

2023 ANNUAL REPORT



We commemorate with respect and extend our condolences to the citizens, employees' relatives and losses from our dealer-authorized service organization who lost their lives in the earthquakes centered in Kahramanmaraş on 6 February 2023.

We are collectively addressing the wounds inflicted by the earthquake disaster that deeply affected our country.

As the Anadolu Isuzu family, following this great disaster, we initiated a mobilization to heal the wounds, meet the needs of the areas hit by the earthquake and support rescue efforts by establishing a Disaster Coordination Unit.

With the support of our employees, we ensured the dispatch of aid materials from the first day. We provided tent and container assistance to the earthquake-affected areas and continue to do so.

For women and children affected by the earthquake, we prepared special aid packages for International Women's Day on March 8th and with a volunteer team composed of our employees, we were present in the areas hit by the earthquake to support the women.

Some of our domestic dealers and international distributors joined our campaigns and offered their support.

The Anadolu Isuzu Search and Rescue Team, composed of employees who have completed AFAD training, participated in rescue efforts in Adiyaman in coordination with AFAD.

Our Japanese business partners, Isuzu Motors and Itochu Corporation, donated a total of 20,000,000 Japanese Yen to support the earthquake-affected areas.

To address the vehicle needs in search, rescue and support efforts, we donated 1 truck and 2 pickup vehicles to AFAD.

In the upcoming period, we will focus on providing shelter for our citizens and ensuring the continuity of children's education.

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GOAL

Anadolu Isuzu's main and permanent goal is to create enduring value for its stakeholders by increasing the economic, environmental and social outcomes of its activities to the highest possible level.

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15,175

TRY MILLION
TURNOVER

2,675

TRY MILLION
GROSS PROFIT

149

EUR MILLION
EXPORTS

606

TRY MILLION
R&D EXPENDITURE

**LEADER IN MIDIBUS EXPORTS
FOR 20 YEARS IN A ROW**

**40% MIDDLE CLASS TRUCK
DOMESTIC MARKET SHARE**





ENVIRONMENTALLY FRIENDLY MOBILITY VEHICLES OF THE FUTURE

Anadolu Isuzu has accelerated its development, production and launch efforts for electric and other alternative fuel vehicles in line with changing patterns of mobility.

SECTION 1

PRESENTATION



CORPORATE PROFILE

ANADOLU ISUZU IN BRIEF

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

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

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

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

Operating in the commercial vehicle segment of the automotive industry, Anadolu Isuzu, boasts a strong product range, after-sales services with high added value, and a widespread dealer and technical service network. Anadolu Isuzu makes trucks, light trucks, midibuses and buses and Anadolu Isuzu also has a very important position in export markets.

The Company carries out both the manufacturing and marketing of commercial vehicles with production facilities based in Şekerpınar, Çayırova. The annual total production capacity of Anadolu Isuzu's production facilities, built on a 318,000-square-meter land, is 19,000 vehicles per shift.

Providing high added-value services through 32 sales offices and 92 authorized services Turkey, Anadolu Isuzu has 36 distributors in more than 44 countries abroad. Anadolu Isuzu shares have been trading on the BIST since 1997 with the "ASUZU" ticker.



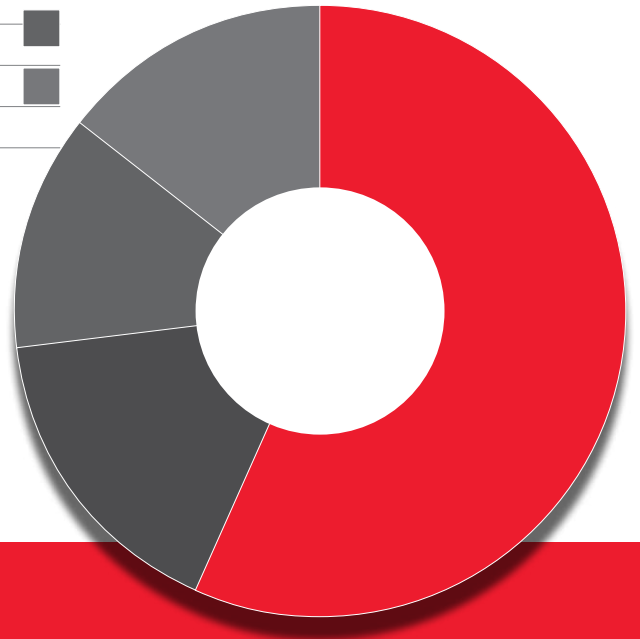
1,269

EMPLOYEES

CAPITAL AND SHAREHOLDING STRUCTURE

The shareholding structure of Anadolu Isuzu as of the end of 2023:

SHAREHOLDER'S NAME	SHARE AMOUNT (TRY)	SHARE (%)
Anadolu Group	139,606,203	55.40
Isuzu Motors Ltd.	42,826,526	16.99
Itochu Corporation	32,119,605	12.74
Other	37,447,666	14.87
Total	252,000,000	100.00



THE ANNUAL TOTAL PRODUCTION CAPACITY OF ANADOLU ISUZU'S PRODUCTION FACILITIES, BUILT ON A 318,000-SQUARE-METER LAND, IS 19,000 VEHICLES

TODAY, ANADOLU ISUZU CONTINUES ITS ACTIVITIES AS A JOINT VENTURE OF LEADING GROUPS IN TURKEY AND THROUGHOUT THE REST OF THE WORLD.

MILESTONES

1965

- Çelik Montaj is founded.

1983

- As the first Turkish-Japanese partnership in the automotive industry, a license agreement was signed with ISUZU Motors.

1984

- Production of ISUZU trucks started.

1987

- Midibus production started (All designed and developed by AIOS).

1996

- The share of Japanese partners was increased to 35% and the name of the company was changed to "Anadolu Isuzu".

2003

- The first IMM (Isuzu Manufacturing Management) certificate was obtained for the AIOS truck factory.

2009

- Anadolu Isuzu is qualified to be an R&D Center.

2017

- IM certification has been obtained for bus production as well as for trucks and pick-ups.

2018

- The number of export countries reached 40.



2019

- Anadolu Savunma brands are showcased at IDEF.
- The first sustainability report is published.
- Anadolu Isuzu achieves the single biggest midibus export in the Turkish automotive history.
- AIOS Export record.
- Became the only Isuzu factory with IM Certificate with all its lines.

2020

- Electric vehicle projects and pandemic-oriented designs were realized.

2021

- The first export of the electric vehicle NOVOCITI VOLT was realized.
- Solar Power Project came into operation
- Smart Factory application started

2022

- Electric BIG.e launched
- New 12mt electric CitiVolt introduced
- AIOS Export record

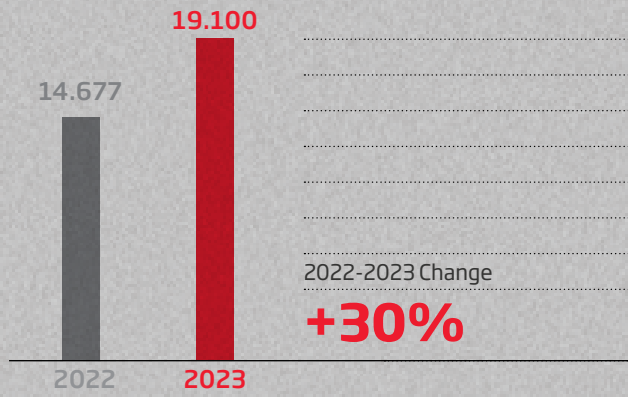
2023

NEW ELECTRIC NOVOVOLT LAUNCHED

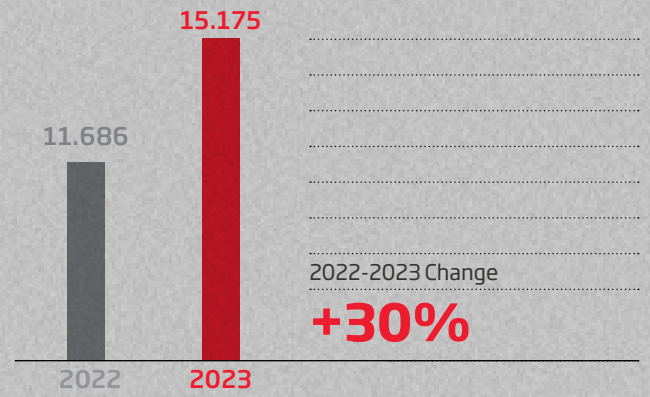
2023 FINANCIAL AND OPERATIONAL HIGHLIGHTS (*)

PRESENTATION

TOTAL ASSETS (TRY million)

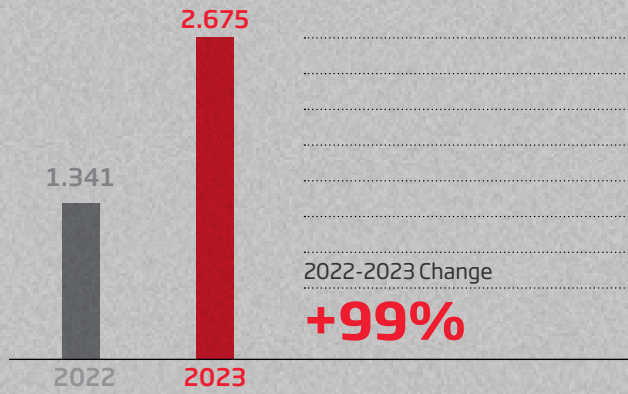


SALES REVENUES (TRY million)

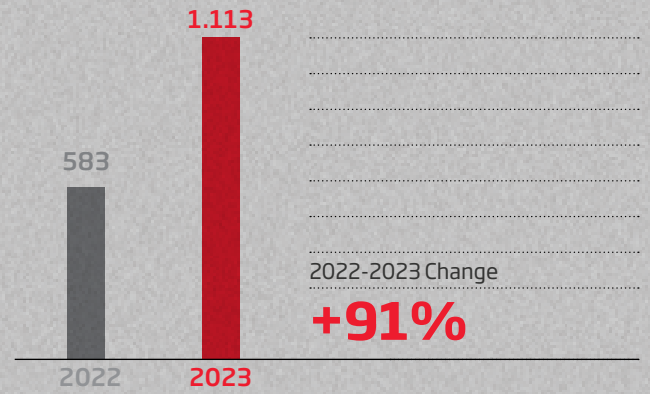


2023 ACTIVITIES

GROSS PROFIT (TRY million)

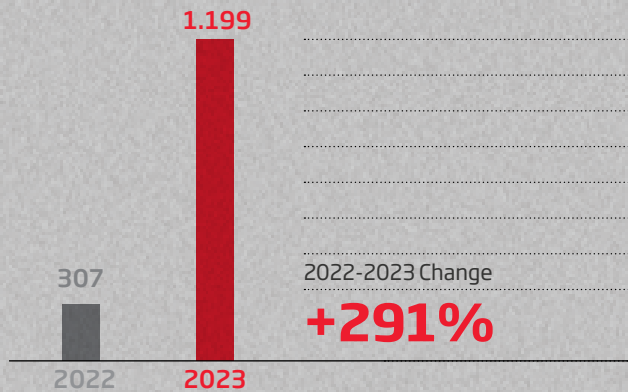


INVESTMENT EXPENDITURES (TRY million)

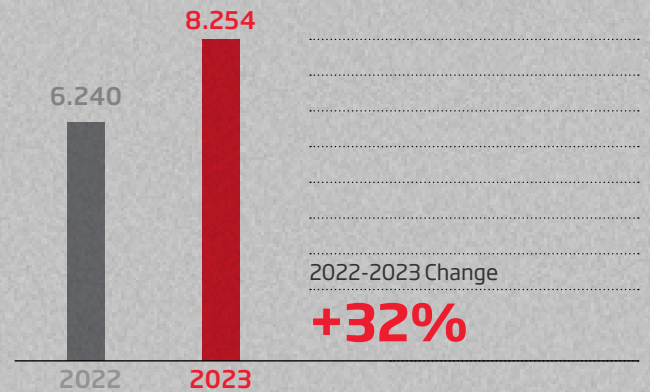


SUSTAINABILITY

EBITDA (TRY million)



TOTAL EQUITY (TRY million)



CORPORATE GOVERNANCE

FINANCIAL INFORMATION

FINANCIAL DATA (TRY)	2023	2022
Sales Revenue	15,174,742,066	11,686,265,335
Gross Profit	2,675,235,355	1,341,059,853
EBITDA	1,199,460,249	307,148,806
Profit Before Tax	1,704,955,000	735,514,010
Net Profit (Controlling Shares)	1,614,217,374	784,307,983
PROFITABILITY RATIOS (%)	2023	2022
Gross Profit Margin	17.6	11.5
Net Profit Margin	10.6	6.7
Return on Equity	19.6	12.6
Operating Expenses/Net Sales	12.3	11.9
Financial Expenses/Net Sales	5.3	3.2
EBITDA Margin	7.9	2.6
CURRENT RATIOS	2023	2022
Current Ratio	1.20	1.19
Cash Ratio	0.40	0.35
Liquidity Ratio	0.81	0.81
SOLVENCY RATIOS (%)	2023	2022
Trade Debt-to-Equity Ratio	45.2	58.1
Financial Debt-to-Equity Ratio	19.4	14.3
(Total Trade Debt + Total Financial Debt)/Equity	109.0	111.4
Debt-to-Asset Ratio	56.8	57.5
Equity-to-Asset Ratio	43.2	42.5
MARKET VALUE (TRY)	2023	2022
ASUZU	16,488,360,000	19,437,600,000

©TAS29 hyperinflation accounting compliant financial figures.

MESSAGE FROM THE CHAIRMAN OF THE BOARD



**ANADOLU ISUZU,
WHICH DEVELOPS
CUSTOMER-FOCUSED
TRANSPORTATION
SOLUTIONS BASED
ON ADVANCED
TECHNOLOGY IN
ITS PRODUCTION
PROCESSES, AIMS
TO BECOME AN
INTEGRATED AND
GLOBAL PLAYER IN THE
COMMERCIAL VEHICLE
SECTOR**

Dear Stakeholders,

On the 100th anniversary of the establishment of our Republic, all companies and employees of the Anadolu Group experienced the rightful pride of contributing to our country's economic growth, the welfare of our people, and social progress.

With a vision of being the "star that connects Anatolia to the world and the world to Anatolia," the Anadolu Group continues to add value to our country, our world and our stakeholders with its presence in 20 countries, nearly 80 companies, 90 production facilities, 6 R&D centers and 100,000 employees.

Drawing strength from the contributions of all our stakeholders to our common wisdom, we progress and work towards achieving even greater successes. In the second century of the Republic, we will continue to prioritize being a good corporate citizen, prioritizing sustainability and ultimately generating shareable added value.

The year 2023 witnessed numerous developments that affected our activities

In 2023, our country experienced one of its greatest sorrows. The earthquakes centered in Kahramanmaraş on 6 February 2023, resulted in significant loss of life and economic damage. On this occasion, we respectfully commemorate all our citizens who lost their lives, and we sincerely share the grief of those left behind.

In 2023, efforts to tighten markets to control the global inflation wave came to the forefront. Despite all the challenges posed by global dynamics, our country managed to keep its exports and labor market alive and achieve growth. The new economic policy implemented after the general elections to reduce inflation began to yield positive results after August, strengthening confidence in the Turkish economy.

Anadolu Isuzu, with its performance, is the pride of its sector and one of the cornerstones of Turkish industry

Through comprehensive transformations in recent years, Anadolu Isuzu has been proactively preparing for the future of the global manufacturing sector, where environmentally friendly and smart production patterns are becoming dominant. Concurrently, our company has accelerated its development and launch efforts for electric and other alternative fuel vehicles in line with the changing patterns of mobility.

Anadolu Isuzu, which develops customer-focused transportation solutions based on advanced technology in its production processes, aims to become an integrated and global player in the commercial vehicle sector.

We work with our stakeholders for our stakeholders

Anadolu Isuzu, focusing on developing products, services and innovation efforts through its own assets and national ecosystem collaborations, is poised to write new success stories in the rapidly evolving segment of electric vehicles, which is one of the most exciting areas of technology in the upcoming period.

The economic environment and markets surrounding us will continue to be filled with risks and opportunities in the coming period. Additionally, we will witness the acceleration of global efforts to create a carbon-neutral world and advancements in digitalization. In this environment, we will further strengthen our production and trade cycles and enhance the corporate value we produce by developing innovative technologies and products.

We believe that our success will continue as we work and progress with our stakeholders. On behalf of our Board of Directors, I greet you, our esteemed stakeholders, and express gratitude for your valuable contributions and trust.

TUNCAY ÖZİLHAN

Chairman of the Board of Directors

MESSAGE FROM THE PRESIDENT OF THE AUTOMOTIVE GROUP



ANADOLU ISUZU, WITH ITS DEEP-ROOTED HISTORY, CLEAR GROWTH STRATEGY FOR THE FUTURE, HUMAN RESOURCES SUPPORTED BY COGNITIVE COMPETENCIES AND STRONG SHAREHOLDER STRUCTURE, IS POISED TO BE ONE OF THE MAIN STAKEHOLDERS OF THE TRANSFORMATION

In 2023, the global economy exhibited greater resilience than anticipated.

Throughout the year, central banks in many countries prioritized combating inflation. Implemented interest rate hikes and tightening policies aimed to reduce inflation that had spiraled out of control, leading to significant erosion in household welfare. Tightening policies aimed at curbing pricing anomalies in economies fundamentally necessitated cooling economic activity.

By the end of 2023, it was observed that the widely applied prescription was correct, as inflation began to decline faster than expected in most economies, including advanced ones, from the peak levels reached in mid-2022.

Another notable observation during this period was that the global economic system demonstrated a much more resilient stance than previously thought. Factors supporting this resilient outlook included the resilient nature of employment markets and the easing of supply-side issues, resulting in relaxations in energy and commodity prices. This development largely dispelled recession concerns, with the soft landing of the global economy becoming the mainstream expectation.

In the U.S. economy, the impact of interest rates occurred in a radical and rapid manner.

The Federal Reserve's unprecedented series of interest rate hikes adversely affected monetary assets, but the sheer size and innovative prowess of the U.S. economy supported the notion that such adversities would be short-lived. In 2023, GDP growth in the United States exceeded expectations, with factors such as productivity gains in the manufacturing sector, the resilience of the labor market, and high consumer confidence being key drivers of success.

The Eurozone implemented productivity-focused developments, albeit weak, signaling signs of recovery.

The Eurozone, which holds significant importance in our Company's export geography, experienced 2023 in a scenario of high inflation, high interest rates and near-stagnation.

The energy crisis that emerged as a consequence of the Ukraine-Russia war, which began in 2022, was overcome by diversifying gas supply sources. In 2023, the lingering aftershocks of the energy impasse were significantly mitigated by policies focused on rapidly enhancing the efficiency of the economic cycle. The region reduced natural gas consumption by around 20% in 2023. This outcome was largely attributed to the conscious behavior of the European population and the widespread acceptance of austerity measures. The EU anticipates stronger growth and inflation approaching the European Central Bank's target of 2% by 2025.

The Turkish economy experienced two distinct periods in 2023.

Before the general elections, Turkey pursued a unique policy approach, which later transitioned to a simplified approach based on a change in economic management in the second half of the year. Similar to much of the world, the fight against inflation took center stage in our country as well. Radical market movements were observed until August, but widely accepted policies prioritizing price stability particularly played a role in stabilizing the economy from the last quarter of the year onwards. As the process of converting foreign currency assets into Turkish Lira accelerated, Turkey's credit default swap (CDS) rapidly decreased.

