at Toyota Motor Europe between 2002-2008, he continued to serve as Senior Assistant General Manager between 2008-2010 and as General Manager between 2010-2016 at Toyota Otomobil Türkiye A.Ş. Mr. Özer complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Senior Management

Introduction

In 2019

Corporate Governance

Financial Information



From left to right: Hasan Yusuf Teoman, Hakan Özenç, Selda Çelik, Hakan Kefoğlu, Tuğrul Arıkan, Arif Özer, Leyla Ayşegül Örs Bingöl, Mustafa Kemal Özer

Senior management team resume information can be found on page 88-89
Fatma Aksoy Özek did not participate in the photo shoot.

Senior Management

Bora Koçak

Automotive Group Chairman

Born in Ankara in 1969, Bora Koçak graduated from Ankara Atatürk Anatolian High School in 1985 and Mechanical Engineering Department of Naval Academy in 1989 and completed Advanced Management Program at Harvard Business School in 2007. He served as Technical Officer Chief at technical management positions in the Navy between 1989 and 1996. Koçak served as Training Chief, After Sales Service Chief and After Sales Services Manager between 1996 - 1999, Kia Product Manager between 1999-2001, Honda-Kia-Lada Product Director between 2001-2005 at Çelik Motor Ticaret A.Ş. Between 2005-2008, he worked at Citroen Baylas Otomotiv A.Ş. as General Manager and he served as the General Manager of Mazda Motor Europe (Turkey) between 2008-2010. Bora Koçak joined Anadolu Group again in 2010 serving as General Manager of Çelik Motor Ticaret A.Ş. up to August 2016. As of August 2016 he is appointed as the Automotive Group President of Anadolu Group. Koçak is also a Board Member of Automotive Distributors Association (ODD) and MESS.

Yusuf Tuğrul Arıkan

General Manager

Born in 1963 in Germany, Tugrul Arıkan graduated from Business Administration Department at Bogazici University following his graduation from Sankt Georg Austrian High School. Starting his business career in 1986 at Pfizer Ilac A.S., Tugrul Arıkan worked between the years 2002-2013 at Olmuksa A.S., a joint venture of Sabancı Holding and International Paper. In 2002, he assumed the duties as Financing Director and subsequently held the position of General Director at Olmuksa A.S in 2007. Since 18 March 2013, he assumed duties within our Company as General Manager. He is a member of KALDER (EFQUA European Foundation for Quality Management) FEFCO (The European Federation of Corrugated Board) OMUD (Corrugated Cardboard Industrial Association), TURMEPA Deniz Temiz Derneği (Turkish Marine Environment Protection Association), Özel Sektor Gonulluleri Derneği (Private Sector Volunteers Association of Turkey), Is Dunyasi ve Surdurulebilir Kalkınma Derneği (Business Council for Sustainable Development)

Fatma Aksoy Özek

Chief Financial Officer

Fatma Aksoy Özek was born in Uşak in 1981. She graduated from Denizli Anatolian High School in 1999 and Hacettepe University, Department of Business Administration (English) in 2003. She completed Middle East Technical University, Accounting and Finance Master Degree in 2008 and Cass Business School London Business Administration Master Degree in 2015. She worked as Financial Control and Reporting Assistant Specialist at Aselsan between 2004 - 2005 and as Auditor at PriceWaterhouseCoopers between 2008 - 2009. Between the years, 2008 - 2018, she respectively worked as Audit Specialist, Audit Executive and Internal Audit Manager at Anadolu Group. She has CIA, CPA and CRMA certificates.

Hakan Özenç

Technical Director

Hakan Özenç was born in 1968 in Gölcük. He graduated from Ankara Atatürk Anadolu High School in 1986 and from Department of Machinery Engineering at METU in 1990. He completed the Executive Development Program at Marmara University in 1999 and holds a master degree on Management from Sabancı University. Hakan Özenç held the positions of Quality Control Engineer, Quality Control Chief, Material Supply Chief, Bus Production Chief, Production Manager, Engineering Manager, and R&D Manager between 2009-2013 at Anadolu Isuzu. Since 2014, Hakan Özenç holds the position of Technical Director at Anadolu Isuzu responsible for Production and Quality Control Departments.

Arif Özer

R&D Director

Arif Özer was born in Frankfurt in 1971. He graduated from Izmit Technical High School in 1989 and Department of Mechanical Engineering at Yıldız University in 1993. In 1996, he completed his master's degree in the field of Advanced Manufacturing Techniques at Salford University. Arif Özer held the positions of Material Supply Engineer, Quality Control Chief, Quality Control Manager, Material Supply Manager, After Sales Services Manager, and R&D Manager at Anadolu Isuzu between 1996-2015. Since May 2015, he serves as R&D Director at Anadolu Isuzu.

Hasan Yusuf Teoman**Sales Director**

Born in 1965, Yusuf Teoman graduated from Moda High School in 1982 and Department of Mechanical Engineering at Istanbul Technical University in 1987. He completed Business Management Certificate Programme at Marmara University in 1988 and received his MBA degree from Georgia College in 1990. From 1991 to 2002, he worked as Sales Coordinator, Regional Coordinator responsible for Iran, Israel, Syria, Jordan and Iraq operations and Iran Project Coordinator in Ram Dış Ticaret A.Ş. After working as an Industry Manager at DHL Express between 2002-2003, Yusuf Teoman served as Export Manager, Project Coordinator, Sales and Marketing Director in Iveco Otayol Sanayi A.Ş. between 2003-2008. He continued to serve as Business Development Director, After Sales Services Director and Sales Director in Iveco Araç Sanayi ve Ticaret A.Ş. from 2008 to 2017. Yusuf Teoman who started to work as Truck and Pick-Up Business Unit Director at Anadolu Isuzu as of May 2017 continues to work as Sales Director as of July 2018.

Mustafa Kemal Özer**Supply Chain Director**

Born in 1966 in Ankara, Kemal Ozer graduated from Yıldız Technical University, Industrial Engineering Department in 1987. Mr. Ozer joined Anadolu Isuzu in 1990 and held the positions of Manufacturing Planning Engineer, Manufacturing Planning Supervisor, Manufacturing Planning and Stock Control Manager, Material Supply Manager and Purchasing Manager between 1990-2015. After serving as Purchasing Director between 2015-2017, as of May 2017, Mr. Ozer has been appointed as Anadolu Isuzu Supply Chain Director.

Leyla Ayşegül Örs Bingöl**Human Resources Director**

She was born in 1981, in Istanbul. She was graduated from Italian High School in 2000; from Middlesex University, Human Resources Management in 2004. She worked as Assistant Personnel Manager at Sofra Restaurant between 2001-2004, Researcher at Nicholson International between 2004-2005, Recruitment and Selection Manager at Izmir Tesco Kipa A.Ş. between 2005-2006. In our Group, she worked as Human Resources Specialist at Anadolu Endüstri Holding A.Ş. between 2007-2008, Human Resources Chief at Anadolu Endüstri Holding A.Ş. between 2008-2011, Human Resources Manager at Çelik Motor Ticaret A.Ş. between 2011-2015 and Human Resources Director at Anadolu Efes Turkey between 2015-2018. As of August 1, 2018, Mrs. Ayşegül Örs Bingöl is appointed as Anadolu Isuzu Human Resources Director.