These achievements are considered significant not only on a macro scale but also for our sector, as they are expected to support the healthy evaluation of new initiatives.

As risks and opportunities evolve, our sector and Anadolu Isuzu

In the short, medium and long term, our sector and Anadolu Isuzu will face numerous issues ranging from the climate crisis to green transformation, from global migration issues to macroeconomic dynamics.

This dynamic process will present both direct and indirect impacts on the automotive sector in which we operate. Electric vehicles and alternative fuel mobility solutions will emerge as the main trend, while economic constraints will shape collective and shared mobility.

Artificial intelligence, innovation and production reforms, which can be considered as the results of humanity's millennia-long struggle for technology and prosperity, will also play a decisive role in the future of our sector.

While artificial intelligence applications have the potential to increase productivity and revenues in our sector, the outcomes obtained will develop as a function of the innovation capacity and artificial intelligence potential of manufacturers operating in different geographies.

Anadolu Isuzu, Turkey's commercial vehicle brand, has already begun to demonstrate that it will be one of the main stakeholders in this transformation, with its strong performance driven by its deep-rooted history, clear growth strategy for the future, human resources supported by cognitive competencies and strong shareholder structure.

I congratulate the management and employees of Anadolu Isuzu for their strong performance in 2023.

I extend my greetings to all our stakeholders and wish health and well-being until we meet again at the 2024 report, where we will share our continued successes.

BORA KOÇAK

President of the Automotive Group

MESSAGE FROM THE CEO



ALIGNED WITH OUR STRATEGIC PLANS FOCUSING ON STRONG AND STABLE GROWTH, WE POSSESS A SUSTAINABLE FINANCIAL STRUCTURE AIMED AT INCREASING OUR REVENUE, PROFITABILITY AND FOREIGN INCOME.

In 2023, globally implemented monetary tightening policies, geopolitical tensions, a weak confidence environment and slowing global trade exerted pressure on growth.

It was observed that the risks to global economic growth were balanced.

The global economy, which started the year 2023 with a rather risky outlook, demonstrated significant resilience amid regional and sectoral divergences, and managed to emerge from the recessionary environment at the beginning of the year with a slow but better-than-expected growth performance.

Throughout the year, the restrictive effects of tightening monetary policies, especially on manufacturing sector production, and geopolitical risks continued to affect the global economy.

It was observed that inflation in many countries decreased from the peak levels reached in 2022 due to the impact of interest rate hikes initiated by central banks worldwide to combat inflation and the tightening of financial conditions.

Additionally, during the year, it was also observed that energy and commodity prices eased as supply-side problems were alleviated by addressing supply chain constraints that emerged during the pandemic period covering 2019-2022.

The ongoing Russia-Ukraine war in 2023, coupled with comprehensive sanctions imposed on Russia by Western countries and Russia's announcement in July of withdrawing from the Grain Corridor Agreement, remained among the geopolitical risks of global concern.

In its Global Economic Outlook Report released in January 2024, the IMF forecasted that the global economic growth, which stood at 3.5% in 2022, would decrease to 3.1% in 2023, with partial slowing down due to the higher resilience shown by the United States and some major emerging economies than expected, along with the effects of support in China.

In 2023, the Turkish economy recorded a growth close to its long-term average.

Turkey, which concluded the year 2022 with a positive deviation among major economies with a growth rate of 5.6%, was affected in 2023 by various adverse developments such as the global economic slowdown, weakness in its main export markets and the major earthquakes that occurred in February in the country.

Despite these developments, Gross Domestic Product (GDP) in terms of chain volume index (2009=100) increased by 4.5% in 2023 compared to the previous year. GDP at current prices, which showed a 75% increase compared to 2022, reached TRY 26 trillion 276 billion 307 million in 2023. At the end of the year, GDP per capita was calculated at TRY 307,952 (USD 13,110) at current prices.

Despite the volatile economic environment both globally and in our country, we have demonstrated successful financial performance.

Aligned with our strategic plans focusing on strong and stable growth, we possess a sustainable financial structure aimed at increasing our revenue, profitability and foreign income. With the development we have shown since our establishment, we are increasing the value added for our country every year. With our team aiming for excellence in production and service and our contemporary management approach, we have achieved strong financial performance in 2023.

In 2023, with a healthy balance sheet structure, our Company's total revenue increased by 30% to TRY 15.175 million. The increase in our gross profit was 99%, while our EBITDA increase was 291%.

We will continue to work tirelessly to make this success sustainable and to further improve it.

We continued to evaluate the risks and opportunities arising from the transformation happening globally.

Research has shown that in the age of information, the most important qualities distinguishing successful businesses from others are speed, flexibility, and the ability to foresee the future. In the global competitive environment, businesses must make quick and accurate decisions to respond to changes and take advantage of unexpected opportunities.

Pressures from disruptive technologies, defined as innovative products or services replacing dominant products and services in the market, along with high costs and intensifying competition, are among the risks we face.

The pressure from disruptive technologies has a significant impact, especially on domestically owned high-locality companies like Anadolu Isuzu. Challenges can arise in developing components for new disruptive technologies such as smart vehicles and alternative fuel vehicles using local technologies. With awareness of these challenges, we place great importance on developing domestic ecosystems and collaboration in the supply chain.

Another issue we consider important is the risk of falling behind in competition, especially in export competitiveness, due to high costs. We are aware of the need to continue our investments related to both climate and disruptive technologies to increase our share in the European market, which is our focus. With this awareness, we are continuing our efforts, including those aimed at productivity improvement.

We are already preparing for the obligations that will come with the European Union Green Deal.

The European Union (EU) Green Deal, published by the European Commission in 2019, aims for the European continent to become the first carbon-neutral continent by 2050. The goal of the deal is to achieve a cleaner environment, more affordable energy, smarter transportation, and better quality of life with new employment opportunities for the European continent.

MESSAGE FROM THE CEO

In the framework of the “Fit for 55 Package” published by the EU Commission in 2021, the Border Carbon Adjustment Mechanism is planned to be initiated primarily as an emission reporting obligation for five carbon-intensive sectors (cement, electricity, fertilizers, iron and steel, and aluminum) starting from 2023, with a transition to a tax system based on this reporting mechanism by 2026.

The European Union (EU), aiming to reduce carbon emissions by 55% by 2030 and to transform into a climate-friendly continent by 2050 within the scope of the European Green Deal, is taking various steps, especially in the transportation sector, to rapidly reduce emissions.

Although the obligations of the deal may not directly affect the automotive sector at present, we believe that our sector will be included in the scope of new regulations in the future. In this context, we are steadily continuing our investments to bring our facilities into compliance with the Deal's conditions.

With the Solar Energy Plant (SEP) investment we realized in 2022 with the aim of providing 70% of our annual electricity consumption from renewable energy sources, together with the 1.2 MWp capacity second phase we commissioned in June 2023, our total installed capacity reached 6.7 MWp.

In 2023, with the 6,895 MWh of electricity generated from solar energy, we prevented the emission of 3,035 tons of CO₂ greenhouse gases.

We continued to strengthen our competitive edge through both investments and innovation efforts.

In 2023, we continued our pioneering, productivity, and profitability-focused R&D and innovation investments in our sector. We made significant progress in the electric vehicle sector, one of our focus areas.

We are developing projects to expand and categorize our electric vehicle portfolio and conducting detailed research on hydrogen-based production. NovoCiti Volt, designed as 100% electric, offers silent, comfortable, and zero carbon emission travel in the midibus segment. Our new 100% electric vehicle, BIG.e, in the micromobility field, will revolutionize last-mile transportation with its compact size, environmentally friendly, and economical structure. CitiVolt, a 12-meter electric bus with fully electric drive and zero emissions, provides a wider space for passengers. NovoVolt, Anadolu Isuzu's first electric Service & Tourism bus, is set to bring zero emissions, low noise, and modernity to cities.

An important step we took in 2023 was to acquire carcass production, expert workforce, and knowledge in this field to achieve the strong growth we aim for in midibus and bus production. This investment is of great importance for the scaled development of all our production operations.

With the cathodic electrodeposition (KTL) renewal investment we started in 2023, we aim to produce products with high corrosion resistance, provide superior

IN 2023, WE CONTINUED OUR PIONEERING, PRODUCTIVITY, AND PROFITABILITY-FOCUSED R&D AND INNOVATION INVESTMENTS IN OUR SECTOR.

performance and achieve flawless quality standards in all models. We see this project, which we plan to complete by July 2024, not only as a technological investment but also as evidence of our commitment to continuous improvement.

In 2023, we continued to invest in new production technologies to increase water reuse and efficiency in all our activities. In this context, we implemented a new facility investment with increased capacity of our wastewater treatment plant threefold, using more innovative, higher-efficiency treatment equipment, and energy-friendly equipment. With the project to be commissioned in 2024, we will create a technological system where wastewater recovery facility can be integrated.

We are increasing our operational efficiency with our equal opportunity approach.

We aim to maintain a balance between female and male employees in human resources, and to achieve development at all levels and increase our efficiency. We are conducting comprehensive studies on equal opportunity that we want to reflect particularly in operational roles.

One of these initiatives is the Vocational Development Program, which we have implemented to meet the need for skilled workforce with technical knowledge and skills in our sector, as well as to increase women's participation in the automotive production workforce. By selecting half of the program participants from women, we contributed to female employment in production areas, while also emphasizing the fact that women can work at every stage of production.

In 2024 and beyond, maintaining productivity and competitiveness will be our focal points.

As a company that has set its roadmap for the future, we will continue to generate high added value for our country in the coming years. We consider our experience, knowledge, and dynamic identity as our most important pillars in this journey.

One of our strategic goals is to complete our portfolio in terms of alternative fuel vehicles by 2025. In line with this, we are continuing our efforts to implement new investments and projects.

In the upcoming period, the potential effects of macroeconomic measures taken in our country on domestic market demand and the logistical challenges that are likely to persist will be subjects that we will constantly monitor.

Regarding the relatively more stable foreign demand at present, we are evaluating ways to reach more customers and deepen our presence in our markets, focusing on strengthening our competitive advantage through improvements in our business processes.

Leading our industry, managing change continuously, and achieving maximum efficiency in all our processes will remain among our key objectives in the coming years.

I extend my gratitude to our employees for their endless efforts and contributions in realizing our goals and to all our stakeholders for their unwavering support.

Tuğrul Arıkan
CEO

AS A COMPANY THAT HAS SET ITS ROADMAP FOR THE FUTURE, WE WILL CONTINUE TO GENERATE HIGH ADDED VALUE FOR OUR COUNTRY IN THE COMING YEARS.

ANADOLU ISUZU SHAREHOLDERS

ANADOLU GROUP

Anadolu Group operates with the vision of being “The star that links Anatolia to the world and the world to Anatolia” and maintains its activities in 7 sectors (beer, soft drink, retail, agriculture, automotive, stationery and energy) and in 20 countries with approximately 80 companies, 90 production facilities, 6 R&D centers and 100,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, Honda, Honda Marine, Kohler, Johns Hopkins Medicine.

Anadolu Group manages its environmental, social and corporate governance activities in the strategic areas “future” of Nature, Business and People, with the sustainability strategy “From Anadolu to the Future”. Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club.

Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.

ANADOLU'YU DÜNYAYA, DÜNYAYI ANADOLU'YA BAĞLAYAN YILDIZ



ANADOLU GROUP

OUR FOUNDING PHILOSOPHY

COLLECTIVE MIND



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

OUR VALUES

WE ALWAYS FOCUS ON HUMAN



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

WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH



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

WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT



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

WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER



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

ANADOLU ISUZU SHAREHOLDERS

ISUZU MOTORS LTD. COMMENCED OPERATIONS IN 1916.

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

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

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

Aiming to provide high-quality products and services to its customers and develop new technologies that will contribute to the requirements of the industry, Isuzu Motors Ltd. produced Japan's first-ever air-cooled diesel

engine 100 years ago, and has always made a difference with its pioneering, predictive and innovative structure.

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

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

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

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

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



ISUZU

● ITOCHU CORPORATION: A GLOBAL GI- ● ANT DATING BACK TO 1858

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

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

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

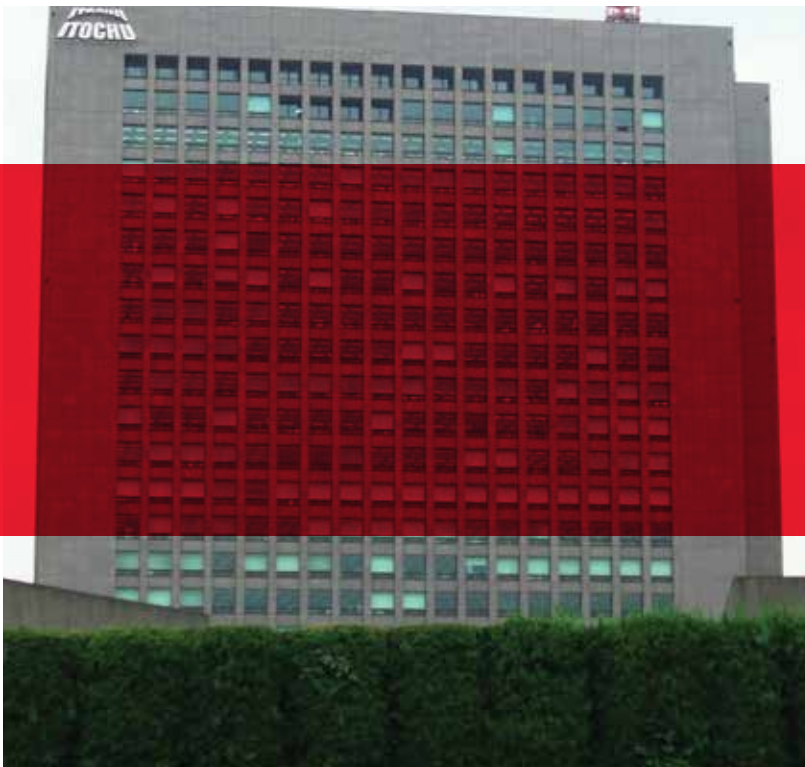
With more than 200 affiliates and more than 100 subsidiaries, Itochu Corporation provides service with its Istanbul branch as well as its Ankara office, which opened in 1963.

A SOLUTION PARTNER THAT TAKES ON MAJOR PROJECTS IN TURKEY

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

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

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



ANADOLU ISUZU PRODUCT PORTFOLIO



**VERSATILE D-MAX
PICKUP**

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

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

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

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



**WIDE PRODUCT RANGE
TRUCKS**

• NPR


• NPR Long

• NPR10

• NPR10 Long

• NPR3D

• NQR 90



**A PARTNER FOR SMEs
LIGHT
TRUCKS**

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

• N-Wide

• N-Wide Long

ANADOLU ISUZU OFFERS ITS CUSTOMERS COMFORT, SAFETY AND DRIVING PLEASURE WITH ITS HIGH- VALUE PRODUCT RANGE.

BIG.e, the electrical micro truck which is completely developed and manufactured in Turkey with the R&D and innovation power of Anadolu Isuzu that is a pioneer in its industry, stands out as a product having such features that will change the definition of last kilometer transportation, primarily in large cities. With a 100% electrical, high performance, quiet and zero emission engine and the internal size and carrying capacity of a minivan, BIG.e has the character of being a solution to respond to the "last kilometer" transportation needs which gained importance in large cities. The vehicle has a compact and agile structure and has an innovative and environment-friendly 100% electrical engine.



RAPID SOLUTION TO LAST KILOMETER
TRANSPORTATION NEEDS

BIG.e

EFFICIENCY AND
PROFITABILITY
ORIENTED AND
ENVIRONMENT
FRIENDLY PRODUCTS

MIDIBUSES- BUSES



Anadolu Isuzu produces midibuses and buses which provide solutions to the needs of public transportation, tourism and service transportation sectors and which are developed in line with the public transportation trends of the future. Isuzu buses are designed and manufactured with the objectives of providing an efficient and profitable business model to their operators, offering a comfortable and safe journey to passengers and vehicle personnel and at the same time having features requested by the world's municipalities such as zero emission, quietness, comfort, completely electrical and alternative fuel.

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

• Grand Toro

• Turkuaz/
Turquoise

• Novo/Novo S

• Novo Lux/Novo
Ultra

• Novo Volt

• NovoCiti

• NovoCiti Life

• NovoCiti Volt

• Citiport 18

• Citiport 18 CNG

• Citiport 12

• Citiport 12
Hyper

• Citiport 12 CNG

• Citiport 12 CNG
Hyper

• Citi Volt

• Kendo/
Interliner 13
CNG

• Kendo/
Interliner 12.3

• Visigo

• Visigo Hyper

• Visigo
Interurban

D-MAX

OFFERING EQUIPMENT, TRACTION SYSTEM AND GEAR OPTIONS, THE ALL-NEW D-MAX HAS A POWERFUL 1.9-LITER ISUZU ENGINE

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



ISUZU D-MAX FOR ALL BUMPY RIDES

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

Put on the Turkish market in 2004, the D-Max has sold a total of 38,929 units by the end of 2023.

LOAD CARRYING AND TOWING CAPACITIES OF D-MAX

Isuzu D-MAX comes with a carrying capacity ranging from 1,075 to 1,120 kg, depending on the vehicle model. In 4x2 models, it has a towing capacity of 2,500 kg, while in 4x4 models, it has a towing capacity of 3,500 kg with trailer brakes.



VERSATILE D-MAX

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

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

Providing 163 ps, 360 Nm/2,000-2,500 rpm flat torque, the 1.9-liter D-Max's engine is not only powerful, but also durable and economical. Allowing the driver to have full control of the steering wheel, the vehicle draws attention with its new LED daylight lamps, heated front seats, electric driver seat, keyless entry and starting system, high-beam assist, adaptive cruise control, traffic sign recognition system, turn assist, self-leveling headlamp system, lane keeping support, hill start assist and hill descent control, smart cruise control, dual-zone automatic digital air conditioning, central airbag and electric wing mirrors foldable with the press of a button.

The 9-inch touchscreen multimedia system that offers wireless Android Auto and Apple CarPlay support is offered

as standard equipment in the equipped D-Max models.

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

With the D-Max, Anadolu Isuzu introduced the groundbreaking "shift-on-the-fly" system that enables switching to the 4x4 mode with a single button. Continuously improving its engineering advantages, D-Max generates the same power as its predecessor with its new 1.9-liter diesel engine, 6-speed manual and automatic transmission options, while offering lower fuel consumption, a silent cabin and a comfortable ride. Moreover, 4x4 models have Motor Vehicle Tax advantage with 1.9 lt engine.

SUITABLE FOR URBAN ROADS

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

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



TRUCK GROUP

TRUCKS EQUIPPED WITH THE NEW GENERATION ISUZU ENGINES PROVIDE DRIVERS WITH A COMPREHENSIVE SOLUTION TO THEIR NEEDS

Modern and simple exterior design



NPR

With a useful chassis length of 4.3 meters and a gross vehicle weight of 7.5 tons, the NPR fully meets the needs of drivers with its next-generation, low fuel consumption Isuzu engine, while providing high performance at the same time. With its 150 PS engine power, 375 Nm torque Isuzu engine and its durability, it adds value to the business of its users for many years.