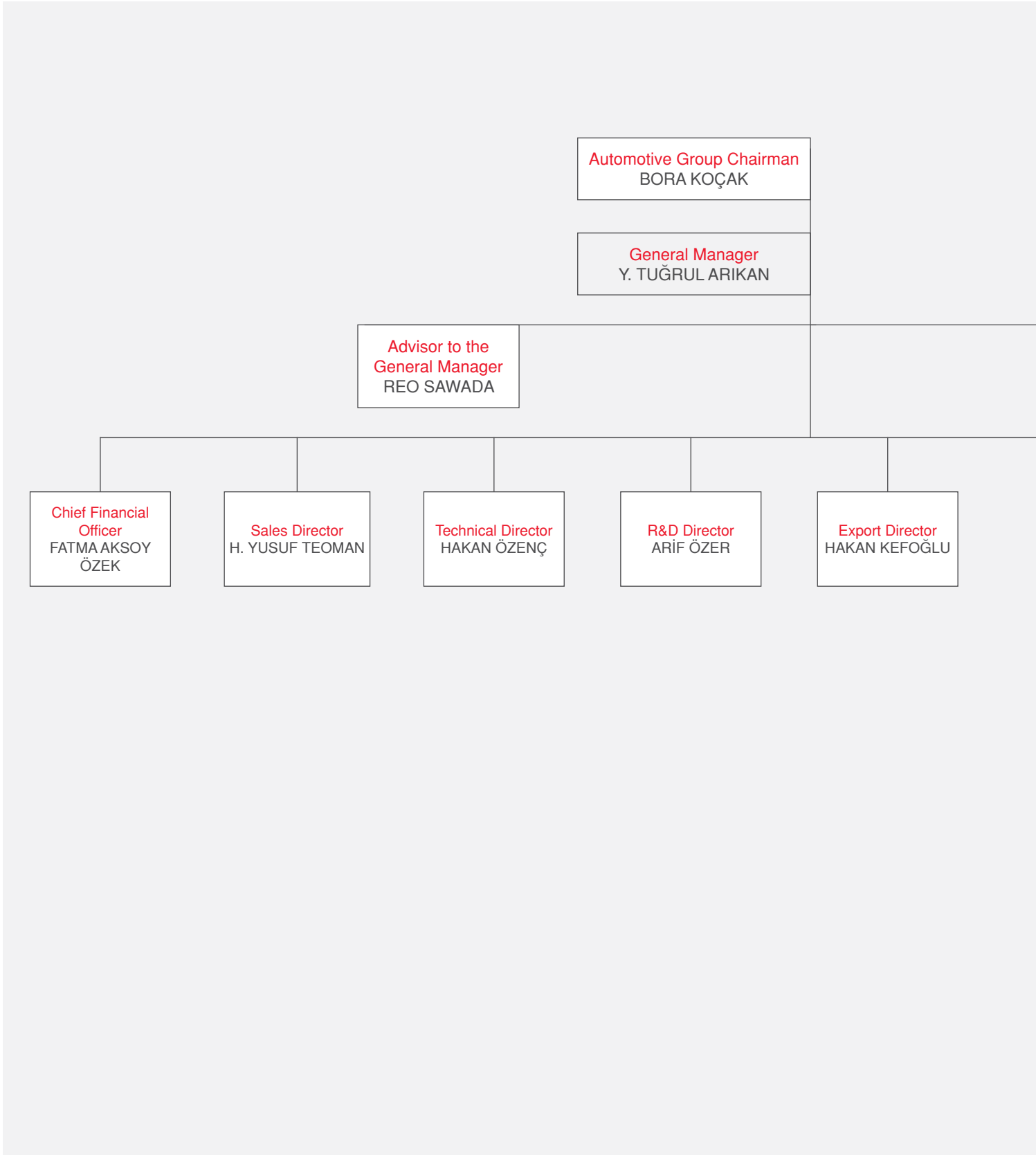
Hakan Kefoğlu**Export Director**

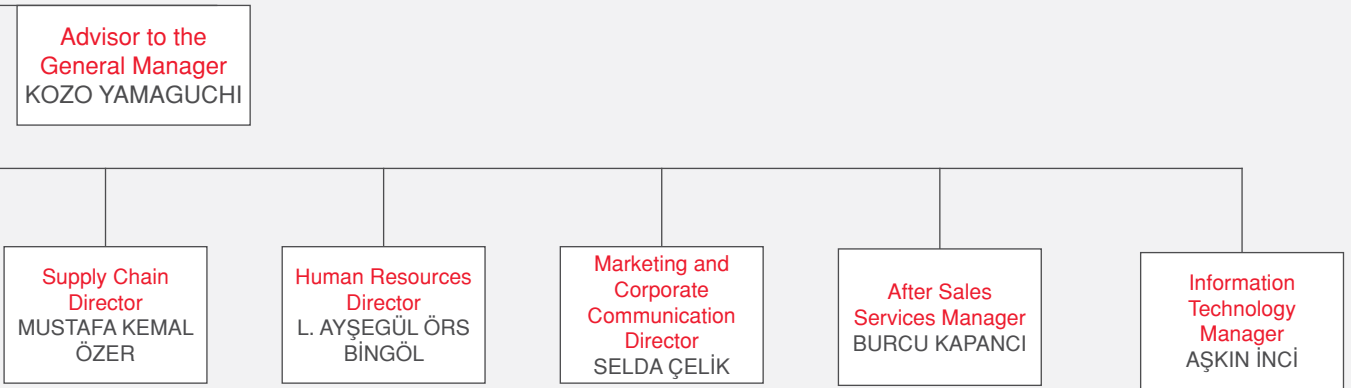
Born in 1979 in Istanbul, Hakan Kefoglu graduated from Istanbul German High School in 1998 and from the Business Administration Department at Koç University in 2003. Before joining Anadolu Isuzu, Hakan Kefoğlu held the position of Advisor at IBS between 2001 and 2004. He functioned as Foreign Trade Specialist and Foreign Trade Chief at Mey İçki from 2005 to 2009. Between 2009 and 2010 he assumed the duties of Export and National Chain Stores Manager at Doluca Şarapçılık. Functioning as Export Development Manager and Export Manager respectively between 2010 and 2015 at Anadolu Group (Ana Gıda), Kefoğlu serves as Export Director at Anadolu Isuzu since May 2015.

Selda Çelik**Marketing and Corporate Communications Director**

Selda Çelik was born in Kastamonu in 1981. She graduated from Ankara Batıkent High School in 1999 and Middle East Technical University, Department of Business Administration in 2004. She worked as a Tax Auditor at Pricewaterhouse Coopers between 2004-2005. Between the years 2005-2017, she respectively worked as the Marketing Specialist, Brand Manager, Marketing Manager, International Brands Group Marketing Director, International Efes Brands Director and Brand Director at Anadolu Efes. She worked as the Marketing and Corporate Communications Manager at Anadolu Isuzu since 2017.

Organization Chart





Independent Auditor's Report on the Management's Annual Report

Deloitte.

(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

To the General Assembly of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.

1) Opinion

As we have audited the full set consolidated financial statements of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2019– 31/12/2019, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

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 responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other 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 audit opinion.

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

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2019–31/12/2019 in our Auditor's Report dated 28 February 2020.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.

c) The annual report also includes the matters stated below:

- The significant events occurred in the Group's activities subsequent to the financial year ends,
- The Group's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from 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 Partner

İstanbul, 10 March 2020

Other Information About Activities

ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş.

1) GENERAL INFORMATION

Reporting Period	01.01.2019-31.12.2019
Corporate Name	Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş.
Trade Registration No:	173921
MERSIS (Central Trade Registry System) No:	0068006909500014
Head Office	Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü 34771 Ümraniye/İstanbul
Factory Office	Şekerpınar Mah. Otomotiv Caddesi No:2 41435 Çayırova/Kocaeli
Phone:	(90) 850 200 19 00
Fax	(90) 262 658 85 56
Web Site	www.anadoluisuzu.com.tr

Capital Structure

As of 31 December 2019, the Company's capital is TL 84,000,000. There has been no change in the capital amount in the current period.

As of 31 December 2019 shareholders' share amount (TL) and ratios are as follows.

Shareholder	31.12.2018		31.12.2019	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
AG ANADOLU GRUBU HOLDİNG 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%
OTHERS	12,482,556	14.87%	12,482,556	14.87%
TOTAL	84,000,000	100.00%	84,000,000	100.00%

Company's Direct and Indirect Participations and Shares

The subsidiary and share ratio are as follows

Subsidiary	31.12.2018	31.12.2019
	Share Ratio (%)	Share Ratio (%)
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	100.00%	100.00%

2) MANAGEMENT AND ORGANIZATION

Board of Directors:

The Board of Directors consists of fourteen people; one Chairman, a Deputy Chairman and twelve members. All Board members who are elected in Ordinary General Meeting on 18 April 2019 will be on duty until new Board of Directors are elected in the next Ordinary General Meeting.

Current Board Members and their job descriptions are as follows:

Name-Surname	Title
Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Deputy Chairman
Talip Altuğ Aksoy	Member
Efe Yazıcı	Member
Salih Metin Ecevit	Member
Kamil Ömer Bozer	Member
Recep Yılmaz Argüden	Member
Ahmet Boyacıoğlu	Member
Reo Sawada	Member
Toshiyuki Abe	Member
Yasuyuki Niijima	Member
Kozo Yamaguchi	Member
Orhan Özer	Independent Member
Ahmet Murat Selek	Independent Member

Information about Board Members and Outside Company Activities of Managers

There are no rules created by the Company that Board members should undertake other activities outside the Company but the regulations set in the Corporate Governance Principles are complied.

The Board of Directors has gathered 9 times in the interim.

Committees formed by the Board Structure

In accordance with the provisions in the declaration about the Determination and Implementation of Turkish Commercial Law and Capital Markets Board's, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee have been established in order to fulfill duties and responsibilities smoothly. Regulations on working principles have been published on our corporate website www.anadoluisuzu.com.tr.

After election of new Board members on 18 April 2019 in Ordinary General Meeting, according to Corporate Governance Principles published by the Capital Markets Board with the Board of Directors' decision dated 19 April 2019, committee members are listed as follows.

Corporate Governance Committee

Orhan Özer	Chairman
Mehmet Hurşit Zorlu	Member
Kamilhan Süleyman Yazıcı	Member
Recep Yılmaz Argüden	Member
Ali Osman Mağal	Member

Nomination Committee and Compensation Committee's duties are performed by the Corporate Governance Committee.

Corporate Governance Committee has gathered 4 times during the year.

Audit Committee

Orhan Özer	Chairman
Ahmet Murat Selek	Member

Audit Committee has gathered 4 times during the year.

Other Information About Activities

Early Detection of Risk Committee

Ahmet Murat Selek	Chairman
Talip Altuğ Aksoy	Member
Kamil Ömer Bozer	Member

Early Detection of Risk Committee has gathered 2 times during the year. They submitted their reports containing the results to the Board of Directors information about their work and meetings held throughout the year. Early Detection of Risk Committee, submitted to their works, with two monthly reports, 6 times in total, during the year to the Board of Directors.

Company Management:

Employees in top management and their titles as of 31 December 2019 are as follows:

Name-Surname	Title
Bora Koçak	Automotive Group President
Yusuf Tuğrul Arıkan	General Manager
Fatma Aksoy Özek	Chief Financial Officer
Hakan Özenç	Technical Director
Arif Özer	R&D Director
Hasan Yusuf Teoman	Sales Director
Hakan Kefoğlu	Export Director
Mustafa Kemal Özer	Supply Chain Director
Selda Çelik	Marketing and Corporate Communications Director
Ayşegül Örs Bingöl	Human Resources Director

Financial Benefits Provided to Top Management

Benefits provided to our senior executives in 2019 (salaries, bonus, social benefits, premium, severance and notice pay) is TL 10,960,402.

Human Resource and Employment

Total employment in 2019 was 817 people, 288 white-collar workers and 529 blue-collar workers. (31 December 2018: 278 white-collar workers and 524 blue-collar workers, a total of 802).

Internal Audit Activities

Internal Audit Manager are operatively connected to the General Manager, is also in direct contact with the Audit Committee. The effectiveness of the Company's internal control system is also monitored by internal audits. The findings and identified risks obtained by the internal audit activity in 2019 are forwarded to the Company's top management and related departments with suggestions for improvement.

Risk Management and Internal Audit System

Risk Management and Internal Control System in Anadolu Isuzu is the responsibility of Company Management and under their control. Corporate Risk Management, established to reassure and consult to the management, reports directly to the Early Detection of Risk Committee. Anadolu Isuzu's top management identifies significant opportunities and threats that may arise in the framework of Corporate Risk Management and manages them according to the risk appetite of the Company. Corporate Risk Management is a systematic and disciplined process established to determine the business strategies of Anadolu Isuzu which is affected by all Company employees and covers Company's all implementations.

The risks that may arise in terms of reaching the Company's targets are submitted for management's consideration with the coordination of Corporate Risk Management and prior risks are identified. Prior risks and action plans to mitigate these risks are shared with Early Detection of Risk Committee to be presented to Board of Directors. The management and continuity of this process, integrated with strategic business plans, is supported by a technological infrastructure in use.

A number of methods are used to manage our risks are as follows:

Performance and risk indicators are used as early warning system to monitor the risks and to take measures on time. SAP system that integrates to all processes within the Company is an effective technological decision support system used for this purpose.

With this usage, activity results are followed instantaneously, therefore the human error was eliminated and early detection of risks and the effectiveness of internal control systems have increased. At the same time, internal communication system with advanced technology enables to intervene and create solutions for the problems.

Business continuity and crisis management activities are carried out with a support of an efficient insurance management in order to prevent and reduce losses caused by natural risks, supply chain problems.

In any exceptional circumstances, in order to the systems are not affected and avoid the data loss, investments are made for data backup system.