NPR LONG

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

NPR10

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

NPR10 LONG

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

NPR3D

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

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

LARGE LOAD CARRYING CAPACITY AND SUPERIOR MANEUVERABILITY

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



LIGHT TRUCKS



LIGHT TRUCKS THAT OFFER COMFORT IN TRANSPORTATION AND EFFICIENCY IN USAGE TO CUSTOMERS FROM EVERY SEGMENT, PARTICULARLY SMES

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

N-WIDE

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

N-WIDE LONG

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

EFFICIENT TRANSPORTATION, COMFORTABLE USE

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

BIG.e

Anadolu Isuzu is entering a new area in transportation with its 100% electrical vehicle BIG.e. BIG.e brings a different dimension to last kilometer transportation with its fully electrical engine, compact size and economic structure.

Anadolu Isuzu carries its 40-year experience in commercial vehicle segment it gained with its production of midibuses, buses and trucks to the area of micro mobility. BIG.e, the electrical micro truck which is completely developed and manufactured in Turkey with the R&D and innovation power of Anadolu Isuzu that is a pioneer in its industry, stands out as a product having such features that will change the definition of last kilometer transportation, primarily in large cities. With a 100% electrical, high performance, quiet and zero emission engine and the internal size and carrying capacity of a minivan, BIG.e was first introduced in IAA Transportation Fair.

The product of Anadolu Isuzu's engineering "micro giant"

BIG.e has the nature of Anadolu Isuzu's signature to the future reflecting its experience in the areas of logistics and transportation areas. Having mega features in its microstructure BIG.e will fill an important gap in the market. Its production will be made at Anadolu Isuzu's Çayırova plant which has the properties of a smart factory.

BIG.e, will create a difference in its class with its high capacity, large internal volume and modular design

BIG.e, which can easily be used by everybody, has the character of being a solution to respond to the "last kilometer" transportation needs which gained importance in large cities. The vehicle has a compact and agile structure and has an innovative and environment-friendly 100% electrical engine. Every detail of the vehicle was elaborately developed to meet the current needs of last kilometer transportation. With its unique characteristics, BIG.e is

ready to carry the freight load of companies from courier companies to local distribution services of chain stores in the most economical way. With its superior qualities and high maneuverability, BIG.e is a competitor of the minivan class and it will provide significant advantages to the companies.

Having a large carrying volume of 4 cubic meter and 1000 kg of haul capacity, BIG.e provides a driving range of 150 kilometers with three different battery capacities.

Catering to businesses from every sector, especially that engage in intensive deliveries, BIG.e, with its advantageous features, will initially be offered to customers with three battery options (10.5 kWh, 16 kWh, and 21 kWh) and a speed of 60 km/h for last-mile transportation. BIG.e also offers practicality and flexibility, making it suitable for safe use in many services provided by municipalities.

Rapid and easy charging possibility from an outlet like a mobile phone

One of the most important advantages of BIG.e is that it can be charged just like a mobile phone through the standard electric network by plugging in. While full charge capacity is reached within 5 to 9 hours, this time can be reduced to 2 to 5 hours with an additional charging equipment. It will also be a pioneer in its segment in terms of total cost of ownership.

With a modern design, practical features, safe and economical characters, BIG.e is planned to be offered for sale at year-end 2024 and it is expected to achieve a great success in the market.

Having mega features in its microstructure, BIG.e will fill an important gap in the market. Its production will be made at Anadolu Isuzu's Çayırova plant which has the properties of a smart factory.



BUSES AND MIDIBUSES

MIDIBUSES AND BUSES, PREFERRED BY THE SERVICE SECTOR, THAT MEET THE NEEDS OF INDIVIDUAL AND FLEET USERS

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



VISIGO

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

VISIGO INTERURBAN

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

Visigo models, lengths and engine power:

- Visigo Hyper / 9.6 m, 320 hp

- Visigo Interurban Hyper / 9.6 m, 320 hp



CITIPOINT 18 & CITIPOINT 12

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



Citiport models, lengths and engine power:

- Citiport 18 / 18 m, 370 hp
- Citiport 12 / 12 m, 300 hp
- Citiport 18 CNG / 18 m, 320 hp
- Citiport 12 / Hyper 12 m, 341 hp

- Citiport 12 / CNG 12 m, 280 hp

- Citiport 12 / Euro 5 12 m, 289 hp

- Citiport 12 / CNG 12 m, 320 hp

KENDO

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

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

The Kendo CNG was awarded the "Sustainable Bus of the Year 2022" award in the Intercity segment at the "Sustainable Bus Award" event held in Europe. The Kendo, which has achieved tremendous success with its design, won the 'Gold A' Design award in the A Design Award competition in Italy in 2020, the BIG SEE Awards organized to encourage creativity in Europe and the "best design" award in the in best in the product design category of the "Dizayn Turkey" awards in 2021.



Passenger capacities;

- 63 seats, 13 CNG
- 59 seats, 12.3 diesel

Kendo models, lengths and engine powers:

- Kendo 13 CNG: 13 m, 320 hp
- Kendo 12.3 Diesel: 12.3 m, 370 hp

BUSES AND MIDIBUSES

CITIBUS

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



Citibus models, lengths and engine powers:

- Citibus: 9.5 m, 211 hp
- Citibus Euro 5: 9.5 m, 204 hp

TURKUAZ

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

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



Turkuaz models, lengths and engine powers:

- Turkuaz Euro 5-6: 7.7 m, 190 hp
- Turkuaz Interurban Euro 5-6: 7.7 m, 190 hp
- Turkuaz Euro 2: 7.7 m, 175 hp

GRAND TORO

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



Grand Toro models, lengths and engine powers:

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



NOVO LUX / NOVO ULTRA

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

Novo Lux/Ultra models, lengths and engine powers:

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

NOVO / NOVO S

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

NovoCiti models, lengths and engine powers:

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



**AESTHETIC DESIGN,
MAXIMUM PASSENGER
COMFORT**

BUSES AND MIDIBUSES

NOVOCITI

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



NovoCiti models, lengths and engine powers:

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

NOVOCITI LIFE

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



NovoCiti Life length and engine power:

- NovoCiti Life: 8 m, 186 hp

NOVOCITI VOLT

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

Offering two different battery capacities to the user, NovoCiti Volt provides a range of up to 300 km with a battery capacity of 211 kWh, and a range of 400 kilometers with a battery capacity of 268 kWh. Thanks to the positioning of the battery packs on the ceiling, the vehicle's range can be extended or shortened. The electric motor located at the rear end of the vehicle has a power of 270 kW and a torque value of 2,500 Nm.



NovoCiti Volt models, lengths and engine powers:

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

CITIVOLT

CitiVolt, which is completely electrical and has zero emission, aims to add value to whole city for a renewable and sustainable future. With its brand new design and latest technological equipment CitiVolt will provide many important benefits for passengers, drivers, operators and most importantly society.

CitiVolt offers 4 different battery capacities to the user and a driving range of 480 km. It has a high passenger capacity as the battery packages are positioned at the ceiling and thanks to optimum weight distribution. E-Axle electrical engine guarantees a strong driving performance and leaves a large room inside for passengers.



CitiVolt models, lengths and engine powers:

- 12 meter, Low Floor
- e-engine 250 kW
- 225 kWh, 300 kWh, 375 kWh and 450 kWh NMC Batt

NOVO VOLT

Designed as 100% electric in the midibus segment, Novo Volt stands out with its quiet, comfortable and zero-emission features. By placing the battery packs on top of the luggage compartment, a large part of the luggage volume is preserved, while also balancing the center of gravity. As a result, Novo Volt offers its passengers a safer and zero-emission journey. As Anadolu Isuzu's first electric medium-sized bus, Novo Volt aims to add value to cities and strengthen our sustainable future goals.

Novo Volt models, lengths and engine powers:

- 7.3 meters
- e-engine 320 kW
- 165 kWh Battery Capacity

Anadolu Isuzu buses offer efficient transportation and comfortable use.

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

DEFENSE INDUSTRY



VEHICLES WITH SUPERIOR OFF-ROAD CAPABILITY, HIGH DURABILITY AND SUITABLE FOR MULTI-PURPOSE USE

Seyit Tactical Wheeled Military Trucks are produced using domestic capabilities and offered to the Turkish Armed Forces.

Anadolu Isuzu manufactures armored/unarmored trucks and midibuses for the defense industry under the Anadolu Defense brand, from 4x4 models up to 14x14 models, to meet the requirements of the Turkish Armed Forces in the field of logistics.

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



Seyit Tactical Wheeled Military Vehicles

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

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



MIDIBUS

In order to ensure safe and comfortable personnel transportation, midibus vehicles capable of providing protection up to BR6 level according to the need are being developed, tested, and manufactured by Anadolu Isuzu's R&D capabilities tailored to the requirements of user authorities.



GLOBAL AND TURKISH ECONOMY



RESILIENT

DESPITE THE
SLOWDOWN
OBSERVED IN GLOBAL
ECONOMIC ACTIVITY
AND INFLATION,
EMPLOYMENT
MARKETS HAVE
MAINTAINED THEIR
RESILIENT OUTLOOKS

MACROECONOMIC OUTLOOK

Global Economy

In 2023, amidst continued interest rate hikes by central banks globally to combat inflation and tightening financial conditions, a slowdown in global economic activity has become prominent. The restrictive monetary policies, particularly evident in their constraining effects on manufacturing sector production, were more pronounced in advanced economies.

Despite the slowdown in global economic activity and inflation, employment markets maintained their resilient outlooks. The likelihood of a soft landing in the global economy increased.

The ongoing Russia-Ukraine war and comprehensive sanctions imposed on Russia by Western countries, along with the Israel-Palestine conflict that began in October 2023, were central issues on the agenda, while geopolitical risks in the Red Sea toward the end of the year opened a new dimension.

Turkish Economy

In 2023, despite the slowing global economy, the Turkish economy exhibited strong growth performance. Despite the slowdown in the global economy, weaknesses in many of our main export markets, and the adverse effects of the major earthquakes in our country in February, the Turkish economy grew by 4.5%, mainly supported by private and public consumption as well as investment. The swift and effective measures implemented helped maintain the momentum of economic activity while limiting the adverse effects of earthquakes on growth.

In 2024, although the delayed effects of monetary tightening are expected to be more clearly observed, it is anticipated that credit support measures to boost exports and investments, along with increases in minimum wage, will support growth through the domestic demand channel.

In 2023, high levels of inflation were observed due to wage increases, exchange rate developments, rising tax rates, food prices, rigidity in service inflation, and strong domestic

Following bank bankruptcies in the United States in the first quarter and a bank rescue operation in Switzerland, swift and effective actions taken by central banks and regulatory authorities to contain risks in the banking sector mitigated downward risks to global growth outlook.

In the January 2024, Global Economic Outlook Report published by the IMF, it was noted that inflation had fallen more rapidly than expected in many regions during a period of supply-side issues and restrictive monetary policies. In this context, the IMF forecasts global economic growth to reach 3.1% in 2023, driven by greater resilience in the United States and some major emerging economies than anticipated, along with support measures in China.

demand outlook. The Consumer Price Index (CPI) closed the year at 64.77%, consistent with the 65% target set in the Medium-Term Program.

In the second quarter of the year, with the new economic management, effective and decisive steps were taken to combat inflation, initiating efforts to strengthen financial stability through fiscal policy and structural reforms alongside monetary policy. With the effective measures of the economic management, international credit rating agencies made upward revisions to Turkey's sovereign credit rating outlooks, and significant decreases were observed in the country's CDS risk premiums.

**THE TURKISH ECONOMY
DEMONSTRATED STRONG
GROWTH PERFORMANCE IN
2023 DESPITE THE SLOWING
GLOBAL ECONOMY**

OUTLOOK OF THE AUTOMOTIVE SECTOR

INCREASE

THE TOTAL
PRODUCTION OF THE
AUTOMOTIVE SECTOR
IN TURKEY INCREASED
BY 9% IN 2023



The total production of the automotive sector in Turkey increased by 9% in 2023, according to data released by the Automotive Manufacturers Association. During the reporting period, the total number of vehicles produced in Turkey rose to 1,468,393 units.

Car production increased by 17.5% compared to the previous year, reaching 952,667 units. The total market in 2023 increased by 55% compared to the same period last year, reaching 1,283,952 units.

In the commercial vehicle group, production decreased by 5% in 2023, while in the light commercial vehicle group, it decreased by 7%, and a growth of 16% was observed in the heavy commercial vehicle group. Compared to the January-December period, the commercial vehicle market increased by 35%, the heavy commercial vehicle market by 17% and the light commercial vehicle market by 39%.

In 2023, total vehicle exports increased by 5% in terms of units, while car exports increased by 16%. During this period, total automotive exports amounted to 1,018,247 units, and car exports reached 663,090 units. In 2023, the sector's total exports increased by 13% in dollar terms and 10% in euros, reaching USD 35.7 billion.

Commercial vehicle production decreased by around 5% in 2023. Looking at the product groups, an increase of 30% was observed in buses, 40% in minibuses, 12% in trucks and 9% in minibuses. However, the van segment contracted by 9%.

The capacity utilization rates of the automotive sector in 2023 were 74% for light vehicles (cars + light commercial vehicles), 91% for trucks, 54% for buses-minibuses and 75% for tractors. The total capacity utilization rate of the sector during the same period was 74%.

According to the Uludağ Exporters' Associations (UİB) data, automotive exports increased by 13% in 2023 compared to 2022, reaching USD 35.7 billion. In terms of Euros, it increased by 10%, reaching EUR 31.01 billion. During this period, primary industry exports increased by 16% in dollar terms, while supply industry exports also recorded a growth of 10%.



THE NEW BIG.e CREATING DIFFERENCE IN ITS CLASS

CARRYING CAPACITY OF
1,000 KG

RANGE OF
120 KM



SECTION 2

2023 ACTIVITIES



IN SUMMARY

PERFORMANCE

IN 2023, SUPPORTED BY ITS ROBUST FINANCIAL STRUCTURE, ANADOLU ISUZU ACHIEVED A HEALTHY OPERATIONAL PERFORMANCE DESPITE THE FLUCTUATIONS POSED BY GLOBAL AND NATIONAL ECONOMIC CONDITIONS AND THE VARIABLE OUTLOOK OF THE TURKISH AUTOMOTIVE SECTOR



TOTAL REVENUE OF TRY 15.2 BILLION

Anadolu Isuzu continued to conduct its operations in 2023 in accordance with its global vision. The Company's total revenues reached TRY 15.2 Billion.

In 2023, despite fluctuations caused by global and domestic economic conditions and unstable outlook of the Turkish automotive sector, Anadolu Isuzu achieved a healthy operational performance with the support of its strong financial structure.

Keeping its activities focusing on stabilizing exports and domestic market, Anadolu Isuzu continued its moves to enhance shareholder value with a risk based approach.

A healthy performance in the domestic market

Turkey's commercial vehicle brand, Anadolu Isuzu, continued to complement its successes in the domestic market in 2023.

Having achieved significant growth in bus and minibus exports in 2023, Anadolu Isuzu replicated this success with its strong share in the medium-duty segment in the domestic market.

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

Isuzu medium-duty trucks came to the forefront in 2023 with their advantages in terms of durability, power and low operating costs, which are critical in commercial use.

Anadolu Isuzu's total sales in the medium-duty truck segment reached 3,356 in 2023. Maintaining its leadership in the medium-duty, 6-16 ton truck segment in Turkey for more than 10 years, Anadolu Isuzu's market share in this segment was 40% in 2023.

EXPORT ACTIVITIES



RECORD

**ANADOLU ISUZU
BROKE A NEW EXPORT
RECORD IN 2023. THE
COMPANY'S EXPORT
REVENUE REACHED
A TOTAL OF EUR 149
MILLION, WITH EUR
139 MILLION FROM
VEHICLE SALES AND
EURO 10 MILLION
FROM SPARE PARTS
SALES**



New Export Sales Record

Anadolu Isuzu broke a new export record in 2023. The Company's export revenue reached a total of EUR 149 million, with EUR 139 million from vehicle sales and EUR 10 million from spare parts sales.

Sales to the top 10 countries in terms of turnover in 2023 constituted 76% of Anadolu Isuzu's total exports, with France, Israel, and Georgia taking the top three positions.

Anadolu Isuzu's export market share among domestic brands in its segment was 22%.

According to OSD data, Anadolu Isuzu had a 44% market share in midibus exports and a 9% market share among domestic producers in buses in 2023.

The Company captured a total market share of 9% among all domestic and foreign brands. It maintained its leadership in midibus segment exports, achieving an almost unbeatable record by leading Turkey's midibus exports for the 20th time. In 2023, the highest contributions to midibus and bus exports came from Novociti Volt, Turkuaz, and Kendo.

Growth in the Electric Vehicle Market

Electric vehicle sales increased from 21 units in 2022 to 77 units in 2023. During this period, 62 units of Novociti Volt and 15 units of Citivolt were sold.

Strengthened Position in Georgia

The delivery of the 65 Citibus units won in the Batumi tender was completed in April. With this latest delivery, Anadolu Isuzu's fleet serving the city's residents reached 109 vehicles (85 Citibus, 24 Novociti Life).

Additionally, Anadolu Isuzu won a tender for the supply of 154 midibuses to 30 different regions of Georgia with Novociti E5. Deliveries will continue throughout 2024.

Development with Electric Vehicles in the Italian Market

Anadolu Isuzu's distributor in Italy achieved a 15-year record in the bus-midibus market by succeeding in low-volume tenders, expanding its segment of service. Especially in electric vehicles (EVs) and low-volume tenders, the distributor, which has established itself in the market, is preparing to participate in larger tenders in the EV segment and achieve new successes in 2024.

Novociti Volt Delivery in Romania

Anadolu Isuzu delivered 29 Novociti Volt units to the Romanian market. With this number, Romania has become the country with the largest Isuzu electric bus fleet in Europe.

Novociti Volt Demo Tour

In 2023, Anadolu Isuzu organized a demo tour for the electric vehicle Novociti Volt in Europe. Bringing its new electric vehicle together with existing and potential customers, Anadolu Isuzu also provided an opportunity to experience the vehicle.

Tour Routes and Countries:

1. Route: Spain-France-Portugal-Italy
2. Route: Romania-Hungary-Bulgaria-Lithuania-Serbia-Greece

Anadolu Isuzu Continues to Expand into New Territories

As part of its international market development efforts in 2023, Anadolu Isuzu appointed its first distributors in Norway and Finland, making its entry into the Scandinavian region, which is a pioneer market for electric vehicle transition after Central Europe. During the year, distributor appointments were also made in Ireland following the UK, deepening the presence in right-hand drive markets and new distributor appointments in Portugal and Belgium contributed to expanding its presence in the Central European market. By conducting the first sales and distributor appointments in Kazakhstan with the SKD production model, Anadolu Isuzu entered the Central Asian market.

Barcelona UITP Fair

Anadolu Isuzu strengthens its strong growth momentum in both domestic and international markets by participating in international sectoral events with its innovative and environmentally friendly vehicles. Having achieved significant success in world markets with its high-volume bus exports in recent years, Anadolu Isuzu showcased its innovative and environmentally friendly vehicles at the Global Public Transport Summit of the International Association of Public Transport (UITP) held in Barcelona, Spain, from 4 to 7 June 2023.

Brussels Busworld Fair

Anadolu Isuzu participated in the Busworld Europe Brussels Fair with its electric vehicles. Considered one of the most important events in the commercial vehicle sector, the fair, which brings together leading commercial vehicle brands and associated suppliers, was held in Brussels from 7 to 12 October.

Breakdown of 2023 electric vehicle sales by country (unit)

ROMANIA	DENMARK	LITHUANIA	ISRAEL	ITALY	SPAIN
29	18	16	10	3	1

MARKETING AND DEALER NETWORK EXPANSION ACTIVITIES

RECOGNITION

MANAGING THE MAIN BRAND WITH A MARKETING STRATEGY THAT REINFORCES THE REPUTATION AND BRAND AWARENESS OF PRODUCTS AND SERVICES IN LINE WITH DESIRED BUSINESS OBJECTIVES AND THE CURRENT CONSUMER AND TECHNOLOGY TRENDS OF THE DAY



ANADOLU ISUZU LISTENS WHAT CUSTOMERS, DEALERS AND AUTHORIZED SERVICES HAVE TO SAY

Anadolu Isuzu prioritizes customer satisfaction, always designing new projects and development efforts to align with this goal.

Through the call center, the Company regularly conducts satisfaction surveys with customers, sharing the results with relevant departments. Requests and complaints from customers are forwarded to the appropriate departments and efforts are initiated to resolve the issues. Customer satisfaction surveys have shown that satisfaction levels with both service and products have reached around 90%.

Satisfaction surveys are also conducted with dealerships and service centers to understand their expectations and preferences, enabling the development of action plans for improvement.

Within an effective CRM structure, contact is established with customers who permit communication. Dealerships and service centers utilize this system to reach their customers more effectively and enhance satisfaction levels.

Investment has been made in a Marketing Module to conduct campaigns and marketing communications with customers more effectively. This module will be utilized for creating target audiences, managing after-sales campaigns, and conducting cross-selling campaign communications.

ANADOLU ISUZU EMPHASIZES THE IMPORTANCE OF TRAINING FOR DEALERS AND AUTHORIZED SERVICE PERSONNEL

In 2023, face-to-face training sessions were organized for sales consultants and service advisors on professional topics. These sessions aimed to enhance employees' knowledge and expertise in sales processes, service procedures, products and market trends.

Additionally, practical driving technique training sessions on Efficient Driving were conducted for municipal and fleet customers.

These training sessions included explanations of methods to achieve fuel savings for vehicle users, demonstrating a potential improvement of up to 25% compared to previous driving styles. Important information on safe driving was also provided during these sessions, enhancing customer satisfaction.

CONTINUITY IN DEALER INSPECTIONS STARTED TO YIELD POSITIVE RESULTS

All vehicle sales dealers are audited twice a year by an independent firm, identifying areas for improvement and enabling enhancements to be made. Regular open dealer inspections cover topics such as corporate identity, facilities, sales management, organization, sales process, website, and

used car operations. Following the audits, reports are prepared and sent separately to each dealer.

As a result of the process implemented in 2023, dealers' success scores have exceeded 85, leading to significant overall improvements. In 2024, efforts will continue to sustain the impact of these initiatives.

SIGNIFICANT ACHIEVEMENTS IN DEALER STANDARDIZATION EFFORTS

Diverse practices in the appearance of vehicle sales dealerships have been eliminated, ensuring all sales outlets are designed according to the new standard. Efforts to arrange furniture and visuals within facilities in harmony with the new standard have been accelerated.

All authorized service centers have been adorned with Isuzu D-Max visuals and all old-style exterior signs have been renewed. A separate service standard has been developed for municipal-type buses, with the first compliant service center launched in Istanbul.

Service standards for electric vehicles have been prepared and shared with dealerships and authorized service centers. A separate service and dealership standard has been prepared for D-Max vehicles to reach retail customers more efficiently and provide better service.

MARKETING AND DEALER NETWORK EXPANSION ACTIVITIES

COMMUNICATION CAMPAIGN FOR THE 100TH ANNIVERSARY OF THE REPUBLIC

Anadolu Isuzu has prepared a themed advertising film titled "We Are the Republic, Our Face Is Bright" featuring Anadolu Isuzu employees, depicting the values of the Republic, the pride of the past and the hope of the future, in honor of the Republic's 100th anniversary.

Alongside the advertisement film, visual materials specific to the 100th anniversary of the Republic have also been prepared for all sales dealerships and authorized service centers.

ANADOLU ISUZU RECEIVES THE "BRAND MANAGING THE BEST CUSTOMER EXPERIENCE OF THE YEAR" AWARD IN THE COMMERCIAL AUTOMOTIVE CATEGORY AT THE ALFA AWARDS 2023

Anadolu Isuzu has been selected as the "Brand Managing the Best Customer Experience of the Year" in the commercial automotive category at the ALFA Awards 2023, which rewards brands that have achieved success in sustainable customer experience management. This marks the 9th time Anadolu Isuzu has received the award, having also been the recipient in 2022.

"RESPECTED BRAND OF THE YEAR" AWARD FOR ANADOLU ISUZU AT THE ONE AWARDS

Anadolu Isuzu has been named the "Respected Brand of the Year" in the Commercial Automotive category at The ONE Awards, considered one of the most prestigious awards in the marketing industry.

CORPORATE BRAND AND PRODUCT MARKETING ACTIVITIES

Anadolu Isuzu manages its main brand with a marketing strategy aimed at enhancing the reputation and brand awareness of its products and services in line with the Company's business objectives. This strategy also focuses on developing customer and brand loyalty, aligning with current consumer and technology trends and encompassing the brand's milestones.

Anadolu Efes Sports Club Sponsorship:

With the aim of supporting Turkish sports and athletes, Anadolu Isuzu has been providing safe and comfortable travel opportunities to Anadolu Efes Sports Club since the 2014-2015 season with Visigo buses. The sponsorship agreement with Anadolu Efes Sports Club continued in the 2022-2023 season.

Galatasaray Sports Club Sponsorship

The sponsorship agreement with Galatasaray Sports Club Football Team has been extended for another 3 years, continuing until the 2025/2026 season.

Gaziantep Sports Club Sponsorship

Anadolu Isuzu signed a sponsorship agreement with Gaziantep Sports Club for the 23/24 season, expanding its sponsorship and visibility in the Super League to 2 teams.

Domestic Sales Meeting

An annual evaluation meeting with the participation of domestic sales dealers was held on July 13, 2023.

IDEF International Defense Fair

Anadolu Isuzu participated in the 16th IDEF International Defense Fair held from 25 to 28 July 2023, under the brand name Anadolu Savunma, showcasing the Seyit 8x8.

Domestic After-Sales Services Meeting in Cyprus

The Anadolu Isuzu After-Sales Services Evaluation Meeting with the participation of all authorized service centers operating domestically was held from 24 to 26 October 2023.

Antalya Distributors Meeting

The Annual Distributors Meeting of Anadolu Isuzu was held from 22 to 24 November 2023, with the participation of distributors and managers operating abroad.

D-MAX MARKETING ACTIVITIES

23 April National Sovereignty and Children's Day Event

On 15 April 2023, Anadolu Isuzu organized an event at Turkcell Platinum Park where 23 participants competed with D-MAX vehicles. The event, held in collaboration with TOG - Community Volunteers Foundation, saw donations made by the participants being transferred to children in earthquake-affected areas.

Sabancı University Alumni Meeting

On 9 September 2023, D-MAX models were showcased, and test drives were conducted at Sabancı University.

Karavanist Fair at Tüyap

Anadolu Isuzu participated in the Karavanist Fair held at the Istanbul Tüyap Fair Center from 7 to 15 January 2023, showcasing the D-MAX V-CROSS equipped with camping gear.

AGROEXPO Izmir Agricultural Fair

From 1 to 5 February 2023, Anadolu Isuzu participated in the Izmir Agricultural Fair, exhibiting D-MAX and NPR models.

Viaport Marina Shopping Mall Event

From 30 August to 2 September 2023, D-MAX was showcased at Viaport Shopping Mall, with activities organized as part of the 30 August Victory Day celebrations.

OutdoorFest Kadıköy

Anadolu Isuzu participated in the OutdoorFest event in Kadıköy on 23-24 September 2023, showcasing D-MAX models.

Bursa Agriculture Fair

Anadolu Isuzu participated in the Bursa Agriculture Fair held at the Tüyap Fair Center from 3 to 7 October 2023, exhibiting D-MAX and NPR models.



AFTER-SALES SERVICES

SERVICE NETWORK

ANADOLU ISUZU IS FOCUSED ON MEETING THE POST-SALES DEMANDS AND EXPECTATIONS OF ITS DOMESTIC AND INTERNATIONAL CUSTOMERS IN ALL SEGMENTS IT SERVES, SWIFTLY AND ACCURATELY, THROUGH A HIGH-QUALITY SERVICE NETWORK



CONTINUOUSLY IMPROVING CUSTOMER SATISFACTION

Anadolu Isuzu is focused on meeting the after-sales demands and expectations of its domestic and international customers to the highest level and as rapidly as possible with its high-quality service network in all of the segments it serves. Believing that the actual service begins after the sale and in the importance of maintaining customer satisfaction, Anadolu Isuzu continued to expand its after-sales services structure in 2023.

Digital transformation activities continued, including remote technical training programs, a new online communication system for overseas distributors, domestic dealer online system developments, a vehicle notification system for malfunctions and spare parts, an online wholesale

spare parts sales platform, tablet in service/distributor development and inspections. The transition to check sheet and remote connections and technical support (PRO-EYE) systems were carried out effectively.

The activation of the Anadolu Isuzu After-Sales Services Technology Center in 2022 has paved the way for faster and more accurate technical repair when compared to methods used in the past. Remote technical support, remote training with active participation, technical solution videos and remote warranty parts inspection service was implemented.

In 2023, Anadolu Isuzu SSH Technology Center continued to provide remote technical support and training, technical solution videos and remote warranty parts inspection services.

ANADOLU ISUZU AFTER-SALES SERVICES TECHNOLOGY CENTER

Pro Eye System

Anadolu Isuzu prioritized digital transformation projects in After Sales Services functions and implemented a wide array of projects in 2023. In 2023, the Company continued to support distributors through ProEye and made some improvements for easier use of the application.

Joint Fault Diagnosis Device REDI

Anadolu Isuzu has introduced its jointly developed fault diagnosis device REDI to authorized service centers in 2023. This enables Anadolu Isuzu to aim for providing its users with faster diagnostic and service capabilities.

EV Workshop

In 2023, Anadolu Isuzu established a special workshop to increase the know-how of service personnel at its after-sales network, to analyze the operation of the system through simulations and continued to train the personnel at its network.

Our digital sales platforms

<https://yedekparca.isuzu.com.tr>

In 2023, significant enhancements were made to the digital sales platform <https://yedekparca.isuzu.com.tr>, which provides services to the entire domestic market outside of Anadolu Isuzu authorized service centers. With this sales platform, original and ANT spare parts were supplied to more than 700 points within two years.

BI snapshot

In 2023, real-time sales reports, warehouse performance and stock performance reports accessing instantaneously changing data were observed and analyzed through the Power BI project.

Domestic & International Service and Spare Parts

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

The number of customer complaints reaching the complaint line decreased by 10% in 2023. As of the end of 2023, Anadolu Isuzu was delivering high value-added services

through its authorized services at 91 points in 57 provinces in Turkey and 133 different points in 43 countries abroad. In addition, three wholesaler spare parts dealers continued to serve their domestic customers.

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

Anadolu Isuzu enhanced its system through digital transformations in order to use its current resources rationally when responding to service and spare part needs of the customers under variable circumstances such as changing demand, price, supply period and production capacity of suppliers and managed to provide a steady service flow.

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

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

Anadolu Isuzu has organized periodic service campaigns to further increase customer satisfaction, which has always been a top priority. The service campaigns have also attracted a great deal of interest on global service network.

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

Spare Part Exports Record

Anadolu Isuzu's spare part exports reached a record level in 2023 and increased by 33% when compared with 2022.

As of year 2023, Anadolu Isuzu started spare parts deliveries to distributors from Europe Logistic Center, located in Stuttgart.

Fleet management platform

benim.isuzum.com.tr

The new fleet system implemented in 2022 continued to be developed in 2023. The website benim.isuzum.com.tr is actively used, allowing fleet customers to update their information and view their vehicle histories.

SUPPLY CHAIN

STRUCTURING

THROUGH
RESTRUCTURING,
IT IS NOW POSSIBLE
TO MEET MATERIAL
NEEDS FROM DEMAND
TO PRODUCTION
PLANNING IN THE
MOST EFFECTIVE
AND EFFICIENT
MANNER, THANKS TO
A COMPREHENSIVE
APPROACH



A KEY FUNCTION THAT CONTRIBUTES TO THE COMPETITIVENESS OF ANADOLU ISUZU

The Company's Supply Chain Directorate contributes to the Company's competitiveness by targeting to meet changing and diversified customer expectations and demands with the most cost-effective and shortest lead times, adapting quickly and effectively to changing market dynamics.

Anadolu Isuzu also organizes joint indirect procurement activities with the Holding and group companies. This synergy contributes to increasing cost advantages with commercial and economic gains.

COMPATIBLE PROCUREMENT STRATEGY WITH PRODUCTION CONDITIONS

While Anadolu Isuzu conducts sales under mass production conditions for truck, van and pick-up customers, it predominantly engages in made-to-order production for the midibus and bus segments. In 2022, the Company underwent a successful restructuring process in line with the Advanced Planning system, which encompasses material requirement planning, procurement and integrated logistics systems, tailored to different customer demands.

This restructuring enables the effective and efficient fulfillment of material needs from demand to production planning through a comprehensive approach.

Anadolu Isuzu is a manufacturer oriented towards exports. The Company primarily exports to the European market, producing at high-quality standards aligned with the market's expectations. Strengthening its supply network with qualified suppliers capable of meeting the high-quality expectations of the European market is a priority for the company.

This strategic procurement approach of Anadolu Isuzu also plays a significant role in achieving its goals of sustainable production and increasing customer satisfaction. The Company can adapt to the rapidly changing market conditions through a customer-centric and flexible production process.

A COMPREHENSIVE PROCUREMENT APPROACH THAT MEETS A WIDE PRODUCT RANGE

The Company plans and executes the procurement of a total of 35,000 different inputs, including both imported and domestic, used in its production cycle, and satisfies the spare part requirements with the procurement of 16,000 different items.

COLLABORATION WITH OVER 400 SUPPLIERS

To compete in the markets it operates in under competitive conditions, Anadolu Isuzu places great importance on optimal material procurement in terms of cost, quality, and logistics. In this context, by the end of 2023, the Company has collaborated with over 400 suppliers domestically and over 100 suppliers internationally, totaling over 500 suppliers.

Commercial relationships with 20% of the supplier portfolio have been maintained for over 30 years. While a significant portion of domestic suppliers is located in the Marmara Region, the Company also has strategically important suppliers in other geographical regions of Turkey.

Anadolu Isuzu operates under long-term agreements with suppliers it collaborates with both domestically and internationally in significant procurement items. This approach ensures the deepening of supplier relationships and their transformation into strategic business partners under the principles of win-win and sustainability. Commercial relationships shaped under this value chain umbrella form a solid foundation for Anadolu Isuzu to meet its wide product range and maximize customer satisfaction.

DOMESTIC CONTENT RATE

One of Anadolu Isuzu's primary goals is to increase the domestic content rate in production and to leverage local resources to the maximum extent possible.

SUPPLY CHAIN

WORK ON DEFENCE PROJECTS

Anadolu Isuzu plays an active role in defense projects required by the Turkish Armed Forces, in addition to exports. In line with the goal of developing domestic and national solutions for defence projects, the Company has begun directing its existing suppliers to this area and implemented joint R&D activities.

Efforts to develop domestic and national solutions within the scope of commercial vehicle projects also include similar approaches for defense projects.

In addition to the existing capabilities of the supply portfolio, new subsystem manufacturers suitable for the needs of defence projects have been included in the system, and their approval processes have been completed. While defence projects continue at full speed, the distribution of parts and vehicles for defense group vehicles is successfully carried out in line with customer needs.

CONTRIBUTIONS OF OUR EMPLOYEES

The most important factor ensuring that the Supply Chain functions as a key function is the strength derived from its employees. In this context, supply chain employees have implemented 20 digitalization projects and made significant contributions to the process with 130 Kaizen studies in 2023.

TO INCREASE EFFICIENCY END-TO-END

Anadolu Isuzu Supply Chain utilizes electronic tracking and control systems that enable optimization in supply and logistics operations by closely following technological innovations. The unit works within an approach aiming to increase efficiency end-to-end.

LOGISTIC EFFICIENCY PROVIDED BY THE MILK-RUN SYSTEM

Anadolu Isuzu employs the Milk-Run system extensively in the Marmara and Aegean regions to maintain the highest level of logistic performance. This system, which gains importance with each period, is managed and reported on a digital platform.

DIGITAL TRANSFORMATION, INDUSTRY 4.0 APPLICATIONS

Anadolu Isuzu Supply Chain possesses a structure that closely monitors technological advancements and aims to integrate them into its processes. Industry 4.0 applications such as Smart Shelf and Picking systems, Kit Delivery, Online Shipment Tracking and Advanced Planning systems have been identified as the most suitable digital solutions for current needs and integrated into processes.

THE INCREASING IMPORTANCE OF TRANSPORTATION AND FUTURE-ORIENTED STRATEGIES

While the majority of imports are provided via sea route from Japan-Thailand, the variety and volume of supplies from different parts of the world are increasing. This situation enhances the importance of road transportation for Anadolu Isuzu. Air transportation holds a small share among the Company's supply options.

Anadolu Isuzu provides services to 4 continents and 29 countries in export vehicle logistics, and to 3 continents and 27 countries in spare parts logistics, by ensuring full integration with its customers. The Company focuses on implementing pioneering practices in the industry by aiming to control costs through various transportation methods.



R&D AT ANADOLU ISUZU

**ANADOLU
ISUZU**

AR-GE MERKEZİ

COMPETITION

R&D ACTIVITIES THAT INCREASE COMPETITIVENESS SUPPORT THE ENHANCEMENT OF OVERALL PERFORMANCE IN MANY AREAS SUCH AS SUSTAINABILITY, COST MANAGEMENT, EFFICIENCY AND CUSTOMER SATISFACTION



IN 2023, AUTHORIZED R&D CENTER OFFICIALS WHO CONDUCTED A TOTAL OF 14 WRITTEN AND VERBAL PUBLICATIONS DOMESTICALLY AND INTERNATIONALLY CONTRIBUTED TO THE RECOGNITION OF ANADOLU ISUZU ON NATIONAL AND INTERNATIONAL PLATFORMS

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

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

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

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

ANADOLU ISUZU R&D CENTER

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

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

RESEARCH AND DEVELOPMENT CONTRIBUTES TO ANADOLU ISUZU'S PROFITABILITY AND SUSTAINABLE FUTURE

With 6,000 square meters of indoor space, the modern building of the R&D Center has one of the largest new test centers in Turkey and Europe, a prototype workshop and office & meeting spaces.

The R&D Center continues to offer innovative commercial and military products and services on an international platform with its dynamic and expert human resources, and creates value for the customers. The Center's objective is to add increasing value to its customers and enhance Anadolu Isuzu's competitive edge.

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

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

In this context, many systemic and software elements, which had been carried out by outsourcing in the previous period, are increasingly being solved internally thanks to the opportunities provided by developing R&D competence and increasing knowledge. Algorithms obtained as a result of

consumption simulations and the analysis studies developed, and which have started to be applied within the body of R&D, have paved the way for reductions in fuel consumption.

Through the implemented projects, customer satisfaction is enhanced, resources are utilized more effectively and a competitive advantage is achieved in our favor. The knowledge accumulation of the R&D Center will facilitate compliance with targeted requirements and changing regulations in future commercial and military projects, continuing to meet evolving customer expectations, achieve cost savings, and create added value.