At the same time, environmental factors and exceptional circumstances are being investigated and instant measures are taken to minimize the risk permanently.

Internal Audit Department, within the framework of the audit plan based on risk, reviewing the Company's risk management and internal control system regularly in order to achieve the following and reports to the Audit Committee and Company Management:

- The accuracy and reliability of financial and operational information Effectiveness and efficiency of operations
- Protection of Company assets
- Ensuring compliance with law, regulations and contracts.

Election of Independent Auditing Firm

Board of Directors has chosen DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (member of Deloitte Touche Tohmatsu Limited) as the independent auditor covering the fiscal year of 2019, as a result of the evaluation, also with the opinion of the Audit Committee, in accordance with the Turkish Commercial Code and Capital Market regulations. Board's decision was approved by the Ordinary General Meeting held on 18 April 2019.

Forward-Looking Assessments

Anadolu Isuzu, strengthening its position in foreign markets and open up to new markets benefiting from its partner, which the global sales network of Isuzu Motors Ltd, also It continues its efforts to increase the number of export countries and export sales turnover. In 2020, the most important dynamic of the Company is again a strong export structure; defense industry also focuses on other will be one of the fields.

Anadolu Isuzu will aim to expand its product portfolio and increase the profitability levels with effective R&D projects. On the other hand, the Company is intending to expand the activities of the test center operating under the R&D Center, which offers service to various companies engaged in the same or other sectors.

Other Information About Activities

Investments in 2019

75.6 million TL of investment was made in January-December 2019.

Investments for Tangible Fixed Assets

Description (TL)	2019
Land and Land Improvements	348,069
Buildings	2,650
Plant, Machinery and Equipment	11,970,947
Vehicles	1,599,946
Furniture and Fixtures	202,124
Construction in Progress	2,429,783
Total Tangible Fixed Assets Investments	16,553,519

Intangible Fixed Assets

Description (TL)	2019
Rights	29,085
Other Intangible Fixed Assets	5,920,287
Construction in Progress	53,044,861
Total Intangible Fixed Asset Investments	58,994,223

Financial Results

Showing the operating results in 2019 and financial statements by dependent audit company and explanatory notes are presented for your attention in the related parts of Annual Report. Anadolu Isuzu's total assets decreased by 1.5% compared to the previous year and reached TL 1,576 million, while the Company's revenue rose by 19,8% to TL 1,423 million.

Compared to 2018, gross profit increased by 40.5% to TL 259 million, while TL 114.6 million was booked in operating profit and TL 21.8 million was posted in net profit.

Our Company closely monitors financial risks and pays attention to keep these risks within the limits set by the Board and the Audit Committee. The basic policies implemented on the various risks, the nature and the level of the risks are disclosed in the footnotes of the financial reports.

Financial Figures (TL)	2019	2018
Revenue	1,422,987,899	1,187,862,785
Gross Profit	258,868,134	184,220,769
Operating Profit	114,589,212	39,710,347
EBITDA	148,748,427	72,864,313
Profit before Tax	2,788,954	(94,129,902)
Net Profit (Attributable to the Owners of the Parent)	21,787,825	(80,508,600)
Shareholders' Equity (Belonging to the Parent)	564,088,174	544,638,063

Profitability Ratios (%)	2019	2018
Gross Profit Margin	18.2%	15.5%
Operating Profit Margin	8.1%	3.3%
Net Profit Margin	1.5%	(6.8)%
Return on Equity	10.1%	12.2%
Operational Expenses/Net Sales	7.9%	11.3%
Financial Expense/Net Sales	10.5%	6.1%
EBITDA Ratio	3.9%	(14.8)%

Current Ratios	2019	2018
Current Ratio	1.00	1.02
Cash Ratio	0.16	0.10
Liquidity Ratio	0.70	0.51

Solvency Ratios	2019	2018
Total Trade Payables/Equity	74.8%	59.7%
Total Financial Liabilities/Equity	63.6%	100.3%
(Total Trade Payables + Total Financial Liabilities) Equity	163.4%	177.7%
Total Liabilities/Total Assets	64.2%	66.0%
Equity/Total Assets	35.8%	34.0%

Market Value (TL)	2019	2018
ASUZU	1,022,280,000	519,120,000

The Company's capital did not remain uncovered, nor was it over-indebted.

Changes in the Articles of Association in 2019

None.

Production

Our Company continued production in pick-up, truck, light truck, midibus and bus segments in 2019. The production figures went down by 24% in 2019 to stand at 3,379 in the aggregate.

Production	2019	2018
Truck	1.079	1.517
Light Truck	340	560
Pick-up	465	891
Midibus	1.174	1.079
Bus	321	414
Total Production	3.379	4.461

Other Information About Activities

Domestic Sales - Export

Anadolu Isuzu continues its vehicle sales activities with its 28 sales points spread across the country and its distributors in more than 40 countries. In 2019, a total of 4,010 vehicles were sold, of which 2,487 to domestic market and 1,523 to foreign markets.

Domestic Sales	2019	2018
Truck	1.059	1.250
Light Truck	386	657
Pick-up	614	1.440
Midibus	424	630
Bus	4	18
Total Domestic Sales	2.487	3.995

Export	2019	2018
Number of Vehicles	1.523	923

The development and diversification of the region continued, while the opportunities that may arise due to the conjuncture, were evaluated.

After Sales Services

Anadolu Isuzu's goal is to resolve its customers' after-sales needs and expectations in all segments of the automotive industry where it offers services, in the quickest and most effective way through its service network across Turkey.

Improving customer satisfaction

Anadolu Isuzu's goal is to resolve its customers' after-sales needs and expectations in all segments of the automotive industry where it offers services, in the quickest and most effective way through its service network across Turkey.

Anadolu Isuzu, which believes that the real service starts after the sale, continued to develop its after-sales services in 2019.

High level of customer satisfaction was improved in 2019. In the light of the results obtained from the customer satisfaction survey, Anadolu Isuzu's customer satisfaction rate was observed to remain high in 2019 as well.

The widespread service network and the after-sales service team, which is distinguished by its dedicated efforts, have greatly contributed to the success of Anadolu Isuzu, which has achieved sustainable customer satisfaction.

At the end of 2019, Anadolu Isuzu's domestic service network consisted of 99 service points operating in 62 provinces. Anadolu Isuzu provides services to the vehicles it produces through 118 authorized service providers in 31 countries

Other Information and Activities

- There are no administrative and judicial sanctions neither on the Company nor the governing body unless there is something against legislative provisions.
- Our Company's 2018 Ordinary General Meeting was held on 18 April 2019. The decisions taken in the General Meeting and meeting records are published on our web site and the Public Disclosure Platform. Extraordinary General Meeting wasn't held.
- There wasn't any recorded lawsuit against the Company that may affect the financial condition and operations of the Company. The provisions for lawsuits brought against our Company as of 31 December 2019 and not finalized as of balance sheet date are disclosed in the footnotes in our financial statements.
- There are no special inspections carried out during the accounting period. There is no accrued transaction following the public scrutiny.

- 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. 11th).
- The Company hasn't acquired its own shares during the period.

3) EVENTS AFTER REPORTING PERIOD

None.

4) DIVIDEND DISTRIBUTION POLICY

Our Company pays dividends regarding the Turkish Commercial Law provisions, Capital Market Regulations, Tax Regulations, other relevant regulations and the article about dividend in Articles of Association.

Our Company, at least 50% of its distributable profit distributes as cash and/or bonus shares every year.

To maintain this distribution policy is among the main objectives of our Company except special cases like investments, funds and extraordinary developments in economic conditions required for long-term growth of the Company.

Individual decision taken by the Board of Directors on dividends for each fiscal year and presented to the General Meeting for approval. Commencement of dividend distribution, at latest until the end of the year the General Meeting held, is determined by the General Meeting. The Company can consider the payment of dividends in advance or distribute dividends in equal or different installments in accordance with legislation provisions.

This policy was decided to be treated as a written policy since 2005 within the framework of harmonization process in Corporate Governance Principles. It was approved by Board of Directors' decision dated 21 March 2014 according to the Capital Markets' II - 19.1 no. dividend notification and the revised dividend policy which was published on the same date on Public Disclosure Platform, was approved by the General Meeting, dated 17 April 2014.

No profit was distributed in 2019 since the Company booked losses in 2017 and 2018.

2019 Affiliate Report

ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş. BOARD OF DIRECTORS OF ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.

2019 AFFILIATE REPORT PREPARED DUE TO ARTICLE 199 OF TURKISH TRADE LAW

Board of Directors of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. is obliged to provide a report about its relationship with the controlling shareholder and its affiliated companies during the past year of operation, in the first three months of operations in accordance with the article 199 of Turkish Commercial Law no. 6102 which is effectuated on 1 July 2012.

Required disclosures about the transactions of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with related parties are in the footnotes of the financial reports no. 26.

The report dated 10 March 2020 prepared by the Board of Directors of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. states the following: "Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. has not performed any transactions with its controlling shareholders and subsidiaries of these controlling shareholders with the guidance of the controlling company or with the intention to obtain results in its own favor or that of any of its subsidiary companies; no measures were taken or avoided in favor of the controlling company or any of its subsidiary companies; in 2019, in accordance with the circumstances known to us, proper counter acts were gained at arm's length in every transaction the Company made with its controlling shareholder and subsidiaries of the controlling shareholder in order to sustain the competitiveness of the operation in the current market at the time of the transaction; no measures were taken or avoided in favor of the controlling shareholder of our Company and the subsidiary companies of the controlling shareholder, which might result in a loss for the Company and there are no transactions or measures which may require offsetting within this framework."

Corporate Governance

SECTION I - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

1. Corporate Governance Principles Compliance Statement

All activities of our Company are carried out in line with all legal regulations and "Corporate Governance Principles" which are regulated by the CMB (Capital Markets Board). In our Corporate Governance Principles Compliance Report we include reasoned descriptions regarding incidents in which principles were not applied, if any, along with information regarding Company practices for each subject addressed in the Corporate Governance Principles, conflicts of interest which occurred due to not complying completely with such principles, if any and explanations regarding whether our Company has a plan to make changes in line with management practices principles in the future.

Our Company adopted it a strategic necessity to take all the required precautions to be in compliance with the requirements of the "Corporate Governance Principles" announced by the Capital Markets Board to the public. Our Company complied with the "Corporate Governance Principles" issued by the CMB, excluding some principles apart from the principles which are stated below and with which we must comply during the financial period between 1 January 2019 and 31 December 2019. There is no conflict of interest resulting from unimplemented items listed below. In addition, the Corporate Governance Compliance Report and the Corporate Governance Information Form, which were prepared in accordance with the CMB's resolution dated 10 January 2019 and numbered 2/49, can be accessed from the Corporate Governance tab on the Public Disclosure Platform.

(<https://www.kap.org.tr/sirket-bilgileri/ozet/861-anadolu-isuzu-otomotiv-sanayi-ve-ticaret-a-s>)

- According to the Article no. 4.6.5 of the Corporate Governance Principles, wages and all other benefits granted to top managers with administrative responsibility as well as members of the Board of Directors are disclosed to the public through the annual activity report. However, as in the previous years, the statement won't be on personal basis, but it will be made in a way to provide differentiation for Board of Directors and managers with administrative responsibility.
- Due to the fact that there is no available written indemnity policy which must be created for personnel as per Article No 3.1.2 of our Company's "Corporate Governance Principles", we pay the utmost attention to protect our employees' indemnity rights,
- not only within the scope of principles in the Anadolu Group Working Principles but also the Labor Law which we are obliged to comply.
- Apart from special situations and notes, financial statement declarations which must be disclosed to the public according to the capital markets legislation are not currently explained in English in addition to Turkish in KAP (Public Discourse Platform). The declarations are planned to be presented in KAP in English in the next period.

Orhan ÖZER
Corporate Governance
Committee Chairman

Kamilhan Süleyman Yazıcı
Corporate Governance
Committee Member

Recep Yılmaz Argüden
Corporate Governance
Committee Member

Hurşit ZORLU
Committee Member

Ali Osman Mağal
Corporate Governance
Committee Member

Corporate Governance

SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

The personnel whose names, contact details and license information are presented below work in our Company's investor relations department coordinated by Chief Financial Officer.

In 2018, the investor relations unit operating under Mr. Bora Öner will continue to operate under Mrs. Fatma Aksoy Özek, who was appointed as the Financial Affairs Director with effect from 1 February 2019.

Ali Osman Mağal - Investor Relations Department Supervisor/Finance Supervisor

Phone: (90) 850 200 19 00

e-mail: investorrelations@isuzu.com.tr

Licence: Capital Markets Activities Level-3

CMB Corporate Governance Rating Licence

Hami Engin Çöpoğlu - Investor Relations Department Member/Financial Control and Reporting Supervisor

Phone: (90) 850 200 19 00

e-mail: investorrelations@isuzu.com.tr

Our Investor Relations Department performs activities to guarantee the use of rights of shareholding and, in particular, to facilitate communication between the Board of Directors and shareholders. In this context, it is the role of the Investor Relations Department to make material event statements in the matters stipulated by Capital Market regulations, to prepare periodic information notes regarding activities to inform the investors, to prepare the content of the Company's website, to prepare the annual report and to meet the written/verbal information requests of shareholders.

The Investor Relations Department responded to investors' questions and made the necessary explanations within this period. The department received more than 50 applications within the period. The number of questions asked was very high during the periods when the annual financial statements and the ordinary general assembly meeting date were announced and other material event statements are made.

The Corporate Governance Committee was assigned to supervise the work of the Investor Relations Department at our Company. In this context, the committee determines standards related to all communications and the basic principles of investor relations, reviews these standards and principles every year, as well as compliance with them and makes necessary recommendations to the Board of Directors. The report issued by the Investor Relations Department about the activities carried out and presented to the Corporate Governance Committee at each meeting is communicated by the committee to the Board of Directors. 4 committee meetings were held in 2019.

2.2. Use of Shareholders' Rights to Obtain Information

Shareholders' Information Requests from the Company

In line with our Company's information policy, particular importance is attached to communicating all necessary information to the shareholders in a complete and accurate way in order to ensure that all shareholders can use their shareholding rights. Information requests from shareholders are evaluated within this context and information sharing is done within the scope of the content previously disclosed to the public.

Contacts were made to ensure that local and foreign corporate and individual investors and shareholders and analysts obtain information about our Company's activity results, performance, other developments which occurred within the period and all matters identified as per the Capital Market regulations were disclosed to the public with material event and press statements.

Questions answered within the scope of the information requests coming from direct shareholders or intermediary companies were about the Company's financial statements, the market structure, changes in the market, development of the Company's market share and new projects for the future and relevant investments during the period when financial statements were disclosed to the public.

Evaluating the Information Requests of Shareholders and Updating the Investors

Information requests of shareholders are immediately answered. In addition, there is detailed information on the Company's website regarding the Company's capital structure, trade registry information, Articles of Association, organizational structure, activities and financial statements for the period and material event statements made within the period.

We also answer each of the questions of local individual investors, in particular those who reach us through the contact form on our Company's website, as soon as possible.

Special Auditor Assignment

Our Company's Articles of Association do not include any provision which would impede performance of a special audit and Company management avoids carrying out any transaction which would impede a special audit. Our Company acts in compliance with the relevant provisions of the TCC regarding the use of the right to request a special audit. In 2019, there was no request for the appointment of a special auditor made by the shareholders.

2.3. General Assembly Information

Our Company holds General Assembly meetings according to all the principles stated under "General Assembly" in the Corporate Governance Principles.

Within the period, our Company held its ordinary General Assembly Meeting for 2018 on 18 April 2019 at 14:00 at "Esenkent Mahallesi Deniz Feneri Sokak No: 4 Ümraniye 34776 İstanbul" with 86% participation by the shareholders.

Shareholders were invited to the General Assembly Meeting at least three weeks prior to the meeting through national newspaper announcements. Also, the registered share owners were notified via a written invitation.

Information regarding the Company's activity results is made ready for examination by shareholders at headquarters and the factory three weeks before the General Assembly date. Also, after financial statements have been disclosed to the public, information regarding the financial statements are announced on the Company's website. The meeting chair paid attention due to communicate the items on the agenda in an unbiased and detailed manner using a clear and understandable method throughout the ordinary General Assembly Meeting. The meeting chair ensured that all the shareholders' questions which did not fall into the scope of commercial secrets were answered directly at the General Assembly Meeting. There were no questions not related to the agenda or which were so complex they could not be answered directly at the ordinary General Assembly Meeting.

Pursuant to 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.

When preparing the General Assembly agenda, due care was paid to present each offer under a separate title and agenda titles were presented clearly in a way which would not lead to disparate interpretations. Due care was paid to not include expressions such as "other" and "various" in the agenda. The information given before the General Assembly Meeting was provided by referencing the relevant agenda items.

While setting the meeting agenda, there was no subject that shareholders conveyed in writing to the Investor Relations Department of the Company and requested be included in the agenda. Similarly, shareholders, the CMB and/or other public bodies and institutions related to the Company did not request including a new item on the agenda.

The total number of shares and voting rights which represent the Company's shareholding structure were published in our Company's corporate website (www.anadoluisuzu.com.tr) as of the General Assembly Meeting announcement date.

Invitation to the General Assembly is made in a national newspaper and a trade registry gazette three weeks beforehand. Also, the decision of the Board of Directors to invite the General Assembly to the meeting and the meeting agenda are published on the website of the Company, the Electronic General Assembly System and Public Disclosure Platform. Our aim is to hold the General Assembly Meetings in a manner that does not involve inequality among the shareholders and allows shareholders to participate with the minimum cost in order to increase the participation rate of the shareholders. Also, information regarding the decisions made in the General Assembly is published on the Public Disclosure Platform and the Company's website after the meeting.

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Members of the Board of Directors, other relevant people, officers and auditors responsible for preparation of financial statements were present at the General Assembly Meeting in order to disclose necessary information and answer questions related to matters of importance on the agenda.

The Articles of Association do not include a provision regarding this matter, however, the General Assembly Meetings are open to the public, including the beneficiaries and media, without granting the right to speak. Beneficiaries and media did not participate in the ordinary General Assembly Meeting on 18 April 2019, but the Company authorities stated in the previous paragraph attended.

Our Company does not have a separate aids and donations policy, however, this issue was covered in detail in the Articles of Association. A separate item was added to the General Assembly agenda regarding the aid and donations made within the period. During the meeting the shareholders were informed about this matter.

Within the period there were no transactions where the yes votes of the majority of the independent Board of Directors' members were sought in order to enable a decision by the Board of Directors and where the decision making was transferred to the General Assembly due to an insufficient number of yes votes.

The shareholders were informed that there weren't any significant transactions performed within the year in line with the provision in compulsory Corporate Governance. Principle No. 1.3.6 of the CMB's Communiqué No. II-17.1 which states, "in the event that shareholders who have control over the management, Board of Directors members, managers with administrative responsibility, their spouses, blood relatives up to second degree and relatives by marriage carry out a significant transaction which may lead to conflict of interest with the partnership or its subsidiaries and/or perform a transaction with the nature of commercial business in the business field of the partnership or its subsidiaries on their own or others' behalf, or enter into a partnership with the capacity of unlimited liability partner, the said transactions shall be included in the General Assembly's agenda as a separate item which will be detailed further at the General Assembly and recorded in the General Assembly Meeting minutes."

The meeting minutes and the list of attendants were disclosed to the public on the same day as the meeting through the Public Disclosure Platform. The General Assembly Meeting minutes and list of attendants are available on our corporate website and open to access by the shareholders.

2.4. Voting Rights and Minority Rights

Privilege in Voting Rights

There is no practice which makes it more difficult for shareholders to use their rights to vote and mechanisms required to ensure that each shareholder uses their right to vote in the easiest and most suitable way, including cross border regions within the framework of the provisions of Turkish Commercial Law related to electronic General Assembly, are established.

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 in the right to vote. There is a regulation regarding the election of Board of Directors' members in the current Articles of Association of the Company as follows:

The Company is managed by a Board of Directors consisting of 14 members, to be elected by the General Assembly according to the provisions of Turkish Commercial Law and Capital Market regulations.

Four members of the Board of Directors from among the candidates nominated by B group shareholders to represent themselves, eight members from among the candidates nominated by Group shareholders to represent themselves and other members from among the candidates nominated by any shareholder and are elected by the General Assembly.

Anadolu Group signed a joint venture contract between their foreign partners Isuzu Motors Limited and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensor partner. This cooperation which included technology transfer occurred with the participation of foreign partners in management in a partnership structure which does not have a majority.

Cross Shareholding

The Company does not have a cross shareholding relation with any organization.

Representing the Minority Shares in Management

Our Company shows maximum care of the use of minority rights. In accordance with Corporate Governance Principles, independent members in the Company's Board of Directors can perform their duty without being influenced in any way and they therefore ensure that minority rights are protected by contributing to the objective management of the Company.

Although minority rights are recognized in the articles of association of companies for shareholders holding less than one twentieth of the capital, our Company's articles of association do not include a provision enlarges the scope of minority rights relative to the measures determined by law.