At the Anadolu Isuzu R&D Test Center, in addition to structural, functional and performance tests for projects, external services are also delivered for firms and institutions which request such tests. With the external test services, R&D Center contributes to development of the Turkish automotive and defense industry.

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

The preliminary conceptual designs of the studies, which represent an important axis of Anadolu Isuzu's future strategy and are in the feasibility stage, were carried out in 2023.

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

Supply chain problems that started with the pandemic in global scale continued in 2023. In this process, alternative solutions have been offered for parts which could not be supplied, or which could not be supplied in the planned time.

Meetings were held with non-profit organizations such as OTEP, TAYSAD and TESİD and the Company worked on creating awareness among domestic producers in accordance with development and needs of the automotive industry. The resolution of the processes through domestic means has also contributed to the development of the automotive industry in Turkey.

At Anadolu Isuzu, successful projects which meet the needs and expectations of customers continue to be carried out by integrating the digital transformation process and technological developments into the work flow. The R&D Center not only provides the necessary data and content for these studies, but also contributes to the optimization and efficiency of the system.

ANADOLU ISUZU'DA AR-GE

CLIMATE CHANGE

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

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

The expanding sales geography and network of Anadolu Isuzu constitute an important channel for gathering customer feedback that will contribute to the development of existing and ongoing vehicle projects. In line with these feedback, new features, revisions and updates tailored to customer needs are implemented on vehicles within the framework of custom design and production strategy, creating added value and reinforcing a customer-centric brand image. Continuous development activities provide opportunity for Anadolu Isuzu to enter into new markets and to strengthen its position in current markets. Within the scope of continuous development, required optimization values for the vehicles were sustained through virtual test, analysis and simulation activities, while regulation tests and transitions were made and approvals were obtained to keep the Company's presence in new and current markets and to increase its market share.

Citivolt and BIG.e International Design and Safety Awards

Citivolt and BIG.e have stood out as remarkable vehicles in international and national design awards. These award programs evaluate products not only based on aesthetics and style but also on their integrity and focus on innovative designs that make a difference. Contents created with intensive effort during applications play a significant role in identifying areas for improvement and adapting to trends. Additionally, each application contributes to the knowledge base for the next vehicle.

Citivolt, with its 100% electric power and second-generation design language, has won the "public transport" category at the German Design Awards. This vehicle has not only established its superior performance in safety with its sleek and modern design but also confirmed its excellence in the safety field by winning the "Bus Safety" category at the Busworld Awards fair.

The BIG.e model, designed with a focus on last-mile transportation, was awarded in the "product" category by the BIG SEE Product Design Award. These competitions examine designs not only from an aesthetic perspective but also with a holistic approach to the innovative integration of technical infrastructure design values.

Successes achieved in prestigious design award organizations such as the German Design Awards and Big See Design Awards have created reliable and effective references to increase brand value and global recognition.

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

Anadolu Isuzu continues its success in the automotive sector, having received patents as a result of its R&D activities. To date, Anadolu Isuzu has submitted applications for a total of 371 patents, including 60 utility models and 185 domestic design registrations. The Company has a total of 107 patents registered by the TPI, with a total of 34 utility models and 184 industrial designs. In 2023, 8 patents, 1 utility model, and 9 domestic industrial design applications were filed, resulting in 8 domestic industrial design registrations and 1 domestic patent registration.

IMPROVED EXPORT PERFORMANCE WITH R&D SUPPORT

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

This approach ensures that individual, customer-specific criteria are included in the design, configuration, ordering, planning, production and operation phases; it offers the potential to meet individual customer needs where even one-off products can be produced profitably. Promising to transform existing business models with the technologies it provides, Industry 4.0 leads new opportunities for Anadolu Isuzu's export markets strategy. Thanks to the tailor-made boutique work, it is possible for the product configuration to be tailored more to customer preferences.

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

Anadolu Isuzu has played an active role in potential sales by examining the tender specifications coming from the markets as well as the R&D product designs specific to customer demands and preparing their feasibility, and provides all kinds of technical information and document support to the sales teams. Within the scope of these studies, 2,500 vehicles were produced with 665 different designs and 145 tender specifications were examined.

COLLABORATIONS WITH UNIVERSITIES

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

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

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

Having made 14 written and oral publications abroad and in the country in 2023, R&D Center representatives have contributed to Anadolu Isuzu's recognition on national and international platforms.

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

Anadolu Isuzu R&D Center conducts joint projects with start-ups, suppliers and SMEs within the scope of strategic collaborations to increase its know-how and follow the technological developments in the world more closely. Collaborations were made with more than 30 firms and mentorship activities were realized. Additionally, project development activities are also being conducted within the scope of TÜBİTAK projects.

New suppliers are being added to the Company's supply network which will develop business capability and the range of motion is increased. This points out to Anadolu Isuzu's contribution to Turkey's automotive ecosystem.

NUMBER OF NATIONAL AND INTERNATIONALLY SUPPORTED PROJECTS ARE INCREASING

The importance of supported projects is big in terms of monitoring and supporting the developing technology in both national and international platforms and improving corporate knowledge. Collaborating with start-ups, universities and large companies and taking part in national/international projects for creating outputs responding to global needs are a great contribution to development of both Anadolu Isuzu and our country and it enhances recognition.

Our 2 projects were approved within the scope of Technology Oriented Industry Move of the Ministry of Industry and Technology. Meetings were held with numerous local firms for priority technological areas and synergy was established.

Working on TEYDEB supported projects, Anadolu Isuzu encourages its suppliers and institutions it collaborates with. The Company provides opportunity for undergraduate, graduate and doctorate level students to gain experience at their R&D Center within the scope of industry-university partnership.

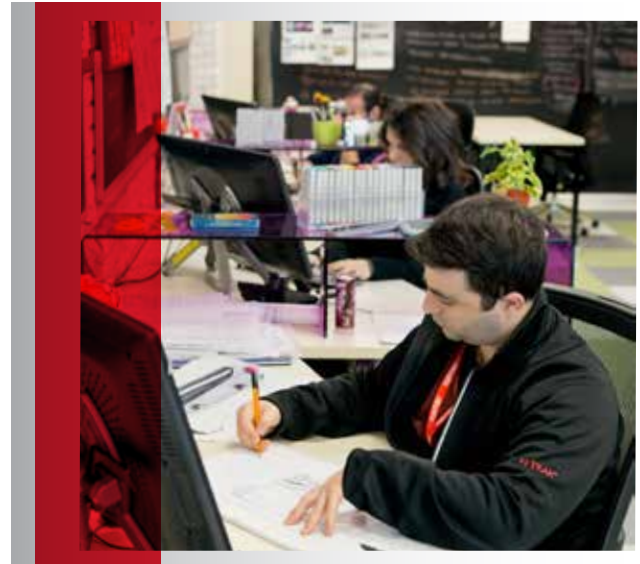
The project that started in 2019 within the scope of international Eureka was completed, whereas Horizon2020 5GMed project that started in 2020 continue.

FUTURE GOALS

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

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

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



DIGITAL TRANSFORMATION AND KAIZEN ACTIVITIES

SATISFACTION

ANADOLU ISUZU IS RAISING THE BAR IN PRODUCTION QUALITY WITH THE SMART FACTORY PROJECT SUCCESSFULLY IMPLEMENTED IN LINE WITH THE DIGITAL TRANSFORMATION AND INDUSTRY 4.0 VISION

INDUSTRY 4.0 AND DIGITAL TRANSFORMATION PROJECTS

In its digital transformation journey, Anadolu Isuzu moved on confidently in 2023 with numerous projects.

Aligned with its digital transformation vision, Anadolu Isuzu successfully completed the first phase of its Smart Factory project. The Smart Factory project manages the complex production flow and extensive production areas resulting from the variability created by "Tailor-made Manufacturing" and delivers personalized product production-related information to operators through the Internet of Things (IoT) support.

Designed entirely to fit Anadolu Isuzu's production areas and processes down to the finest detail, the Smart Factory project's every layer, from planning to implementation, has been developed with advanced technology applications. The project has surpassed similar applications in the industry

with its high level of visibility and the detail level reached by the "digital twin" application, which is a direct reflection of all production processes in the digital world.

Thanks to the established IoT infrastructure, the Smart Factory project enables real-time, error-free monitoring of vehicles and processes with the highest precision. Different departments such as logistics, production, quality, sales and exports can instantly access all the information they need regarding production and delivery.

The advanced functions of the project also significantly reduce paper consumption, contributing to Anadolu Isuzu's goal of "paperless production."

DIGITAL TRANSFORMATION AND KAIZEN ACTIVITIES

BUS AND TRUCK FACTORY

Smart Factory Integration of the Vehicle Tracking System

The Vehicle Tracking System, used to monitor the processes within the factory until the delivery of vehicles produced on the production line, has been integrated into the Smart Factory system as a digitalization effort.

With the transition of the system to the Smart Factory, the effectiveness of SAP integration has been increased; the traceability of production, mechanical, touch-up, and delivery has been enhanced. The tracking of affected

times and the control of inefficiencies due to missing parts, return parts, part defects, etc., have been ensured with the addition of sections to the system.

Digital Process Card

At Anadolu Isuzu, process cards were manually filled out on A4 paper, progressed on the lines with the vehicle card, and archived as output. The process has been digitalized via a process card screen on SAP-Fiori using tablets. Traceability, secure data storage, and prevention of transition to other stations without filling out the process card have been achieved.

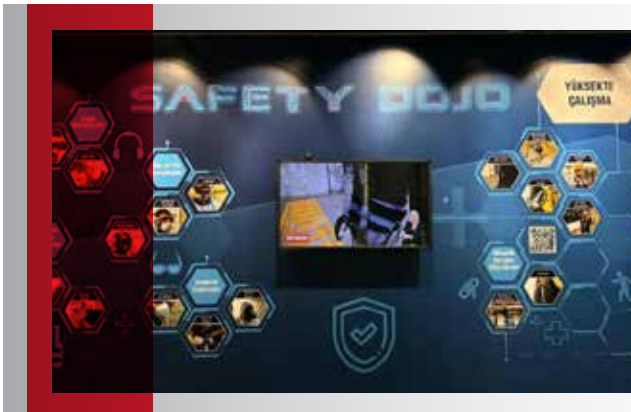


Augmented Reality in Production (ARiS)

Critical operation instructions in production are provided to operators via tablets using the Augmented Reality in Production (ARiS) application. Additionally, augmented reality technology is utilized in new line installations within the factory.

Virtual Reality (VR) HSE Training

Through VR training and application, training on suitable personal protective equipment selection for the working environment (PPE), working at heights, etc., is provided. These trainings are conducted both digitally and practically in simulated working environments, reinforced with application.



Safety Dojo

In the Safety Dojo area, all trainings on PPE usage and importance, working at heights, lifting and carrying vehicles are conducted digitally and practically, tailored to the production structure at Anadolu Isuzu, with experts' guidance.



FORMED BY THE COMBINATION OF TWO JAPANESE WORDS: "KAI" MEANS CHANGE, "ZEN" MEANS GOOD. KAIZEN IS A PHILOSOPHY OF CONTINUOUS IMPROVEMENT. ANADOLU ISUZU IS CARRYING ITS STRENGTH AND QUALITY IN PRODUCTION INTO THE FUTURE WITH THE "SMART FACTORY APPLICATION.

ISUZU LEAN PRODUCTION PROJECTS AND DELIVERY TIMES

Kaizen Activities

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

The Technical Directorate at Anadolu Isuzu has adopted the Kaizen philosophy since its establishment, and has contributed significantly to employee improvement projects. The 800 Kaizen applications in 2023 achieved efficiency, occupational safety, quality and cost gains.

MODERNIZATION PROJECTS

BUS PRODUCTION

Integration of battery operations into the production line for electric vehicles

Anadolu Isuzu is keeping pace with rapidly advancing electric vehicle technologies and integrating its Novociti Volt and Citivolt models, which are in serial production, into its production lines. With the installation of new high platforms on bus production lines, the assembly of electric vehicle batteries has begun on the lines.

Battery Preparatory and Control Station

For electric vehicles, a preparatory station has been established within bus production lines to conduct insulation resistance checks and preparatory tasks for batteries, enabling them to be directly mounted onto vehicles.

Safe Zone Area

Capacity expansion has been implemented in the area where the high voltages of electric vehicles are activated and delivery processes are expedited. Through this investment, the production of electric vehicles has been accelerated, and delivery times have been reduced.

Increased use of electrical tightener

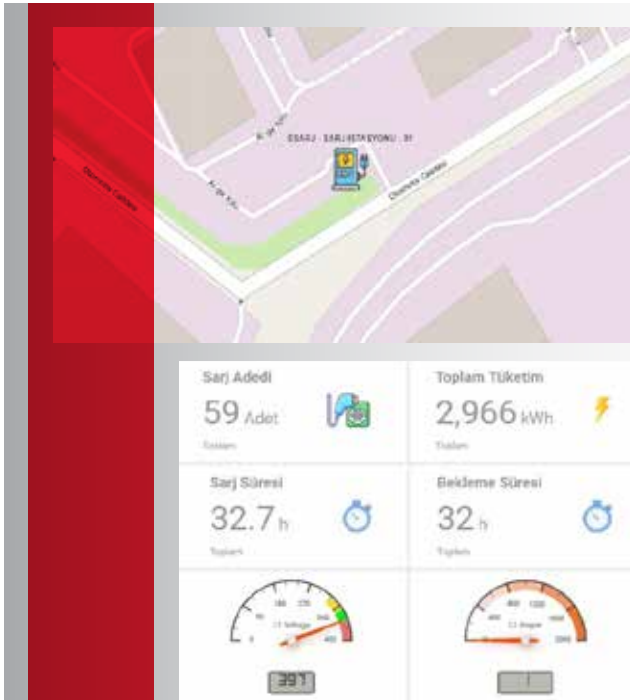
Anadolu Isuzu continues its efforts to improve the assembly quality of safety-classified parts in vehicles manufactured at its factory. In this context, electric screwdrivers capable of torque and angle control have been implemented for the assembly of wheel bolts in models produced in the truck, van, and midibus segments.

Thanks to the error prevention system included in the equipment, operator-directed highly sensitive and high quality tightening is achieved and tightening results are recorded in the system.

DIGITAL TRANSFORMATION AND KAIZEN ACTIVITIES

Finishing Area

The installation of a new “finishing” area at the end of the bus production line has increased production capacity and delivery speed. This area ensures the inspection of different parts of tailor-made vehicles and correct assembly. With the established area, quarantine vehicle stocks have been quickly reduced, and vehicles are sent to mechanical processes in a more controlled manner.



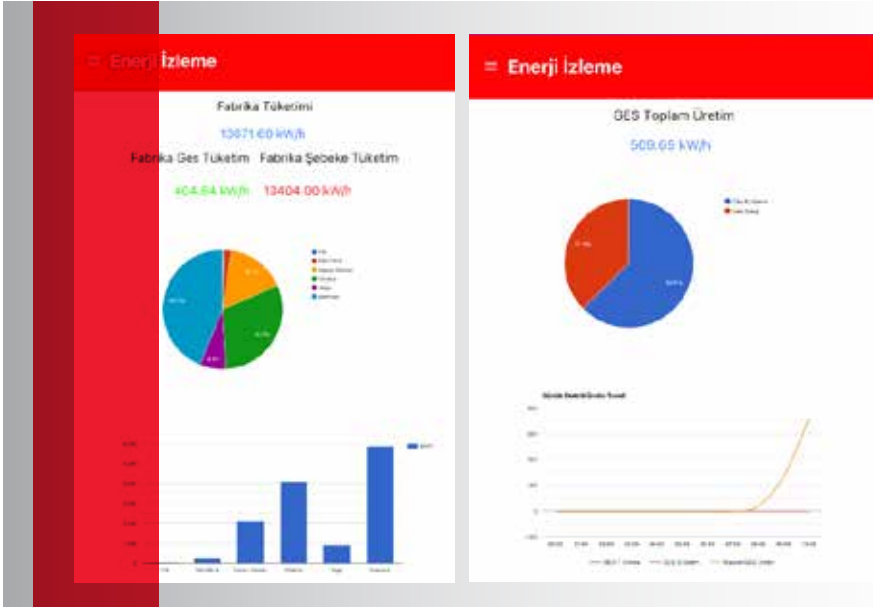
Automatic Tracking of PDI Charging Stations in the Production Area

The vehicle-based automatic tracking of PDI charging stations in the production area has been integrated into the IoT platform. This enables tracking of vehicle charging and waiting times. Daily reporting containing information such as charging time, waiting time, and number of charges is automatically generated on the IoT platform.

KAMYON FABRİKASI - KAPI KULLANIM ADETLERİ							
KAPI-K01 53 kez toplam: 30m 20s	KAPI-K02 114 kez toplam: 05m 50s	KAPI-K03 1135 kez toplam: 17-40m 40s	KAPI-K04 7 kez toplam: 1m 20m 20s BİLEK 1m 20m 20s	KAPI-K05A 27 kez toplam: 24m 40s	KAPI-K05B 74 kez toplam: 14m 40s	KAPI-K07 128 kez toplam: 1m 05m 05s	KAPI-K08 0 kez toplam: 0s
KAPI-K09 2 kez toplam: 11m 20s	KAPI-K10 304 kez toplam: 41-40m 30s	KAPI-K11 10 kez toplam: 17-13m 15s	KAPI-K12 8 kez toplam: 20m 50s	KAPI-K13 185 kez toplam: 12p-47m 50s	KAPI-K14 239 kez toplam: 10m 40s BİLEK: 10m 40s 10s	KAPI-K22 0 kez toplam: 0s	KAPI-K23 23 kez toplam: 10m 30s BİLEK: 0m 50m 10s
OTOBÜS FABRİKASI - KAPI KULLANIM ADETLERİ							
KAPI-K01 36 kez toplam: 0m 50s	KAPI-K02 2 kez toplam: 0s	KAPI-K03 4 kez toplam: 0s	KAPI-K04 0 kez toplam: 0s	KAPI-K05A 20 kez toplam: 0s	KAPI-K05B 0 kez toplam: 0s	KAPI-K07 1 kez toplam: 0s	KAPI-K08 6 kez toplam: 0s
KAPI-K09 0 kez toplam: 0s	KAPI-K10 34 kez toplam: 0m 50s	KAPI-K11 0 kez toplam: 0s	KAPI-K12 0 kez toplam: 0s	KAPI-K13 0 kez toplam: 0s	KAPI-K14 0 kez toplam: 0s	KAPI-K22 0 kez toplam: 0s	KAPI-K23 0 kez toplam: 0s
KAPI-K01 0 kez toplam: 0s	KAPI-K02 0 kez toplam: 0s	KAPI-K03 0 kez toplam: 0s	KAPI-K04 0 kez toplam: 0s	KAPI-K05A 0 kez toplam: 0s	KAPI-K05B 2 kez toplam: 0s	KAPI-K07 3 kez toplam: 0s	KAPI-K08 0 kez toplam: 0s
KAPI-K09 0 kez toplam: 0s	KAPI-K10 0 kez toplam: 0s	KAPI-K11 3 kez toplam: 0s	KAPI-K12 4 kez toplam: 0s	KAPI-K13 0 kez toplam: 0s			

Tracking Usage of Industrial Doors in the Factory

Real-time information from sensors in all industrial doors within the factory is sent to the IoT platform. Data such as the number of door openings, duration of door being open, etc. are available on the IoT platform. Newly opened doors are displayed in green, doors open for 5 minutes in yellow and doors open for 15 minutes in red. Daily reporting is automatically done by the IoT system.