2.5. Dividend Right

Privileges Regarding Participation in Company Profit

There is no privilege granted to shareholders regarding participation in Company profit.

The Company's Dividend Distribution Policy

Our Company distributes profits pursuant to the provisions of the Turkish Commercial Code, Capital Markets Board regulations, tax regulations, other relevant regulations, as well as the article related to profit distribution in our Articles of Association.

Our Company has adopted a policy of distributing at least 50% of its distributable profit every year, in cash and/or as bonus shares.

It is among the basic purposes of our Company to sustain this dividend distribution policy except in special situations such as extraordinary developments in economic conditions or when investments and other funding needs are required for the Company's long-term growth.

The Board of Directors makes a decision every accounting period regarding dividends and submits the decision to the General Assembly for approval. Dividend distribution starts at a date set by the General Assembly, which cannot be later than the end of the year when the General Assembly is held. The Company may opt to distribute dividend advances or pay dividends in installments in equal or different portions in line with the provisions of the effective legislation.

It was resolved to put this policy in writing as of 2005 within the framework of our Corporate Management Principles compliance work.

Pursuant to Communiqué on Dividends No. II-19.1 of the Capital Markets Board, a revised dividend distribution policy approved by a Board of Directors' decision dated 21 March 2014 and published on the Public Disclosure Platform on the same date was approved at the 17 April 2014 General Assembly.

The dividend distribution policy is included in the annual report. The dividend distribution policy is also published on the Company's corporate website.

Under the principles contained in the CMB Communiqué on Dividends no. II-19.1 and our Company's publicly disclosed dividend distribution policy as well as the provisions in our Company's Articles of Association, no dividends were distributed in 2019 in relation to 2018 operating year since a net loss for the period descended in the Company's 2018 consolidated financial statements drawn up in accordance with the Turkish Commercial Code and CMB regulations

2.6. Transfer of Shares

The Company's Articles of Association do not include provisions which restrict transfer of shares neither do they include a practice which impedes transfer of shares freely.

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SECTION III – PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company Website and Content

The Company's corporate website is www.anadoluisuzu.com.tr. The website is presented both in English and Turkish.

Information about privileged shares is not stated separately because it is included in the Articles of Association. Other matters stated in the Corporate Governance Principles are available on the website in a comprehensive way. Information on our Company's website is the same as and correlates with the statements which were made with regard to the provisions of the relevant legislation and do not contain any contradictory or incorrect knowledge.

Financial statement declarations other than the material events and notes, which must be disclosed to the public as per Capital Markets legislation, are not simultaneously disclosed in English in addition to Turkish in the Public Discourse Platform at present. It is planned that the said declarations will also be in English in the Public Discourse Platform in the future period.

3.2. Annual Report

Annual reports of our Company are prepared in a detailed manner which enables the public to access complete and accurate information about the Company's operations and to include the information stated in Article 2.2.2. in Section 2 of the Corporate Governance Principles in addition to matters covered in legislation and other sections of the Corporate Governance Principles.

SECTION IV - BENEFICIARIES

4.1. Informing the Beneficiaries

Informing the Beneficiaries

Beneficiaries are persons, corporations, or stakeholders, such as employees, creditors, customers, suppliers, unions and various non-governmental organizations involved in the Company's operations or achievement of the Company's goals. Our Company preserves beneficiaries' rights which are regulated by legislation and mutual agreements during its transactions and operations. In cases when such rights cannot be preserved through legislation and mutual agreements, the Company pays due care to protect beneficiaries' interests within the framework of goodwill and to the extent of the Company's capability. Our Company acts in line with the Corporate Governance Principles in relationships with beneficiaries and has established all mechanisms required to ensure this.

In the event that conflicts of interest occur among beneficiaries or a beneficiary is included in more than one stakeholder group, a balanced policy is pursued as much as possible in terms of preservation of the rights, with the aim of protecting each and every right independently from one another.

Our Company implements relevant legislation provisions when using a mechanism such as indemnity provided to beneficiaries. Even though there is no available written policy regarding employee indemnities which must be issued as per Article 3.1.2 of our Company's "Corporate Governance Principles", we pay due care to preserve personnel indemnity rights not only within the scope of Anadolu Group Working Principles but also Labor Laws that we are obliged to implement.

It is one of the most important policies of the Company to keep beneficiaries satisfied by producing applicable and timely solutions for issues related to employees and other beneficiaries. Our employees, suppliers, customers and consumers are informed about matters that are relevant to them through various channels.

Communication of Beneficiaries with Corporate Management Committee and Auditing Committee

Beneficiaries inform the Corporate Management Committee or Audit Committee through the Internal Auditing Directorate and Financial Affairs Directorate about operations of the Company which are contrary to legislation and ethically inappropriate when it is necessary

4.2. Participation of Beneficiaries in Management

Efforts Made to Ensure That Beneficiaries Participate in Management

Models which encourage beneficiaries, particularly the Company's employees, to participate in the Company's management are developed in a manner which does not cause any delay in the Company's operations. An open platform is provided to the shareholders to convey their positive or negative opinions regarding the Company in the General Assembly meetings which are open for participation by shareholders. Also, the contact form on the Company website is an efficient communication mechanism for shareholders.

Our employees can share their ideas which will add value to our corporation with management through our idea system, ("BiFikir") the Anadolu Group Innovation Portal. Our employees efficiently use the Human Resources Request and Improvement Line to send requests and improvement requests for services offered to our employees by the Human Resources Department. In addition, the annual Employee Satisfaction and Loyalty Survey, developed to support our employees' participation in management, is a channel through which employees are able to express their requests and improvement demands regarding the organization.

The Company carries out work which aims to improve the activities that employees may participate in within the scope of Kaizen improvement work and quality circles.

Dealers and suppliers' opinions are requested at annual meetings and such opinions are assessed in strategic plan work.

Our Company takes all types of measures in order to achieve customer satisfaction in marketing and sales of goods and services. Requests related to the goods and services purchased by customers are swiftly evaluated and our customers are informed about any delay, before the deadline. Quality standards are met in all goods and services and due care is paid to maintain a certain standard. Certain warranties related to quality are provided with this aim. Within the scope of commercial secrets, confidentiality of information related to customers and suppliers is dealt with using due care. Beneficiaries are consulted regarding significant decisions which would yield consequences related to them.

4.3. Human Resources Policy

Human Resources Policy

Our Company's Human Resources Policies were created in line with Anadolu Group Human Resources Quality Policies and announced to all employees.

The mission of Anadolu Isuzu Human Resources

To increase our employees' motivation and commitment in accordance with our Company's reason of being and strategies, to increase the profitability of our Company and to provide added value to the entire organization.

The vision of Anadolu Isuzu Human Resources

To be a strategic business partner creating competitive advantage.

Human Resources strategy of our Company is carried out under the following basic policies:

- To have the global perspective and the ability to provide the right human resources to the Company.
- In a business environment based on open communication and trust; a team and working with information, constantly looking for a better work culture and create HR systems.
- To contribute to organizational efficiency and organizational development.
- To strengthen the employee commitment.
- To establish a people-oriented employer brand.

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It is important for Anadolu Isuzu to form its employee body of individuals who have a global mindset, are team workers and open to communication, give importance to development, are analytical thinkers and initiative takers. The Company acts in line with its business- and customer-oriented working principle. On another hand, the Company's priority qualifications with respect to prospective managers are leadership, strategic thinking and managerial effectiveness.

An approach avoiding discrimination, relying on equal opportunities and encouraging innovation

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

The Company promotes equal opportunities, one of the pillars of Anadolu Group's Code of Conduct that is strictly adhered to, and observes equal opportunities and diversity in all HR practices starting from recruitment and spanning training, remuneration and career path. In addition, the Company attaches importance to innovation and creativity, and it is being managed in line with a dynamic and transparent approach that invests in innovation.

Anadolu Isuzu targets to be an employer of choice under any circumstance with its HR practices.

As of year-end 2019, Anadolu Isuzu had 817 employees. In keeping with the importance given to research and development activities, the total number of R&D Center employees is 109.

An approach promoting womanpower

Owing to the employment approach introduced in line with the goal of ensuring equality in the number of women vs. men employees, the number of women employees with respect to the total number of employees increased by 16% in the past two years at Anadolu Isuzu.

Continuing with its activities in women employment, Anadolu Isuzu Human Resources also develops projects aimed at enhancing the satisfaction and standards of existing women employees in the work environment.

The Contribution of the Performance Management System

Within the frame of the performance criteria, decisions passed by Anadolu Isuzu Board of Directors are included among the performance goals set annually for employees.

Anadolu Isuzu Performance Management System envisages improved performance and competencies by teams and individuals. The Performance Management System, which contributes to the Company's successful record, also focuses on employee development as well as business results, and provides feedback on the strengths and improvement areas of all employees.

Organizational improvement steps

Always attaching importance to organizational improvement activities, Anadolu Isuzu continued to work on organizational designs that will serve to achievement of the Company's strategic goals, and introduced new business conduct models.

Contribution of training and development activities

The training and development activities carried out for continuous improvement and development purposes at Anadolu Isuzu are aimed at ensuring improvement of all employees in areas of strategic focus.

Institutional development programs are organized at Akademi Isuzu for supporting young talents and training new leaders at the Company.

In 2019, a total of 9,944 hours of training were given to employees at Anadolu Isuzu with an average of 12 hours of training per person.

The importance of internal communication and employee satisfaction

Considering internal communication activities an important element, Anadolu Isuzu Human Resources publishes all HR policies and procedures on a portal accessible by all employees.

Company-wide employee satisfaction and engagement questionnaires are administered periodically, and employees are given the chance to make their innovative ideas heard through an e-platform, which ensures a healthy communication between the employees and the management team. Within the scope of an online application, surveys take place in order to obtain feedback and suggestions from employees on different subjects. This structure allows feedback on any subject at any time, where employees can take part in the surveys either from their smartphone or their computer. The online platform allows employees to convey their suggestions and wishes, and related suggestions are evaluated by the HR department and feedback is given to the employee.

Competitions were held in order to improve the environment and create a better environment within the scope of Environment Day, and to strengthen the perspective of the “zero accident” goal and raise safety awareness.

In the Occupational Safety Week. Employees who took part in Anadolu Isuzu’s environmental projects and responded to the questions in the OHS knowledge competition were awarded within the scope of Isuzu Extraa.

Anadolu Isuzu employees celebrated the April 23 National Sovereignty and Children’s Day with their children at the Istanbul Toy Museum.

In the new school year, children of company employees were given paint sets as a gift.

80 female employees met at the dinner organization held on the International Labor Day for Women. On Father’s Day, Anadolu Isuzu employees came together in a special conversation with Ozan Güven.

Çanakkale was visited twice in 2019 with the organized trip organizations.

A day full of music, entertainment, games and sharing was spent with the employees and their families with the picnic organization.

Employees who have contributed to Anadolu Isuzu for years have been presented their seniority rewards.

In the Bowling Tournament held on December 3, World Disabled Day, people with disabilities came together. It was reminded that employees with disabled children and their spouses were with them with little surprises.

Within the scope of cooperation with Galatasaray and Anadolu Efes sports clubs, match tickets continued to be given.

University-industry cooperation projects

The aim of the projects of collaboration between industry and academia is to bring the qualified work force with potential into Anadolu Isuzu. Under the project, students in their final year at university are given long-term project internship opportunities and on-the-job training in various departments, and then have the chance to be employed in the company.

In 2019, 13 students were hired as project trainees in the Production, Quality Control, Human Resources, Supply Chain and R&D departments. In addition, 105 students were provided with short-term internships in the summer term. With the seminars Networking and the Inspirational Stories of the Winners organized for the trainees, they have been guided for a successful working life.

Within the scope of the internship program Chief Young Officer (CYO), which was initiated by Anadolu Holding, structured based on real work experience, 6 students within Anadolu Isuzu worked for 3 months at the R&D, Marketing and Corporate Relations, Sales, Export Directorate and Information Technologies Directorate. The interns transformed their experiences gained during the internship into projects and transferred their achievements to their managers and teammates.

The creation of voluntary brand ambassadors on the campus, achieved by increasing the company’s recognition among young talented individuals and which represent one of the most important resources for our customers, consumers and human

resources, and the establishment of synergy by utilizing the fresh ideas these young talented individuals in the projects planned in line with the real business needs, were among the primary topics looked into during 2019.

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Vocational high school-industry cooperation projects

Within the scope of the cooperation between vocational high schools and the industry, 35 final year students attending vocational high schools were given internship opportunity at Anadolu Isuzu.

Anadolu Isuzu completed the first steps in the cooperation between the National Education and Industrialists in 2015 with the Paint Technologies Workshop, which was established at the Küçükyalı Vocational and Technical Anatolian High School.

The support extended to the Anadolu Isuzu Paint Technologies Workshop project at Küçükyalı Vocational and Technical High School launched in 2015 continued in 2019, thereby helping build on the students' competencies.

The Company's aim is to train qualified paint professionals who follow innovation and are willing to put new innovations into operation, who have knowledge of the practical applications together with the theoretical knowledge, who internalize the rules of occupational health and safety and act with a sense of environmental awareness. In 2019, a total of 46 students graduated from the project.

Publicity Activities Conducted At Universities

Anadolu Isuzu participates in career days organized at Turkey's major universities and sponsors case studies.

The Tech Tour trip gave Anadolu Isuzu a chance to introduce itself to students and academics coming from many areas in Turkey and abroad. Visitors could learn more about Anadolu Isuzu through talks about the technologies used, tours of the R&D and production areas, and with questions answered by specialized and experienced staff. Throughout the year, technical trips were organized to Doğuş, Düzce, Gazi, Istanbul Technical University student clubs and Vocational High School students, and information about the activities and experiences of specialist employees were shared.

Automation in factory production processes with Industry 4.0; It provides a great advantage in terms of reducing costs, accelerating production and increasing user satisfaction.

In this way, the production processes and the world of production are developing and changing, and with the advancement of technology, the production area that takes advantage of the power of digital technologies is being reshaped.

Anadolu Isuzu has realized our 2019 activity plans in the focus of studies, which are the basis of quality systems and industry 4.0, and the digitalization of production. In this context;

- At the Career Plus event, Anadolu Isuzu R&D Center, R&D Design Process and Innovation approach were explained to the young engineers with examples.
- In the IDC Manufacturing Summit, the future of production was viewed through the digital transformation and industry 4.0 window.
- Industry 4.0 and the future of the industry were discussed at ITU Electric Vehicles Summit.
- Work experience in Anadolu Isuzu and Anadolu Isuzu was explained at Yıldız Technical University National Quality Event.
- Careers of the young talents and the future were looked at together with the company executives at the automotive, defense and space-space industry summit during the sector days of Istanbul Technical University.
- At the Automotive Days Event organized by Kocaeli University Engineering Club, a conversation was held with students about their business life and career.
- The 4th Battery Technologies & Energy Systems Workshop participated in the battery technologies panel in the transportation / transportation sector.
- Students interested in career opportunities at Anadolu Isuzu came together at the International Defense Industry Fair IDEF'19 Career Day event.
- Anadolu Isuzu aimed to develop alternative energy use in vehicles, and was supported by universities in the TÜBİTAK Efficiency Challenge final races.
- Young talents were taught about the future at Young Executive Academy.

- With the Virtual Career Fair platform, which was attended in a virtual environment, we had the opportunity to interview more than 100 students.
- Participated in Kocaeli Human Resources and Employment Fair and Career Day for 3 days in April.
- Participation in the COOP Internship program of Okan University Career Center and the “Nearest Company to the University” award was received.

Union rights and collective bargaining agreement at Anadolu Isuzu

At Anadolu Isuzu, relations with blue-collar workers are governed by a collective bargaining agreement. Metal Workers' Union (Birleşik Metal-İş) is the authorized labor union at Anadolu Isuzu. At the Company, there is one Chief Representative and three Union Representatives, who have been elected and assigned.

These representatives are responsible for the following, subject to the limits set in the Collective Bargaining Agreement signed between the Metal Workers' Union and MESS and in the laws: follow up the demands, complaints, and problems of blue-collar employees, Represent the employees on various committees including the Disciplinary Committee and the Occupational Health and Safety Committee, and observe their legal rights.

Professional Competence Certification Studies

In line with the communiqué published by the TR Ministry of Labor and Social Security, Vocational Qualification Certification process started in Anadolu Isuzu in 2016. Workshop-based trainings were held in order to train qualified personnel for the automotive industry and to rate the employees regarding their work. Until 2019, 293 employees were documented in this context.

Within the framework of the Compulsory Vocational Qualification Process, written (theory) and practice exam process has started for the Bridge Crane and Calaskar Operations Certificate. A total of 262 employees were included in the certification process.

112 operators working in Anadolu Isuzu have succeeded by taking the Vocational Proficiency Exams according to their job descriptions in the workshops in which they work. As a result of this process, operators are entitled to receive professional qualification certificates approved by the Vocational Qualification Authority.

BiFikir Application and BiFikir Festival

BiFikir Application and BiFikir Festival, where Anadolu Group employees present their innovative ideas; stands out as a platform where they develop their creativity as individuals and teams and provide added value to the Group companies.

With this platform, it is aimed to develop the creativity and innovation of the employees individually and as a team and to place these features in the organizational culture.

It continues to convey the creative and innovative ideas that Anadolu Isuzu initiated with the Quality Circle studies and transformed into a corporate culture over time, to BiFikir in all areas and with the active participation of all employees.

Anadolu Isuzu hosted the final organization of Anadolu Group's innovation program BiFikir, where the best projects of 2019 were selected.

The “Additional Panic Brake System” project supported by Anadolu Isuzu received the second prize in the BiFikir KAP Final, where innovative projects of university students were rewarded.

Creative Ideas Came Together In The Kaizen Days

During the Kaizen days, where Anadolu Isuzu employees shared their presentations supporting the development, a plaque was presented to employees who increased the number of projects by 32% compared to the previous year.

Anadolu Isuzu always supports and encourages creative-innovative ideas that begin with the Quality Circle and Kaizen studies and turn into a Company culture over time. Since 2014, the Company has achieved over 3 million TL in monetary benefits with over 100 projects and rapid implementation.

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Distance learning platform “AGAKADEMI”

Anadolu Isuzu Human Resources aims to create the infrastructure of a qualified workforce and develop technology today. It pioneers in digitalization to provide innovation environments.

In this context, more than 250 virtual trainings were defined for the Company's employees in 2019.

4.4 Ethical Rules and Social Responsibility

Ethical Rules

Anadolu Group has a corporate culture that has been consciously implemented, carefully managed and carefully preserved since its establishment. The corporate culture, shared by all managers and employees, includes future-oriented expectations and strategies, as well as accumulation and experience. Providing the best service, the best product not only to the people of the countries in which it operates, but also to convey the prestige it has to the next generations constitutes the core values of Anadolu Group's understanding of doing business.

Anadolu Isuzu regarded 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 established beliefs, rules and thoughts, respecting nature and the environment as indispensable elements of the corporate culture.

Our company activities are carried out within the framework of Anadolu Group Working Principles, which is also available on our corporate website. Our company is also a member of the Ethics and Reputation Association. Our company has an Ethics Committee chaired by the General Manager and Evaluation meetings are held periodically.

On the other hand, in Anadolu Group, which has a high level of awareness and reliability in the domestic and foreign capital markets, the Company employees' obligations arising from the legislation regarding the trading of insider learners within the scope of Anadolu Group Working Principles prepared for Group companies in order to consolidate compliance with capital market legislation and corporate governance practices. There is also a “Forbidden Period” application that prohibits the purchase and sale of shares of the related company for those who are on the lists who have access to insider information because we are a public company.

Social Responsibility Activities

Anadolu Isuzu touches every part of the society and every point of the trade with its tools that undertake different tasks in the life and trade cycle. Actually acting on this plain, Anadolu Isuzu sees social responsibility activities as an important complement to its corporate identity.

Anadolu Isuzu carries out social responsibility activities both in order to increase the welfare level of individuals and to produce sustainable and permanent value for the society. The company resolutely supports social development activities through its collaborations. It is located at the focus of a voluntary social responsibility activities carried out.

Anadolu Isuzu is an active member of the Private Sector Volunteers Association (PSVA), which operates with the aim of promoting corporate volunteering in the private sector, and maintaining it in a sustainable and systematic manner, and is involved in the activities of the Association.

Employees of Anadolu Isuzu participate in projects on education, environment and disability voluntarily.

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

Ongoing studies under the name of Social Awareness Projects focused especially on education, environment and disability issues.

As part of the Environment Day; In order to improve the environment we live in and a better environment, competitions have been organized in order to reinforce the “our goal is zero accident” point of view and to increase security awareness.

Unused clothes, unreadable books and toys that are not played are left in the colorful favor boxes on the ground floor of Anadolu Isuzu Headquarters to reach their new owners. Company employees accumulate favors in boxes, knowing that producing and sharing are great emotions.

Clothing and toys accumulated in favor boxes have been sent to Anadolu Foundation.