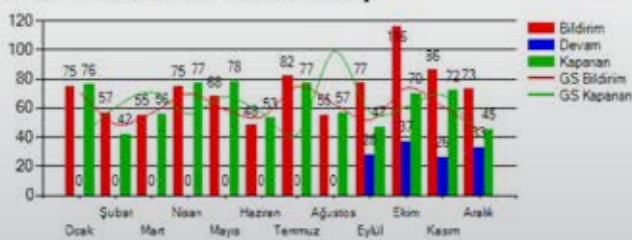
PowerApp Energy Monitoring Screens

The PowerApp application, allowing mobile tracking of the factory's energy consumption data, has been implemented. The application provides instant access to data such as the factory's electricity consumption, GES/ grid breakdown, compliance with the electricity budget, etc. The application data is updated in real-time from the IoT platform.

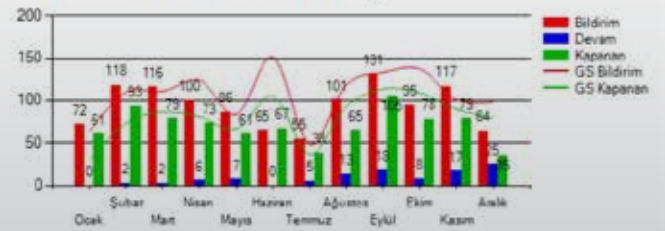
Maintenance Mobile PM Application

The Mobile PM program prepared for the maintenance team enables them to track maintenance tasks, new faults, etc., within the factory using tablets. When any maintenance or fault is resolved, the maintenance team can close the relevant notifications and end the issue through the same application. The application facilitates faster intervention by the maintenance team in faults and maintenance tasks and simplifies resource management.

AYLIK TRENDLERE GENEL BAKIŞ



AYLIK TRENDLERE GENEL BAKIŞ



Sustainability at Anadolu Isuzu

Anadolu Isuzu, which considers sustainability as a fundamental driving force for competing in both national and global markets, has integrated sustainability issues into its end-to-end business cycle and corporate decisions.

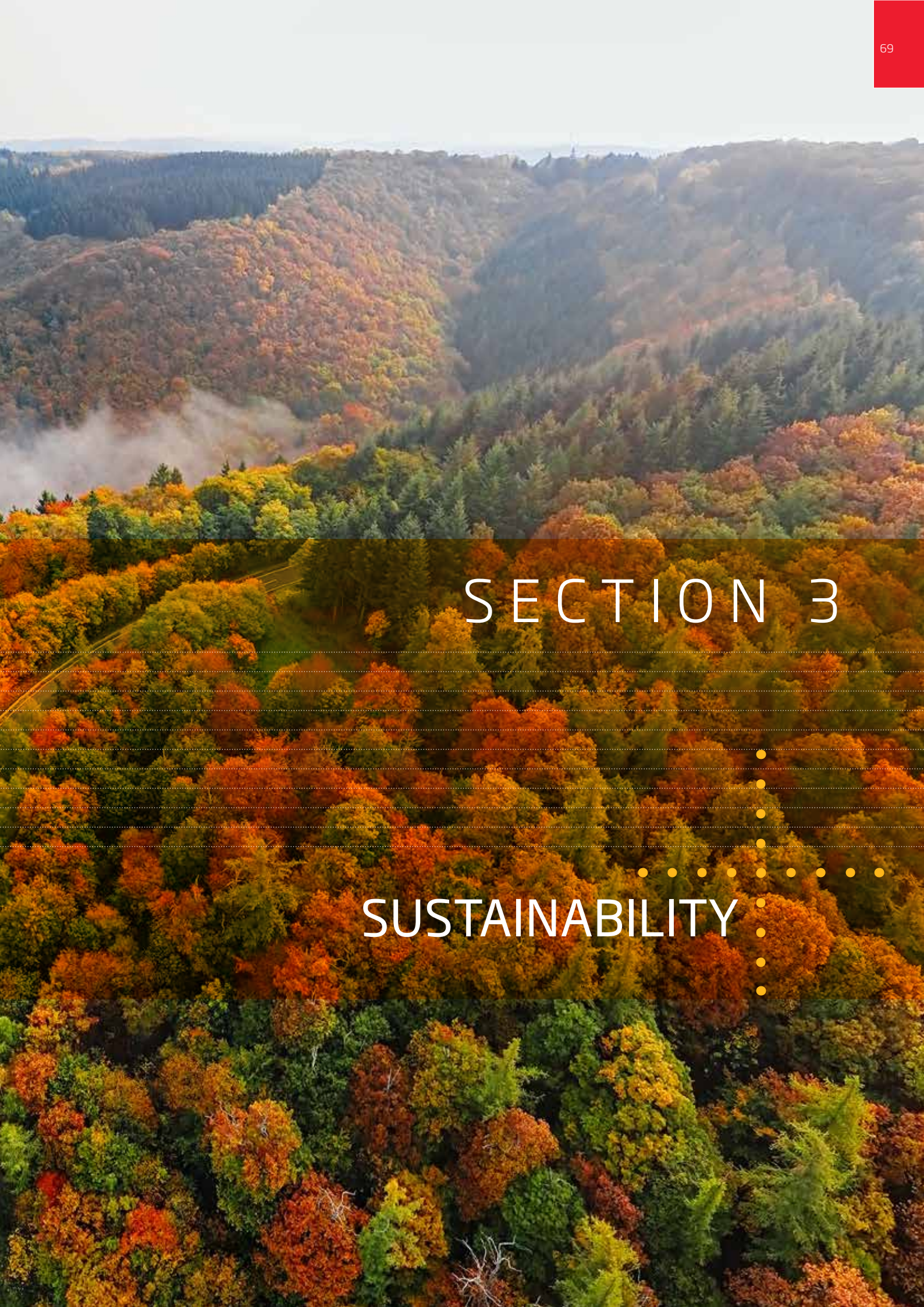
By embedding sustainability at the core of its business practices, Anadolu Isuzu is focused on creating value for its stakeholders through its activities while also contributing to social development.

In this section of the 2023 Activity Report, information about our social and environmental activities, which constitute the cornerstones of our sustainability performance, is provided to our stakeholders.

Anadolu Isuzu also publishes an annual sustainability report, which can be accessed at the following link:

<https://www.anadoluisuzu.com.tr/surdurulebilirlik/raporlar>





SECTION 3

SUSTAINABILITY



SUSTAINABILITY

WE ARE EVOLVING TO THE FUTURE

WE ARE EVOLVING OUR BUSINESS

We are evolving our operations value chain and way of doing business for a sustainable world with a net zero emission target.



EVOLVING FUTURE

WE ARE EVOLVING OUR PRODUCTS

We are evolving our products to embrace new generation transportation solutions and aiding in the fight against the climate crisis for a sustainable world.

SUSTAINABILITY FOCUS AREAS



HUMAN RESOURCES

ANADOLU ISUZU HUMAN RESOURCES MISSION

Creating an innovative company culture that fosters employee engagement, collaboration, and mutual development towards a shared goal while enjoying the process.

AN APPROACH WHICH IS AGAINST DISCRIMINATION AND SUPPORTS EQUAL OPPORTUNITY

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

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

AIMING TO BECOME A PREFERRED EMPLOYER

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

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

The number of Anadolu Isuzu employees stood at 1,269 in 2023, with 276 employees working in the company's R&D Center in the same period. Anadolu Isuzu recruited 105 new people in 2023.

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

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

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

ANADOLU ISUZU SUPPORTS THE PARTICIPATION OF WOMEN IN THE WORKFORCE.

With Anadolu Isuzu's employment approach implemented in line with the goal of ensuring the equality between men and women, the number of women in the total number of employees increased by 41% in the space of five years.

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

Anadolu Isuzu aims to hire 50% women each year to reach the target of increasing the number of women twice. Accordingly, woman candidate referral system was implemented.

ANADOLU ISUZU'S HUMAN RESOURCES VISION

Creating an inclusive, innovative and agile team structure focused on the dynamics of a sustainable future, adding value to society.

HUMAN RESOURCES

OPEN JOBS MODEL

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

With this platform Anadolu Isuzu aims

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

CONTRIBUTIONS OF ORGANIZATIONAL DEVELOPMENT ACTIVITIES

- Emphasizing organizational development activities at all times, Anadolu Isuzu continued to work on organizational designs that will serve the Company's strategic goals, and implemented new business models in 2023.
- Anadolu Isuzu believes that one of the most critical factors in its vision of growth, change and the digital transformation in its vision is its human resources.
- Creating and sustaining an inclusive and development-supporting culture in line with the Human Resources strategy is one of the top priorities. While building the future, Anadolu Isuzu aims to develop talent which can keep up with innovation, possesses vision, think strategically and is open to development in these areas.

ANADOLU ISUZU PERFORMANCE MANAGEMENT SYSTEM

- The Anadolu Isuzu Performance Management System allows teams and individuals to boost their performance and improve their competencies. Contributing to Company success, the Performance Management System focuses on the development of employees in addition to business results, and provides feedback on the strengths and areas of development for all employees.
- Performance criteria and annual performance targets for employees are determined within the framework of the Company's strategies and goals.
- Anadolu Isuzu aims to create sustainable targets with its performance management system, which focuses on objectively evaluating employee performance.
- Employees may set their goals through the system and easily carry out approval processes from any location throughout the year. Evaluations are carried out twice a year with an "Interim Performance Evaluation" and a "Year-End Performance Evaluation".

HIGHLIGHTS FROM THE TRAINING SESSIONS IN 2023...

- With the training and development activities carried out for continuous improvement and development, Anadolu Isuzu aims to strategically improve all employees in the relevant areas of focus.
- Prioritizing continuous training and development in its human resources system, Anadolu Isuzu aims to expand the vision of its employees and support their technical skills, knowledge, and personal development.
- Needs for development are determined within the scope of the competence assessment system in line with the feedback received from managers and colleagues, as well as the outputs of manager-employee interviews and HR planning meetings. Short-term and long-term training and development plans are drawn up accordingly.
- Organizational development programs are carried out at Anadolu Isuzu in order to support young talent and raise new leaders.

Leadership Development Program with Sabancı University

The Leadership Development Program was designed together with Sabancı University in order to support First Level Managers and Team Leaders in their managerial competencies and their progress in creating a common management understanding and language unity, while enabling the review of their leadership skills and their views on the business and potential issues with an understanding of integrity. The Leadership Program consists of 5 main modules, 7 topics and a Business Simulation application and a total of 10 training days.

Developing executive financial literacy

The One-on-One Financial Coaching program was initiated with the goal of explaining how to interpret the statements with financial transactions, handle analysis and applications, improve the financial literacy of each manager, even if they are not directly involved in financial management, and to allow them to observe the effects of the actions of their own department on the Company results and financial statements with a holistic approach. The aim of the program is to gain a holistic financial perspective and to foresee the effects of the financial dimension in all decision processes at Anadolu Isuzu. In the same context, the Finance School program consisting of four separate training sessions for managers was held in order to foresee the effects of the financial dimension in all decision processes at Anadolu Isuzu.

Anadolu Isuzu Occupational Development Program

Anadolu Isuzu aims to provide equal opportunity, diversity and inclusiveness at the highest level in all its business processes in line with Anadolu Group values. Anadolu Isuzu conducts its operations adopting this approach with "People first" motto.

Work force having technical know-how and skills is one of the most significant needs of the automotive sector both today and in the future. Based on 2021 data published by Automotive Industrialists Association, women's participation in work force in production areas of OSD member firms is 6.8%. Anadolu Isuzu conducts activities in accordance with the responsibility it has with an awareness to increase this ratio.

When Anadolu Isuzu Occupational Development Program was planned, the decision was taken to raise the young work force to have a command of current technology and sustainability principles. When doing that, half of the candidates to be trained to be a part of the industry were selected from women in accordance with social gender equality purposes.

With this project, young people who wish to make career in the areas which the automotive sector is in the most need of are being raised such as painting, electric operations, welding and assembly operations. At the first phase of the project which started as of July 2022, 35 youngsters were trained to have an occupation by attending workshops in personal development and skills, Kaizen trainings and field applications for a period of 9 months. 22 people have been included in the Anadolu Isuzu team as needed. Selecting half of the participants from women candidates not only contributes to women employment in production areas but also once again highlights the fact that women can work at all phases of production. In 2023, 23 people were included in the training process as part of this project.

OHS, accident investigation and risk analysis training

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

Skill Development Trainings

Trainings such as transactional analysis and communication, time and stress management, effective presentation techniques to improve employees' skills were conducted in classroom setting.

Employees received 6,662 hours of "flexible online training" that enables employees to receive technical training within the budget defined for them through the online training platform of their choice.

English Language courses were offered to employees who use English in their daily business cycle, in order to improve their English proficiency. In 2023, employees received a total of 440 hours of tuition with these courses.

HUMAN RESOURCES

For group-wide synergy

With a focus on supporting the synergy between Anadolu Group Companies and the organizational development of the Group, a process was developed to bring together employees from different companies and contribute to their development. Having started with the inventory valuation carried out at the end of 2023, this process continues with a comprehensive Development Program.

15,803 hours of training

The development activities of operators continued with training programs in different fields. A total of 15,803 hours of training was provided to 2,096 employees within the scope of Kaizen, 5S, fire, OHS, environmental training, technical training and competency training.

MESS and TiSK Online academy platforms

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

Communication Sessions

Communication sessions were held where we got together with colleagues from different departments and got to know each other closer through interactive games and discussions.

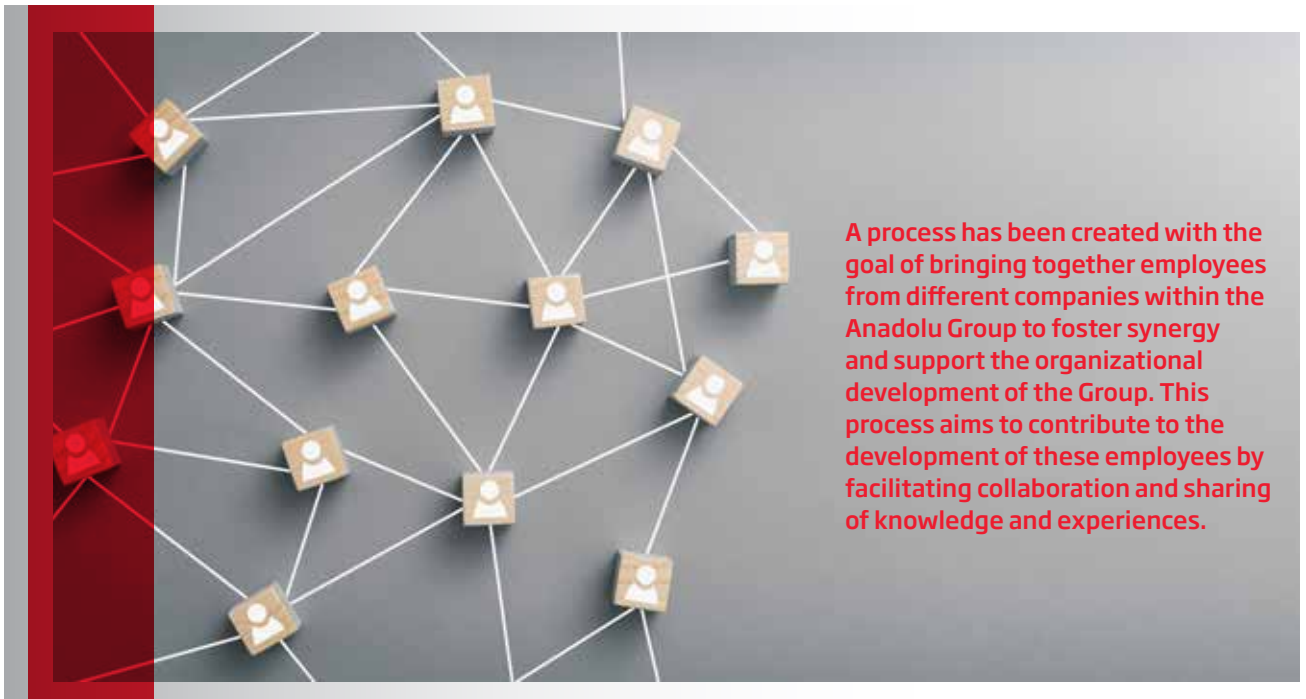
Other trainings

Since Agile requires a cultural transformation, change needs have to be recognized at individual, team and organizational levels and desire for change need to be adapted. Agile Awareness Session was held with the objective of providing transparency required for individuals touched by the transformation process.

Anadolu Isuzu management team obtained a proficiency certificate in Disruptive Strategy within the scope of Harvard Business School Online training program.

In 2023, as part of the orientation for new hires, Anadolu Isuzu provided Transactional Analysis and Communication, Target Mapping, and Human-Centered Collaboration training to enable faster adaptation to the Anadolu Isuzu culture.

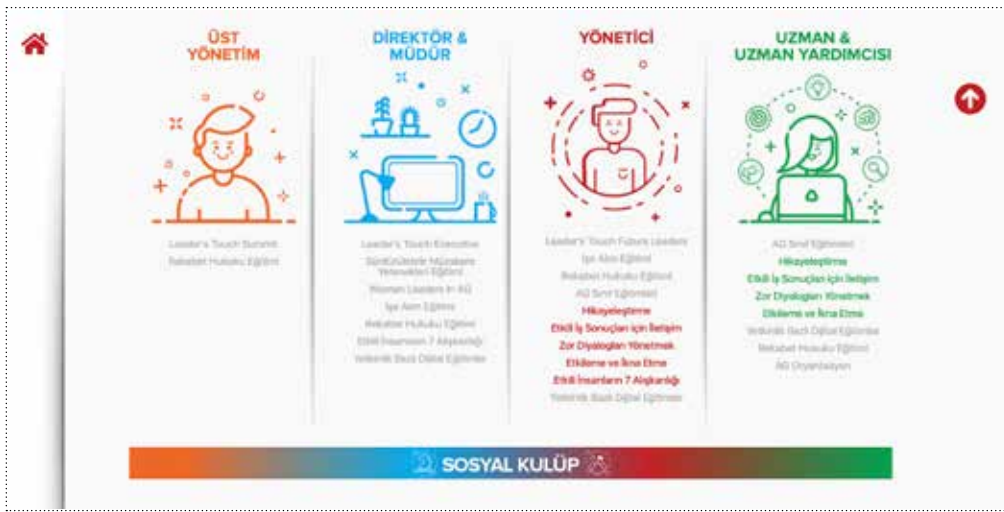
Training on "Competition Law" was provided where employees gained theoretical and practical knowledge to evaluate the very different situations and problems they encounter in their business life from a competition law perspective.



A process has been created with the goal of bringing together employees from different companies within the Anadolu Group to foster synergy and support the organizational development of the Group. This process aims to contribute to the development of these employees by facilitating collaboration and sharing of knowledge and experiences.

● THE AG ACADEMY - THE DISTANCE LEARNING PLATFORM

- Anadolu Isuzu's Human Resources Department carries out pioneering work in digital transformation in order to create the infrastructure of a qualified workforce and to provide a working environment for technological development.
- The AG ACADEMY is the Anadolu Group training and development platform which removes the barriers to accessing information, enables continuous learning, and directly affects business performance.
- Employees may participate in training programs designed according to their needs at the AG ACADEMY.