Highlights of the social awareness projects signed by Anadolu Isuzu in 2019

With the efforts of Anadolu Isuzu employees, huts were built to protect homeless animals from waste wood from winter conditions. The 18th Blood and Stem Cell Donation organization was carried out in cooperation with the Red Crescent Blood Center.

Company employees came together with the young minds with the Biomimicry Workshop, which was organized in collaboration with Çekül and Private Sector Volunteers Association in order to inspire new generations from nature and to look at life from a new perspective. In the workshop, the biomimicry discipline that started innovation by taking the systems of nature as a model was experienced with children.

The children of the employees have designed their own robots, mobile games and 3D products within the scope of the “Catch the Future Workshop”.

In order to create more environmental awareness, the first step was taken to create a green space in cooperation with the “Leave for Nature” event. Company employees competed in the “Convert to Energy for Nature” event, by pedaling.

Within the scope of zero waste project, wastes are thrown to the right places according to their types and started from the recycling place. In addition, the use of paper and plastic cups has ceased, and the use of glass cups has started.

SECTION V – BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

The Board of Directors consists of fourteen people; one Chairman, a Deputy Chairman and twelve members. The Board of Directors elects a Chairman and a Vice Chairman as per the Articles of Association every year. Management and representation affairs may be shared among the members of the Board of Directors. Chairman and members of the committees to be established are determined. The Board of Directors is authorized to make the necessary decisions in this regard.

There are currently no executive members in the Board of Directors. The curriculum vitae of the Board members which also include their responsibilities outside of our Company are provided both in 2019 Annual Report and the website of our Company.

Corporate Governance

Current Board Members and their roles are presented below:

Name-Surname	Duty	Duties Currently Assumed Outside the Company
Tuncay ÖZİLHAN	Chairman of Board of Directors	Chairman at AG Anadolu Grubu Holding A.Ş.; Chairman, Vice Chairman and Member of the Board of Directors at Anadolu Group Companies
Kamilhan Süleyman YAZICI	Vice Chairman of the Board of Directors	Vice Chairman at AG Anadolu Grubu Holding A.Ş.; Member of the Board of Directors at Anadolu Group Companies
Efe YAZICI	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Talip Altuğ AKSOY	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Salih Metin ECEVİT	Member of the Board of Directors	Chairman and Member of the Board of Directors at Anadolu Group Companies
Kamil Ömer BOZER	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Recep Yılmaz ARGÜDEN	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Ahmet BOYACIOĞLU	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Reo SAWADA	Member of the Board of Directors	Itochu Corporation – Managerial Position
Toshiyuki ABE	Member of the Board of Directors	Itochu Corporation – Managerial Position
Yasuyuki NIIJIMA	Member of the Board of Directors	Isuzu Motors Limited – Managerial Position
Kozo YAMAGUCHI	Member of the Board of Directors	Isuzu Motors Limited – Managerial Position
Ahmet Murat SELEK	Independent Member of the Board of Directors	Managerial position at Selek Strategic and Corporate Governance Advisory Company
Orhan ÖZER	Independent Member of the Board of Directors	

Independent Members and Criteria of Independence

No case has occurred where independence of independent members has been violated. Those selected as Independent Board Members have not been registered and announced as part of any legal entity.

Assignment of Members of the Board of Directors outside the Company

There are no rules established by the Company regarding Board of Directors' members taking on duties outside the Company. However, arrangements defined in Corporate Governance Principles are adhered to.

5.2. Activity Principles of Board of Directors

Our Company's Board of Directors conducts its activities in line with all matters identified by Corporate Governance Principles in a transparent, accountable, fair and responsible way. The Company's Board of Directors convened five times during the relevant period. One of the meetings was held with the participation of 14 members, four were held with the participation of 12 members, five were held with the participation of 10 members.

The Board of Directors assumes a leading role in the protection of active communication between the Company and the shareholders, resolution of possible conflicts and finding solutions for them and works in close cooperation with the Corporate Governance Committee and the Department of Investor Relations in this respect.

As per the Company's Articles of Association, the Board of Directors selects a Chairman and a Vice Chairman every year. The Chairman of the Board of Directors is responsible for managing Board of Directors meetings, regular negotiations and having the meetings recorded. While authorities of Chairman/members of the Board of Directors and Company

Identification of Board of Directors Agenda and the Call

In accordance with Article 4.4.1. Corporate Governance Principles, the Board of Directors holds meetings at a frequency which enables them to perform their duties effectively. Dates of Board of Directors' ordinary meetings are identified on the basis of an annual calendar and announced to the members. In accordance with our Company's Articles of Association, in Board of Directors Meetings, the majority of the total number of members participates in the meetings and decisions are made by taking the verdict of the majority after opinions of members are received.

Informing Members of Board of Directors

Members of the Board of Directors are informed by the General Manager about Company activities.

Putting the Reasons for Counter Votes on a Memorandum of Decision

All of the discussions in the meetings held by the Board of Directors are passed on to a memorandum of decision as per Corporate Governance Principles. In Board of Directors meetings, not only our Company's performance for the prior period but also its developments for the current period, its growth plans for the future, strategies developed against competitors and matters regarding human resources and organizational structure are discussed. While not every matter is resolved, the memorandum is not disclosed to the public because disclosure of resolved matters may cause various speculations. On the other hand, all important matters resolved by Board of Directors are disclosed to the public through material disclosures.

The method and frequency of Board of Directors meetings, meeting and decision quorums, methods for objecting to Board decisions and matters regarding the validity of Board decisions, are clearly identified in the articles of association.

The agenda of Board of Directors meetings consist of the matters that were agreed in the previous meeting would be discussed in the next Board meeting and matters identified by top management of the Company. Matters that should be discussed by the Board are conveyed to the Chief Financial Officer and collected to create the agenda of the next meeting. Ordinary Board of Directors meeting dates are identified at the beginning of the year and all members are informed about such meetings. Also, before every meeting date, members of the Board of Directors are informed once more about the issues on the meeting agenda through formal information letter and report.

The Board of Directors can convene more than once in a month if necessary. The Chairman, Vice Chairman and every Board member have the right to add matters they want to be addressed to the relevant meeting agenda and/or to convoke the Board on condition that all Board members are notified about it a minimum of fifteen (15) days beforehand. Board meetings may be held

in Company headquarters or another place inside or outside Turkey that the Board decides on in an ordinary meeting in which a decision quorum is provided. Members are informed about the opinions of members who do not attend the meeting and send their opinions in writing instead. The Board of Directors may take a decision without holding a meeting as per Turkish Commercial Law. Meeting and decision quorums stated in the Company's Articles of Association shall apply to such decisions as well.

The Company's Chief Financial Officer performs responsibilities of secretary for the Board of Directors. In the event that there are grounds for reasonable and detailed counter votes with regard to the issues for which different opinions are stated and questions are asked by the Board of Directors in the meetings, these shall all be recorded in the decision minutes. As per Corporate Governance Principles, it must be ensured that members actually attend Board of Directors meetings.

Board members do not have voting and/or veto authority in cases of ties. Each member of the Board of Directors, including the Chairman, has one vote and none of the members has the authority to break a tie.

Related Party Transactions

Decisions the Board of Directors makes regarding significant related party operations are conducted with the approval of the majority of independent members in line with Corporate Governance Principles.

Manager Liability Insurance

Insurance Losses incurred by the Company due to errors by the members of the Board of Directors during their assignments have been insured with an insurance policy with USD 25,000,000 in coverage.

Corporate Governance

5.3. Number, Structure and Independence of Committees Established in the Board of Directors

Corporate Governance Committee

The Corporate Governance Committee, which was formed as per a Communiqué, consists of four members. Independent Board Member Orhan Özer was selected to be Committee Chairman and Ali Osman Mağal, who works as investor relations supervisor at our Company, was selected to be a member of the Corporate Governance Committee as per Article 4.5.3 of Communiqué on Corporate Governance of Capital Market Board No. II-17.1 dated 3 January 2014, which states, “employees who are not members of the Board Of Directors and who are specialists in their field can be assigned as members to committees, except for the Audit Committee”, along with the other members Kamilhan Süleyman Yazıcı and Recep Yılmaz Argüden

The duties of Nomination Committee and Wage Committee are fulfilled by the Corporate Governance Committee.

The Corporate Governance Committee convened 4 times during the year.

Corporate Governance Committee regulations approved by the decision of Board of Directors, in accordance with the Corporate Governance Communiqué are published on our Company website www.anadoluisuzu.com.tr.

Audit Committee

The Audit Committee, which was formed as per a Communiqué, consists of two members. Orhan Özer, Independent Member of the Board of Directors, was elected to be the Chairman and Ahmet Murat Selek, Independent Member of the Board of Directors, was elected to be a member.

The Audit Committee is responsible for taking all the necessary measures to perform any internal and independent audit in a sufficient and transparent way.

The Audit Committee gathered 4 times during the year.

Audit Committee regulations approved by the decision of Board of Directors, in accordance with the Corporate Governance Communiqué are published on our Company website www.anadoluisuzu.com.tr.

Early Risk Detection Committee

The Early Risk Detection Committee, which was created as per a Communiqué, consists of three members and Independent Board Member Ahmet Murat Selek was elected as the Chairman, and Talip Altuğ Aksoy and Kamil Ömer Bozer as members.

The duty of the Committee is early detection of risks that may endanger the presence, development and continuation of the Company, application of necessary measures regarding the detected risks and work to manage the risk.

The Early Risk Detection Committee gathered 2 times during the year and information about their work and meetings held throughout the year They submitted their reports containing the results to the Board of Directors. Early Detection of Risk Committee, information about its work presented to the Board of Directors with two monthly reports, 6 times in total.

The regulation regarding the working principles of the Early Risk Detection Committee was identified with the decision of Board members dated 23 July 2013 and numbered 2013/28. It was published on our Company website www.anadoluisuzu.com.tr.

Inclusion of Committee Members in More Than One Committee

All of the Audit Committee members, the Chairman of the Early Risk Detection Committee and the Corporate Governance Committee were selected from among independent board members in line with Communiqué on Identification and Application of Corporate Governance Principles Serial: IV No: 56 by the Capital Markets Board. There are two independent members on our Company's Board of Directors, both of whom function in all three committees. Recep Yılmaz ARGÜDEN functions as a member of the Corporate Governance Committee, Kamil Ömer BOZER functions as a member of the Early Risk Detection Committee since they will contribute to both committees with their knowledge and experience.

5.4. Risk Management and Internal Control Mechanism

Company's financing resources and risk management policies

Anadolu Isuzu, in order to finance its investments besides the cash and capital, uses long-term TL and foreign currency loans (EUR) from foreign or Turkish Banks. The principles of risk management policies of Anadolu Isuzu is stated in Corporate Governance Principles Compliance Report.