THE IMPORTANCE OF INTERNAL COMMUNICATION AND EMPLOYEE SATISFACTION

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

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

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

Motivational Activities

Anadolu Isuzu, is a company that succeeds in using a common language with its employees by prioritizing employee happiness and productivity with a desire to get a hold of the future.

Increasing productivity by sustaining the loyalty of skilled and experienced employees is one of the main targets. In accordance with this target, organizations and event plans for employees increased in 2023.

On December 3rd, World Disability Day, the senior management of Anadolu Isuzu gathered for breakfast with disabled employees.

To commemorate the 100th anniversary of our Republic, a visit to the Anadolu Civilizations Museum, the Turkish Grand National Assembly (TBMM) and Anıtkabir in Ankara was organized with the participation of 100 employees.

Within the scope of the Anadolu Group Employee and Family Support Program, employees may obtain information and support on any matter from experts by calling the support line at any time of their choosing. With the online dietician application, employees may ask their assigned dietician questions about their eating habits, and their online dietician them creates a special diet.

With the ISUZUM application that allows the management of all internal processes, all processes from payroll viewing to overtime and Remed Ethics Hotline, leave entries, lunch lists, and surveys are accessible to all employees anytime, anywhere. The digital assistant Digsu allows many transactions which are needed during the day to be carried out in a matter of seconds over WhatsApp, thus speeding up work and simplifying processes. -

HUMAN RESOURCES

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

In order to convey Anadolu Isuzu's fields of activity, working culture and vision to potential candidates, the banner of "Our Way Will Come, You are our Strength!" was used in 2023.

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

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



PROJECTS INVOLVING COLLABORATION BETWEEN INDUSTRY AND ACADEMIA

Talent Pick-Up

Processes have been redesigned in order to render Anadolu Isuzu's university-campus communication process more efficient, to provide students with the "Anadolu Isuzu employee experience" and to attract promising talented students to Anadolu Isuzu. In this context, all internship and youth communication applications were gathered under the "Talent Pick-Up" banner and our applications were renewed. The project is presented with three different options.

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

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

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

Talent Pick Up Intro is a program that offers preparatory, first and second-year students the opportunity to gain work experience at Anadolu Isuzu for 6 weeks during the summer break. Young talents participating in the program have the chance to work on project-focused topics across all departments of the company while also developing creative projects for

Anadolu Isuzu's future strategies through the Ideathon process.

Talent Pick-Up was launched in July 2023. In order to provide trainee candidates with a qualified recruitment experience in line with the requirements of the age, the stages of the process such as the interview, personality inventory and English test were carried out digitally.

The internship program which was designed with a rich content that involved a sensitive intern selection process (General Skill Test, Personality Inventory, English Test, Department Interview) and which is attentive about equality, the students were included in the process by meeting with their project coaches and learning about their project subjects before starting their internship.

Talent Pick Up interns worked on the subjects they were selected for with the mentors assigned to them during their internship periods.

While development was achieved in gaining experience and in projects, trainings about the following topics were also delivered to touch their personal development within the scope of the internship period:

- Importance of Networking in Business Life
- Communication through Transactional Analysis
- Target Mapping and Mind Mapping
- People-focused Collaboration and Negotiation at the Organization

VOCATIONAL HIGH SCHOOL-INDUSTRY COLLABORATION PROJECTS

Within the scope of the collaboration between industry and vocational high schools, 65 final year students studying at industrial vocational high schools were offered internship opportunities at Anadolu Isuzu.

The Anadolu Isuzu Paint Technologies Workshop established at the Küçükaly Vocational and Technical Anatolian High School provides significant support to vocational education. At the workshop, training is provided to qualified painting professionals who are willing to follow and implement innovation, who are familiar with practical applications as well as having theoretical knowledge, who adopt occupational health and safety rules and who act with environmental awareness. The project also contributes to the development of the qualified human resources required by the industrial sector.

As of 2023, a total of 76 students graduated from the Anadolu Isuzu Paint Technologies Workshop.

The Company has been interacting with students from the Motor Department of Adem Ceylan Final Technical College, participating in technical tours and career fairs and supporting the development of projects related to electric vehicles.

Within the scope of Talent Pick Up Tech Tour, the factory was visited and examined in detail with the objective of better explaining Anadolu Isuzu production lines and to talk about processes at the premises. Additionally, a technical tour was organized to Adel Production Factory, a group company, with the aim of creating a different vision and allowing interns to explore various fields.

A total of 20 university students participated in the Talent Pick Up Internship program and worked on 20 projects related with their areas.

In 2023, 30 students participated in the Talent Pick Up Intro program, with the aim of promoting equal opportunities, at least 50% of whom were selected from female candidates.

During their work experience in the Talent Pick Up Intro program, interns also participated in a 6-week in-house Ideathon program that utilized the Design Thinking methodology, facilitated by the Makers Consultancy firm. Using techniques such as brainstorming, reverse brainstorming and SCAMPER, interns developed projects aligned with Anadolu Isuzu's future strategies.

The projects produced were presented to the senior management of Anadolu Isuzu. In addition to focusing on professional development, the Talent Pick Up Intro interns received training in Networking, Presentation, Target Mapping and Effective Communication, contributing to their personal growth. After the training sessions, interns carried out 7 different projects and presented them to the senior management of Anadolu Isuzu.

One of the Most Admired Talent Programs of the Year

The Talent Pick-Up Internship Program, which set out with the aim of offering university students a full start to their careers with experience and success, was recognized as being among the Most Admired Talent Programs of the Year in 2023 by Toptalent.co's Top 100 Talent Program.

At the Best Talent Program organized by Toptalent.co, University Campus Communication Agency, Talent Pick Up program was selected as number 1 in Automotive (Commercial) area with the votes of 100,000 young talents in 2023.

Anadolu Isuzu employees organizes webinars in the areas of their expertise for university students within the scope of Talent Talks program.

The Talent Pick Up Intro program, which was launched in 2023, received an award in the "Opening the Way for Youth" category at the Turkey Employers' Confederation's Joint Tomorrow Awards program.

Anadolu Isuzu production engineers hold digital trips of the Anadolu Isuzu factory in the context of Talent Tech Tour for university students, within the framework of the production line processes which they have expertise.

HUMAN RESOURCES

PROMOTIONAL ACTIVITIES AT UNIVERSITIES

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

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

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

A protocol with Istanbul Technical University called "Masterbee" and a cooperation agreement with Kocaeli University called "Coop Agreement" have been signed.

Highlights from interactive activities:

- Participation in the Defense Technologies Days organized by the Savtek club of Istanbul Technical University aimed at recruiting distinguished students in the field for Anadolu Isuzu.
- Participation in the Makinistanbul Event organized by the Industrial Project Development and Cooperation Club of Istanbul University, focusing on collaborative projects.
- The Company took part in the YEA event which is participated by more than 10,000 people from various parts of Turkey.
- The Company provided information about intra-company career opportunities by participating in the Career Days event organized by Middle East Technical University.

- Participation was realized in the Interview Simulation organized by the Middle East Technical University.
- Participation was facilitated in the Engineering Summit event organized by the Engineering Club of Boğaziçi University, where students were informed about Anadolu Isuzu's production facility and products.
- Anadolu Isuzu provided a talk about effective career paths at the Career-In event hosted by the Enterprise and Investment Community at Hacettepe University.
- The Company met with Yıldız Technical University students who want to take a step towards their careers and future.
- The Company attended Boğaziçi University Management Study with Executives (MSE) Summit.
- The Company participated the Automotive Summer Camp event organized by the Student Career Agency of the Automotive Industry Association where CEO Talks, CHRO Talks and Connected Vehicles events were attended, reaching 75,000 students.
- Anadolu Isuzu CEO Tuğrul Arıkan participated in the Development Days organized by Gebze Technical University).
- Participation was facilitated in the Orientation Event organized by the Business Club of Galatasaray University, where the future of the business world and the competencies that will gain importance in the future were shared.
- Participation was realized in the Career Days events organized by Istanbul Technical University, Hacettepe University and Middle East Technical University.
- In 2023, the Company interacted with 80 universities, attended 25 activities and reached 85,000 students.



OSD AUTOMOTIVE SUMMER CAMP

Organized between 4-7 July 2023 with the support of the Automotive Industry Exporters' Association (OİB), the online certified Automotive Summer Camp event continued to attract a considerable amount of attention in its second year.

More than 70,000 students were enrolled in the Automotive Summer Camp, which was developed and implemented by the OSD Human Resources Committee of the Education Working Group, in order to increase the internship opportunities for students, which had been curtailed during the pandemic, and to increase the awareness of the automotive industry. Anadolu Isuzu representatives shared their experience in "Connected Vehicles" with high school and university students.

UNION RIGHTS AND COLLECTIVE BARGAINING AGREEMENT AT ANADOLU ISUZU

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

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

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

PROFESSIONAL COMPETENCY CERTIFICATION STUDIES

In accordance with the communiqué published by Ministry of Labor and Social Security of the Republic of Turkey, the Vocational Qualification Certification process is carried out at Anadolu Isuzu.

Workshop-based training was carried out in order to train qualified personnel for the automotive industry and grade employees based on their efforts. Training programs on mastery, mentoring and vocational qualifications were provided to enhance the competencies and skills of employees. A total of 588 company employees received certification through these programs.

Bİ-FİKİR APPLICATION AND Bİ-FİKİR FESTIVAL

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

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

At the final event of Anadolu Group's innovation program, Bi-Fikir, where the best projects of 2023 were selected, the "Anadolu Isuzu Vocational Development Program" won first place in the Sustainability & Human Category. On the other hand, in the Digitalization and Efficiency Category, the "V2X Connected Vehicles" project, representing Anadolu Isuzu's innovation and creativity, won the first prize.

With Bi-Fikir KAP, the target is to carry Anadolu Group's innovation approach outside of the Group, to strengthen the employer brand and to collect and implement project ideas from university students which are innovative, applicable and useful for Group companies.



HUMAN RESOURCES



A POOL OF CREATIVE IDEAS AT KAIZEN DAYS

At Anadolu Isuzu, 566 Kaizen projects were completed in 2023. The Company always supports and encourages creative and innovative ideas which start with Quality Circle and Kaizen activities and in time transform into Company culture. Kaizen awards were presented to employees who made presentations at Kaizen Days.



SATISFACTION TEAM AT WORK

Anadolu Isuzu Satisfaction Team, representing all departments, takes steps for satisfaction of employees.

Activities are organized in areas to be focused along with Human Resources. Playing an active role in the creation of employee engagement action plans, Satisfaction Team presents the outputs of the engagement action plans to senior management.

The "Satisfaction Team", which enables the realization of actions by evaluating development areas with a common mind, strengthened and

developed the internal communication and social dialogue platforms. The Satisfaction Team and the Human Resources Department held periodic meetings throughout the year to evaluate the demands and suggestions of the departments to increase employee loyalty and to turn these suggestions into action. On the other hand, regular information was provided to the General Manager regarding the projects worked on, and action plans were shared.

AWARDS

Talent Pick up Internship program, which started to provide university students the opportunity to start their careers full of experience and success, won the 1st place at Top 100 Talent Program 2023 Automotive (Commercial) category.



Anadolu Isuzu received the Automotive Company of the Year Award given by Boğaziçi University Engineering Club at the Boğaziçi Business World Awards.

Anadolu Isuzu received the "Automotive Company of the Year" award at the Crystal Deer Awards organized by Hacettepe University.



At the Business World Awards organized by Yıldız Technical University, Anadolu Isuzu won the "Employer Brand of the Year" award for its achievements.

In the "Opening the Way for Youth" category at the Joint Tomorrow Awards organized by the Turkey Employers' Confederation (TİSK), the Talent Pick Up Intro Internship Program project, which supports the professional development of young people in the automotive sector, received an award.



As part of the Regional Employment Offices Project by the Istanbul Metropolitan Municipality, Anadolu Isuzu was recognized as a company contributing to Istanbul's employment, earning an award.

SOCIAL AWARENESS PROJECTS AT ANADOLU ISUZU

MENTOR PROJECT

By supporting the Mentors for a Million Women program, our 20 employees who are experts and professionals in their areas casted light on the careers of 15 women students working in STEM areas by sharing their experiences.

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

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

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

Travelling Library Project

Within the scope of the project developed with Cevdet İnci Foundation, has been providing books for primary school students in financially strained regions of Izmir since 2015 with a vehicle transformed into a library.

With the Travelling Library project, Anadolu Isuzu carries books to different schools and provides the opportunity to reach books for more than 130,000 people, particularly primary school students in the regions where access to education is limited. The Travelling Library is currently taking services to 13 schools in Karabağlar with the support of Karabağlar District Governor, Provincial Directorate of Culture and Tourism, Karabağlar District National Education Directorate and Karabağlar District Community Library.

Anadolu Isuzu employees participate in environmental and disability projects as volunteers.

Since 2014, Anadolu Isuzu carries its social responsibility activities with the contribution of its volunteer employees whose number increases each year.

Activities held under Social Awareness Projects focus primarily on education, environment and disabilities.

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

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

Mentors for a Million Women Project

Mentors for a Million Women Program, which aims to bring together young women who work in STEM areas (Science, Technology, Engineering and Mathematics) and industry leaders on a digital platform, was supported with the contribution of our 20 employees.

By supporting the Mentors for a Million Women program, our 20 employees who are experts and professionals in their areas casted light on the careers of 15 women students working in STEM areas by sharing their experiences.

Hence, the following opportunities were provided;

Touching the lives of young women who study, work or plan to work in STEM areas, providing help and creating impact transformation on a larger scale

Creating impact on STEM world by sharing expertise, know-how and experiences of mentors

Strengthening mentorship, development and sharing culture by encouraging our employees to become mentors.

8 March International Women's Day Adiyaman Relief

On March 8th, International Women's Day, Anadolu Isuzu continued its aid and support efforts initiated in February to heal the wounds of the earthquake disaster that affected 11 provinces.

In connection with International Women's Day, we embarked on a special journey with our customized relief bus and 12 employees to respond to the needs of women and children in the earthquake-affected areas. Coordinating with AFAD (Disaster and Emergency Management Authority), we reached 1 Container City, 3 Tent Cities and the Adiyaman Training and Research Hospital in Adiyaman.

As part of these relief efforts, we distributed 1237 sets of Newborn Baby Essentials, 1979 sets of Children's Toys and Stationery, 1397 sets of Women's Hygiene Kits, 1936 sets of Adult Underwear and 2016 sets of Children's Underwear.

Our team of employees spent 4 days in the region, spending time with and supporting the women and children there.

Sabancı University Future Promise Scholarship Fund

We participated in the Future Promise Scholarship Fund event organized by Sabancı University, where we contributed TRY 150,000 to support successful and needy young people in building a stronger future by participating in Ayşe Arman's kindness necklace workshop.

OHS/EMPLOYEE SAFETY

ANADOLU ISUZU'S MAJOR PRIORITY IS OHS

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



ANADOLU ISUZU OCCUPATIONAL HEALTH AND SAFETY POLICY

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

The company conducts activities aimed at providing a safe working environment, increasing awareness of health and safety among employees, preventing and improving work accidents, injuries and occupational diseases, in addition to complying with occupational health and safety regulations and other requirements.

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

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

OCCUPATIONAL HEALTH AND SAFETY TARGETS OF ANADOLU ISUZU

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

Working with the goal of "zero occupational accidents," Anadolu Isuzu decreases the injury frequency rate (IFR) every passing year. Thanks to the focus on occupational safety and health targets, the injury incidence rate in 2023 marked a decline of 61% compared to 2015.

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

PUTTING SAFETY BEFORE ALL ELSE

Anadolu Isuzu organizes a near-miss notification contest Occupational Health and Safety Week to promote a safe and healthy working environment. The Company rewards the top three effective notifications submitted. Additionally, the Company conducts awareness campaigns to emphasize the importance of Occupational Health and Safety practices.

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

The Dosage Adjustment project, aimed at preventing ergonomic strains in the cataphoresis line operations, won first place in the Mess Occupational Safety Stars competition.

In 2023, as part of the goal to maximize occupational health and safety, 48 people received working at heights training. Within the scope of ergonomic studies, risk analyses and action plans were prepared for production lines to eliminate potential ergonomic risks.

In 2024, efforts have begun to increase the number of near miss notifications through the New Near Miss Notification System initiative.

Sharing of the "Tracing Events" series on the Isuzum platform has commenced to emphasize the importance of occupational health and safety (OHS) rules, aiming to ensure that employees always adhere to OHS regulations.

Moreover, 14 individuals received Internal Auditor training in the context of ISO 45001 Occupational Health and Safety Management Systems. In 2023, an ISO 45001 Audit was also conducted.

WITH A GOAL OF ZERO ACCIDENTS, ANADOLU ISUZU OPERATIONS ACHIEVED A 61% DECREASE IN ACCIDENT FREQUENCY RATE IN 2023 COMPARED TO 2015.

ANADOLU ISUZU AND THE ENVIRONMENT

ANADOLU ISUZU AND ENVIRONMENTAL SUSTAINABILITY

Today, the adverse effects of climate change are increasingly growing.

Anadolu Isuzu prioritizes the climate crisis at all axes, conducts decarbonization activities required and investment decisions accordingly.

Besides reduction of emissions from production cycle, being a role model in increasing climate crisis awareness along the supply chain is among Anadolu Isuzu's targets.

Climate crisis is a candidate to creating significant and disruptive results in all axes of economic, environmental and social sustainability. Anadolu Isuzu is determined to reduce its footprint in its production and commercial cycle and contribute to fight against climate crisis. Strategies of combat against climate change at Anadolu Isuzu are conducted in line with the Net Zero road map of Anadolu Isuzu Strategic Business Plan.

Environmental Management System

Anadolu Isuzu is committed to establishing a sustainable environmental management system by continuously improving the environmental performance of its manufacturing activities, products and services, not disturbing the natural balance of resources, complying with the necessary regulatory obligations and the expectations of the related parties, preventing environmental pollution at its source, achieving energy efficiency required to reduce greenhouse gas emissions by increasing the use of renewable energy sources, paying attention to biodiversity topics to protect ecological balance, reducing the impacts of climate change, establishing a sustainable environmental management system and aims to continuously protect the environment in line with these objectives.

Anadolu Isuzu monitors all of its activities within the framework of ISO 14001 Environmental Management System.

Acting with the awareness of responsibility, Anadolu Isuzu conducts activities collaborating with stakeholders to reduce the environmental impacts of its production process in addition to its direct impacts on the environment. The foundation of the environmental management approach is the main principles defined in Anadolu Isuzu Environment Policy. In addition to greenhouse gas and emissions, these policies contribute to environmental sustainability with water, waste and chemical management activities.

Fight against climate crisis is a key topic standing out at the materiality analysis studies made with the participation of Company's stakeholders.

Within the scope of Anadolu Isuzu's strategy and actions, a road map for net zero is formed with **Science Based Target initiative (SBTi)** and **Drive to Zero** initiative. The Company became a member of the leading international platform in sustainability area, **UN Global Compact** and a supporter of the **Task Force on Climate-related Financial Disclosures**.

Anadolu Isuzu became a member of the United Nations Global Compact in 2023, committing to adhere to the 10 principles regarding human rights, labor standards, environmental sensitivity, and anti-corruption efforts. As part of this commitment, a Progress Report (CoP) has been prepared, transparently sharing the efforts undertaken in line with the Ten Principles.

Monitoring the national and international developments closely, Anadolu Isuzu took part in environmental working groups of OSD, TÜSİAD and Anadolu Group Holding.