Descriptions of main elements of Group's internal audit and risk management system regarding the process of preparation consolidated financial statements

The Internal Audit department of Anadolu Isuzu audits all consolidated Companies and units periodically each year. The business plan of the department is approved annually by the Audit Committee and revised during the year, depending on developments. Internal audit in all our consolidated Companies is performed according to the subject of standards published by the International Institute of Internal Audit.

Risk Management and Internal Control Mechanism

Risk Management and Internal Control System are under the control and the responsibility of Company Management in Anadolu Isuzu. Corporate Risk Management function, which is operating to reassure the management regarding these issues and consult, report directly to the Early Detection of Risk Committee.

Anadolu Isuzu's top management identifies significant opportunities and threats that may arise in the framework of Corporate Risk Management and manages them according to the risk appetite of the Company. Corporate Risk Management is a systematic and disciplined process established to determine the business strategies of Anadolu Isuzu which is affected by all Company employees and covers Company's all implementations.

The risks of the Company are submitted for management's consideration with the coordination of Corporate Risk Management and prior risks are identified. Prior risks and action plans to mitigate these risks are shared with Early Detection of Risk Committee to be presented to Board of Directors. The management and continuity of this process, integrated with strategic business plans, is supported by a technological infrastructure in use.

A number of methods are used to manage our risks are as follows;

- The performance and risk indicators for monitoring and timely receipt of necessary measures of risk are used as an early warning system. SAP system that integrates all processes within the Company is an effective technological decision support system used for this purpose.
- Following the results instantaneously as activities with this use, human errors were eliminated and Early Detection of Risks was targeted and the effectiveness of internal control systems has been increased. At the same time, senior technology internal communication system used to intervene in the problems in a short time and provides opportunity for solutions.
- Natural risks, supported by an efficient insurance management to prevent and reduce losses resulting from supply-chain problems that can lead to job and production cuts.
- Investments for the backup system to not be affected by any disaster and loss of system data are performed.
- At the same time, environmental factors and exceptional circumstances are being investigated following causes instant measures are taken to minimize the risk permanently.

Corporate Governance

Internal Audit Department, within the framework of the audit plan is made based on risk, reviews the Company's risk management and internal control system, in order to achieve the following objectives in reviewing regularly and reports to Audit Committee and Company management:

- Financial and operational information accuracy and reliability
- Effectiveness and efficiency of operations
- Protection of Company assets
- Act to ensure compliance with laws, regulations and contracts

5.5. Company's Strategic Objectives

The Board of Directors is responsible for administration and representation of the Company by keeping the risk, growth and yield balance of the Company at the most suitable level, looking out first for the long term benefits of the Company using smart and prudent risk management, while also ensuring that the Company reaches the operational and financial performance objectives disclosed to the public. In this respect, relevant directorates create annual budgets and business plans every year and submit them to the Board of Directors through the Financial Affairs Directorate. Results which occurred after having performed activities in line with such plans during the year are continuously compared with the budget as accepted by the Board of Directors and reasons for deviations are sought.

The Company's Board of Directors approves the strategic objectives created as a result of work and basic assumptions during the process of creating annual strategic objectives.

The Board of Directors follows the strategic objectives of Company activities and comparative results in the light of the annual reports and direct information from Board of Directors meetings.

5.6. Financial Rights

Criteria Used to Identify the Rights Granted to Board Members

Dividend payments to Board of Directors members are not possible as per the articles of association.

As stated in the articles of association, wage amounts that will be provided to Board members are identified by the General Assembly. Board members are authorized to elect top managers, who will serve for Company management and to identify their authority, wages and other rights and make or break agreements with them.

On the other hand, it was decided as per the resolution taken in the ordinary General Assembly Meeting held on 14 April 2019 to pay TL 10,625 monthly to each member assigned to the independent Board of Directors to preserve their independence during their term of duty.

There is no other wage or benefit granted to the Board of Directors.

Benefits and Wages Granted to Senior Employees of the Company

As per Corporate Governance Principles Article No. 4.6.5, wages and all the other benefits granted to top managers as well as Board members are disclosed to the public through the annual report. However, this statement includes a distinction between the Board of Directors and managers with administrative responsibilities and does not refer to individuals.

The Board of Directors performs the work considered necessary in order for top managers to receive reasonable wages according to market conditions. Wage Policy that has been prepared for this purpose is presented in Appendix: 2.

Debts Given to Board Members and Managers by the Company

The Company has not granted any loan to members of the Board of Directors or to managers who have assumed administrative responsibilities, given them credit, extended the payment periods of loans and credits granted to them, improved their loan and credit conditions, granted them credit in the name of personal credit through a third party, or granted them guarantees such as indemnification in one's favor.

Appendix: 1

Assessment Regarding the Working Principles and Efficiency of Board of Directors

According to the Board of Directors Decision passed on 20 April 2018 pursuant to Corporate Governance Principles following the elections to the member seats on the Board of Directors carried out during the Ordinary General Assembly Meeting convened on 18 April 2019:

- The Audit Committee will consist of two members and in this respect, Independent Board Member Orhan Özer will be the Chairman and Independent Board Member Ahmet Murat Selek will be a member;
- The Early Risk Detection Committee will consist of three members and in this respect Independent Board Member Ahmet Murat SELEK will be the Chairman and Talip Altuğ Aksoy and Kamil Ömer BOZER will be members;
- The Corporate Governance committee will consist of four members and in this respect Independent Board Member Orhan ÖZER will be the Chairman and Hurşit ZORLU, Recep Yılmaz Argüden, Kamilhan Süleyman Yazıcı and Ali Osman Mağal will be members.

It is decided that the duties of Nomination Committee and Remuneration Committee will be fulfilled by the Corporate Governance Committee and this issue has been disclosed to the public on the Public Discourse Platform and the Company website.

Our Audit Committee, Corporate Governance Committee and Early Risk Detection Committee fulfilled their roles and responsibilities as per their own regulations and worked actively in 2019.

In line with their annual meeting plans which were found necessary for their working activities, identified and created in their respective regulations in 2019:

The Audit Committee gathered four times and they submitted their reports, including the results of the meetings held during the year as well as information regarding their work, to the Board of Directors. In this respect;

The "Audit Committee", responsible for taking all the necessary measures to conduct any internal and independent audit in a sufficient and transparent way and applying the internal control system efficiently, conveyed all recommendations in matters for which it is responsible, including opinions and suggestions regarding the internal audit and the internal control system to the board of directors.

The Corporate Governance Committee gathered four times and they presented their reports, including the results of the meetings held during the year as well as the information regarding their work, to the Board of Directors. In this respect;

The "Corporate Governance Committee", established to examine the Company's Compliance with Corporate Governance Principles, make improvements in this regard and make suggestions to the Board of Directors, identified whether Corporate Governance Principles are applied in the Company, the reason if not applied, conflicts of interest caused by not fully complying with such principles and made recommendations to the Board to improve corporate governance and observed the work of the department of shareholder relations.

The Early Risk Detection committee gathered two times and they presented six reports including information regarding their work to the Board of Directors. In this respect;

The "Early Detection of Risk Committee", which conducts studies for the early identification of risks that may endanger the existence, development and continuation of the Company, the implementation of necessary measures related to the identified risks, and the management of these risks, and the Corporate Governance Principles and Early Detection of Risk Committee. Revised in accordance with the Regulation.

ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.

YÖNETİM KURULU VE ÜST DÜZEY YÖNETİCİLER İÇİN ÜCRETLENDİRME POLİTİKASI

Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Yönetim Kurulu ve üst düzey yöneticiler için ücretlendirme politikası, Yönetim Kurulu üyeleri ve üst düzey yöneticiler için ücretlendirme sistem ve uygulamalarını ve diğer hakları tanımlamak üzere hazırlanmıştır.

Appendix: 2

ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.

REMUNERATION POLICY FOR BOARD OF DIRECTORS AND TOP MANAGEMENT

Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. remuneration policy for the Board of Directors and top management is prepared to define the remuneration system and application as well as other rights of Board members and top managers.

A fixed monthly wage/attendance fee may be paid to the Chairman of the Board of Directors and to the Board members for the services they perform in their capacities supporting our Company. The amount payable is identified in the General Assembly Meeting. In any case, an amount is paid to independent Board members to preserve their independence and payment plans based on Company performance are not used for wages of independent Board members.

Payment is made to Board members who execute within the policy identified for top managers, details of which are described below.

Rights granted to top managers in our Company are defined below.

Monthly Wage: Identified depending on market and/or sector conditions, inflation, position, level and qualifications of the manager and individual performance and paid during the term of the labor contract. The monthly wage is reviewed once a year considering the criteria constituting the basis for identifying the wage if there is no change in the market conditions.

Information regarding the market and/or sector conditions is collected through generally accepted consultancy firms and also identified using the data obtained from other sources and considering the Company's future and position related to achieving the targets.

Factors which refer to manager's approach, business manner and behaviors as well as the annual objectives that the manager defined with his/her own manager are considered at rates defined for the identification of individual performance level.

Premium: In the event that a lower limit, defined according to certain weight depending on Critical Performance Criteria (CPC), approved by the executive board and identified within the related calendar year, is exceeded, a certain percentage of the yearly amount of the monthly wage and bonus payments made to the manager, varying according to the manager's position, is calculated, depending on the individual performance rates with company CPC and may be paid to the manager as a premium.

Bonus: Identified in relation to the monthly wage and the amount of four monthly wages divided into identified periods and paid during the term of the labor contract by the Company.

Other Rights: Side benefits and other social allowances such as health insurance, personal retirement, etc. are provided to people in line with the defined policy and regulations of the organization generally and/or depending on conditions such as qualification, position, etc.

Appendix: 3

DECLARATION 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% 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% or higher share, 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 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;
- If elected, I shall not work on full-time basis at any public institution or organization during my term of office, apart from serving as a faculty member, provided that the same 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, to maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and to come to decisions freely taking into consideration stakeholders' rights;
- I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and to 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 ten 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 that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.

Orhan Özer

Appendix: 3

DECLARATION 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% 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% or higher share, 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 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;
- If elected, I shall not work on full-time basis at any public institution or organization during my term of office, apart from serving as a faculty member, provided that the same 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, to maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and to come to decisions freely taking into consideration stakeholders' rights;
- I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and to 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 ten 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 that 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

ANADOLU ISUZU OTOMOTIV SANAYI AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 31 DECEMBER 2019 AND INDEPENDENT AUDITOR'S REPORT

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