United Nations
Global Compact



ACTING WITH THE AWARENESS OF RESPONSIBILITY, ANADOLU ISUZU CONDUCTS ACTIVITIES COLLABORATING WITH STAKEHOLDERS TO REDUCE THE ENVIRONMENTAL IMPACTS OF ITS PRODUCTION PROCESS IN ADDITION TO ITS DIRECT IMPACTS ON THE ENVIRONMENT.

ANADOLU ISUZU AND THE ENVIRONMENT

TRANSITION TO LOW CARBON ECONOMY AND CLIMATE RISKS

Anadolu Isuzu is focused on reducing energy consumption and greenhouse gas emissions along the production processes. On the road to decarbonization, Solar Energy Plant investment was launched in 2022 with an installed capacity of 5,500 MWp with the objective of eliminating scope 2 emissions at the source.

With the commissioning of the 1.2 MWp capacity second phase in June 2023, the total installed capacity of Solar Energy Plant reached 6.7 MWp.

The goal is to provide 70% of the annual electricity consumption from renewable energy sources, produce 7,945 MWh of electricity annually and prevent approximately 3,495 tons/year of carbon emissions, equivalent to the electricity consumption of 2,600 households, with this green energy.

In 2023, approximately 6,895 MWh of electricity was generated from solar energy, preventing 3,035 tons of CO₂ emissions.

In 2023, corporate carbon footprint calculation for 2022 was performed. The Company's Scope 1, Scope 2 and Scope 3 emissions were verified by a third party independent assurance firm in accordance with ISO 14064-1:2018 Verification and Reporting of Greenhouse Gas Emissions Standard.

Within the scope of MRV, Anadolu Isuzu's production facility maintained its status as a low-emission facility in 2023 in the light of current process and energy consumption data. The course followed in the efforts to reduce greenhouse gas emissions is in parallel with the energy efficiency and savings projects. Planning is being carried out for projects to reduce the carbon footprint in the short and medium term.

Anadolu Isuzu aims to reduce Scope 1, 2 and 3 greenhouse gas emissions to achieve the limitation of

ANADOLU ISUZU IS FOCUSED ON REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS ALONG THE PRODUCTION PROCESSES.

ANADOLU ISUZU MADE AN OFFICIAL COMMITMENT WITHIN THE SCOPE OF SCIENCE BASED TARGET INITIATIVE (SBTi) 1.5°C TARGET.

global warming increase at 1.5°C above pre-industrial levels based on Paris Agreement. The Company makes qualitative and quantitative scenario analyses compatible with SBTi.

According to the recent scenario, emission reduction targets in Scope 1 and 2 emissions consistent with the SBTi methodology are to be established. From the base year of 2022 to 2030, it is targeted to reduce Scope 1 and 2 emissions by 4.2% each year, and to reduce Scope 3 emissions from product usage by at least 2.5% annually.

The approval process for these targets is expected to proceed once SBTi publishes its sectoral decarbonization approach for the automotive industry.

Renewable energy investments are being launched for the reduction of Scope 1 and Scope 2 emissions.

In 2022, Anadolu Isuzu reported within the scope of Carbon Disclosure Project (CDP) Climate Change Program voluntarily for the first time with its low carbon economy focused activities.

As a result of assessments made by CDP, the Company was ranked at the first place among companies operating in commercial vehicle production area in Turkey with A- score. In the 2023 Climate Change Program, Anadolu Isuzu continues to be among the leading companies in its sector in Turkey with an "A-" rating.

Raising its targets in sustainability area, Anadolu Isuzu will continue to report its strategy on fight against climate change, risks and performance to CDP in the following years.



Life Cycle Analysis

Anadolu Isuzu has initiated a Life Cycle Analysis (LCA) study for the Citivolt 12m model. This study marks a first for the company, utilizing modeling from an LCA perspective.

During the product's LCA modeling, production data related to raw materials, transportation, and consumed energy are used to examine the vehicle's life cycle. The completion of the life cycle analysis is planned for the year 2024.

VOC Emissions

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

In 2023, efficiency and savings projects were carried out for the use of chemical products, and solvent consumption amounts were kept under control with a tracking system.

Chemical usage was optimized in trucks and buses, and transition to products with a lower VOC ratio has been achieved.

With these efforts, the VOC emissions from truck production processes have been reduced by 11%, and VOC emissions from bus production processes have been reduced by 15% compared to the previous year in 2023. Improvements have been made accordingly.

The VOC values for the year 2023 will be verified by third-party validation organizations within the year 2024.

Water Management

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

Anadolu Isuzu considers water risk management as an important element of sustainability management.

In 2023, a water risk analysis of the factory was conducted, leading to the preparation of Water Risk & Security Assessment and Water Resource Planning & Drought Action Plan. This study involved a hydrogeological (groundwater status) and hydrological (surface water status) examination of the basin, along with projections for the near future.

In construction projects, a siphonic system has been installed for collecting and using rainwater. In 2023, water consumption per vehicle was reduced by 8%. Soft water connection changes in the cataphoresis part of the paint shop facility yielded positive results in reducing water consumption. With these efforts, there has been an 8% improvement in water consumption per vehicle compared to 2022.

In addition to water usage, wastewater from operations is treated in our chemical and biological wastewater treatment plant according to discharge criteria. The pollutant values at the outlet of Anadolu Isuzu wastewater treatment plant are below the legally applicable limit values in Turkey.

According to the "Regulation on the Discharge of

ANADOLU ISUZU AND THE ENVIRONMENT

Wastewaters into the Sewerage System”, the necessity to establish a Continuous Wastewater Monitoring System (CWMS) has been declared. In 2023, the system was installed, enabling wastewater to be monitored online by the Ministry through the continuous wastewater monitoring system.

The treated discharge water is continuously and instantly monitored for 6 parameters (temperature, pH, conductivity, suspended solids, COD, dissolved oxygen).

The treatment facility, which has been in operation since the establishment of the Anadolu Isuzu factory, has two different wastewater treatment systems (i.e. industrial and domestic). In 2023, the capacity of the wastewater treatment plant was increased, and an investment was made in a new facility that will utilize more innovative, energy-efficient equipment. The project is scheduled to be commissioned in 2024.

Waste Management

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

All employees at the truck and bus assembly plants were provided with waste management training and activities were carried out to raise awareness. The waste sorting system was strengthened with a zero waste approach in offices and dining halls.

Having a Zero Waste Certificate, Anadolu Isuzu factory works on effective management of raw materials and natural resources and in line with its sustainable environment vision.

Chemical trials have been conducted to reduce the amount of paint sludge generated from the painting processes, resulting in a reduction in both labor and waste disposal costs.

Besides waste reduction projects at the production lines and offices, plastic packages were removed from the dining halls and single-use plastic consumption decreased.

Biodiversity

Anadolu Isuzu pays attention to avoid creating a negative impact on biodiversity value of the natural receiving environment because of its operations. The Company commits to pay attention to biodiversity subjects to protect the ecological balance and reduce the impacts of climate change within the scope of its environmental policy.

Anadolu Isuzu evaluates its environmental impacts, including biodiversity, particularly in the location of its production facility. Through physical inspections conducted by Anadolu Isuzu, living areas such as land, air, and water are protected.

Stakeholder Engagement

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

Having a Zero Waste Certificate, Anadolu Isuzu factory works on effective management of raw materials and natural resources and in line with its sustainable environment vision.

Environmental Awareness Supported by Training and Informative Activities

Anadolu Isuzu provides regular environmental training for its employees in order to increase their environmental awareness. In addition, the knowledge provided in training was reinforced with specific exercises.

A total of 1,504 person-hours of environmental training was provided in 2023.

Up-to-date informative notes on environmental issues are shared and announcements are made on digital screens installed in common areas of the Anadolu Isuzu facilities. In 2023, comprehensive efforts were carried out to raise the awareness of stakeholders, as well as factory employees.

Information on climate change was shared with all employees, suppliers and other stakeholders. In addition, Environment Committee meetings were organized in 2023 and seminars on environmental sustainability were held.

Anadolu Isuzu also played an active role in the OSD Environment Committee and the TÜSİAD Environment and Climate Change working group.

The “Sustainable Supply Chain Supplier Briefing” webinar was held with active participation from 116 suppliers. The webinar covered detailed information about the Border Carbon Adjustment Mechanism (BCAM), Anadolu Isuzu’s environmental sustainability efforts and expectations from suppliers in the upcoming period.

Anadolu Isuzu Energy Policy

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

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

Focus point: Energy efficiency and renewable energy

Energy efficiency and use of renewable energy resources was made possible at the Anadolu Isuzu factory. Solar Energy Plant project that allows electrical production from the sun which is a completely renewable and clean energy source was implemented at the roofs of truck and bus production factories.

In 2023, a total of 29,100 GJ of energy was saved through energy projects and renewable energy investments.

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



ANADOLU ISUZU AND THE ENVIRONMENT

Anadolu Isuzu is focused on continuously improving its energy performance.

Anadolu Isuzu continuously improves its energy performance with various projects and practices. Considering energy performance to be a major component in competition on a global scale, the Company takes important steps in the fight against climate change.

Energy saving efforts continued at Anadolu Isuzu in 2023. Within the scope of energy efficiency activities, a total of 5 projects focusing on improvement and project-based enhancements have been implemented.

Anadolu Isuzu monitors the energy consumption of its various departments in real-time over the energy system.

This cycle allows the Company to determine any problems in energy consumption or potential savings. The Company also designs and implements short-term, medium-term and long-term development/improvement activities.

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

Anadolu Isuzu continued its activities with the vision of being a pioneer in green transformation by making investments in sustainability area.

Solar panels have been installed on the roofs of the truck and bus factories' administrative building, R&D center, mechanical department, spare parts warehouse, boiler room and water tank as part of the second phase of the Solar Energy Plant (SEP) project in 2023. With the completion of the SEP second phase project, the proportion of renewable energy in total consumption has increased to 70%.

Energy saving efforts continued at Anadolu Isuzu. Within the scope of energy efficiency activities, a total of 5 projects focusing on improvement and project-based enhancements have been implemented.

Projects to improve energy consumption per vehicle

In 2023, Anadolu Isuzu carried out electrical energy efficiency projects in various fields. Highlights from this work are provided below.

The Energy Management System established in global scale standards, was licensed with ISO 50001 certificate as a result of audits realized in 2022.

Factory Energy Studies was performed and activities at the reports and activities that do not require investment were implemented as Quick Wins. Feasibility studies were made for projects requiring investments.

The second phase of the SEP project, with an installed capacity of 1,200 kWp, was commissioned in the second quarter of the year. A total of 6,895 MWh of electricity was generated from solar energy. With the use of renewable energy, emissions of 3,035 tons of CO₂ greenhouse gases have been avoided.

As part of routine checks, air leaks have been periodically addressed, resulting in an annual energy savings of 17,000 kWh.

Factory energy monitoring system was carried to digital platform and updated. Hence, GES electrical production, electric and natural gas consumptions can be easily accessed from a single screen. Moreover, supplementary facilities and paint shop SCADA screens and heating systems can be controlled online from the same platform. Approximately 65,000 sm³ of natural gas savings have been achieved with the Boiler SCADA energy monitoring system.

The automatic opening and closing of the valve systems based on ambient temperature have aimed to achieve a 5% annual savings, resulting in approximately 21,000 sm³ of natural gas savings.

*Standard cubic meter



Economizer

Additionally, with the replacement of economizers in the boiler, which utilizes waste heat from the chimney to heat the boiler or feedwater, a 16% efficiency improvement has been targeted. This project was commissioned in the third quarter of 2023. Previously, during the winter months, the boiler was operated to heat the heating systems and the

usage water was also heated through this system. With the economizer system utilizing waste heat from the boiler, a more efficient heating system has been established.

With a focus on green purchasing, Anadolu Isuzu prefers products with high energy efficiency class which will be amortized in a short period of time rather than low cost products.



Electric Heater

The Electric Heater System installed next to the feed water tank heats only the usage water without the need for the boiler to be activated, resulting in a more cost-effective solution that does not require natural gas.

Energy trainings and working groups

Anadolu Isuzu representatives participated in energy efficiency seminars and fairs in 2023, keeping abreast of technological advancements, and designing continuous improvement and future projects.

In 2023, Anadolu Isuzu took active role in the OSD energy efficiency working group and evaluated the best practices about the automotive industry facilities which take place at the National Energy Efficiency Action Plan.



SECTION 4

CORPORATE
GOVERNANCE



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 Istanbul 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 Industrialists 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 Deputy Chairman

Kamil 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

Talip 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. 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 Anadolu Group as the Director of Purchasing and Logistics between 2006-2008, Aksoy was appointed as 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. Aksoy still continues to serve as a Board Member in various Anadolu Group companies.

Mustafa Ali YAZICI Member

After graduating from Galatasaray High School in Istanbul, Mustafa Ali Yazıcı completed his undergraduate studies in finance at Georgetown University in Washington D.C. After working as a financial analyst at Morgan Stanley's London office for a while, he worked as a managing partner in a company operating in the e-commerce sector between 2005-2010. Between 2011 and 2017, he served as the managing partner of the company he founded, which operates in the fields of cloud computing and fintech under the Cloudu Turk brand. He has been a Member of the Board of Directors of Anadolu Group and its subsidiaries since 2017.

Recep Yılmaz ARGÜDEN

Member

Dr. Argüden is the Chairman of ARGE Consulting, a globally recognized Turkish management consulting firm known for value creating strategies, governance, and sustainability. He is also the Chairman of Rothschild&Co investment bank in Türkiye. His career spans the private sector, public sector, multinational institutions, NGOs, and academia. Dr. Argüden served on the boards of more than 70 national and international corporations. He is an adjunct Professor of Business Strategy, an author of numerous books and a columnist focusing on business, strategy, governance, and sustainability. He is a renowned governance expert and served as the Vice-Chairman of the Governance Committee of the Business at OECD, as a member of the IFC's Corporate Governance Advisory Board, and as the Chairman of Trustees of the Argüden Governance Academy. He is also the Vice-Chair of the Turkish Basketball Federation. As a social entrepreneur he has founded and led numerous NGOs and initiated the National Quality Movement. As the elected Global Chair of the National Networks, he has served on 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.

Özdemir Osman KURDAŞ

Member

Mr. Kurdaş, who was born in 1960, graduated from TED Ankara College in 1977 and Mechanical Engineering from Boğaziçi University in 1981. He is also earned a degree of senior mechanical engineer in 1983 from the University of Boğaziçi. Respectively, he worked at Isuzu Motors Yokohama Japan Corporation between 1984-1986, at Anadolu Group between 1986-1994 as design expert on Anadolu Isuzu. He has been working as a CEO at GSD A.Ş. since 1988. He became the founder of ENOSAD (Industrial Automation Industrialists Association) in 2005 and served as Vice President.

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.

Tomoyuki YAMAGUCHI

Member

Born in 1974, Tomoyuki Yamaguchi graduated from Toyo University and joined Isuzu Motors in 1997. From 1998 to 2019, he worked in the international sales department, where he was promoted to senior manager of Isuzu Motors Southwest Asia Group. From 2019 to 2023, he served as Deputy General Manager of Isuzu Motors South Africa. Since April 2023, he has been the General Manager of Isuzu Motors Regional Management Office.

BOARD OF DIRECTORS

Ahmet Murat SELEK Independent Member

Murat Selek, received his bachelor degree from Boğaziçi University in mechanical engineering department and completed his master's degree in Mechanical Engineering department at Corneli 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 that, Mr. Selek returned to Otoyol and he served as General Manager at Otoyol Sanayi A.Ş. between 2003-2007 and he served as CEO between 2008-2016, Board Consultant between 2016-2017 at Karsan Otomotiv. Mr. Selek continues his business life as a Strategic and Corporate Management Consultant. Murat Selek has not served as a member of the Board of Directors of Anadolu Isuzu A.Ş and Anadolu Group companies for more than a total of 6 years during the past ten years. Neither did he take office as the executive member of the Board of Directors of Anadolu Isuzu A.Ş. and Anadolu Group companies during the past five years.

Orhan ÖZER Independent Member

Orhan Özer graduated from Middle East Technical University, Department of Business Administration in 1982. Respectively 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 to the Toyota family, worked as Assistant General Manager from 1995 to 2002 at Toyota Otomobil Türkiye A.Ş. After he served as Vice-President at Toyota Motor Europe between 2002-2008, continued to serve as Senior Assistant General Manager between 2008-2010 and as General Manager between 2010-2016 at Toyota Otomobil Türkiye A.Ş. Orhan Özer has not served as a member of the Board of Directors of Anadolu Isuzu A.Ş and Anadolu Group companies for more than a total of 6 years during the past ten years. Neither did he take office as the executive member of the Board of Directors of Anadolu Isuzu A.Ş. and Anadolu Group companies during the past five years.

Prof. DR. Barış TAN Independent Member

Prof. Barış Tan is a Professor of Operations Management and Industrial Engineering at Koç University, Istanbul, Turkey. He is the author of many publications in the areas of design and control of production systems, supply chain management, analytical modelling, and business model innovation, and the recipient of Turkish Academy of Sciences Distinguished Young Scholar Award, TÜBİTAK fellowship, NATO Science Fellowship, the Rockefeller Foundation Residency Award at Bellagio Center, and best paper awards for his publications. Barış Tan received a BS degree in Electrical and Electronics Engineering from Boğaziçi University, and ME in Industrial and Systems Engineering, MSE in Manufacturing Systems, and PhD in Operations Research from the University of Florida. He has been working at Koç University since 1994 and previously served as the Vice President for Academic Affairs, Dean of College of Administrative Sciences and Economics and the Director of the Graduate School of Business. He held visiting positions at Harvard University Division of Engineering and Applied Sciences, MIT Operations Research Center, MIT Laboratory for Manufacturing and Productivity, Cambridge Judge Business School, and University College London School of Management. Professor Tan is a member of the advisory boards of Kyoto University Graduate School of Management, EM Lyon and Nottingham Business School, and the chairman of the ISM University of Management and Economics Senate. He served on the boards of the European Foundation for Management Development (EFMD), EFMD EQUIS Awarding Body, CEMS Global Alliance in Management Education, Turkish Quality Association, and Turkish Operations Research Society.

Lale DEVELİOĞLU Independent Member

Born in İstanbul in 1968, Lale Develioğlu graduated from the Industrial Engineering Department at Boğaziçi University and pursued her postgraduate studies at Rensselaer Polytechnic University. She started her Professional career in 1992 at Unilever and acted as Marketing Director between 1998-2003. In the end of 2003, Develioğlu started working in Turkcell and acted as Marketing Vice President in 2006-2011 and International Division Vice President in 2011 - 2014 at the same institution. Lale Develioğlu has started working in Yıldız Holding as Turkey Marketing President in 2015, right after she has acted as Global Marketing President in Pladis, Yıldız Holding's London based global snack company until

2018. Develioğlu acted as independent board member for several companies in telecommunication, technology, FMCG, consumer durables and retail industries across Turkey, Middle East, CIS countries and Europe. She still serves as board member at Aksa Akrilik and Nobel İlaç. She is also one of the founders and board member of Women on Board Association Turkey. She is currently acting as mentor in INSEAD, Women on Board Association program and Endeavor. 16/24 Lale Saral Develioğlu has 30 years of experience in marketing, business development and she is a strategy leader. She was selected as "Best Marketing200 Person" of Turkey in 2009; won the "Women to Watch" award for Marketing in 2014 and was listed among "Top 25 CMOs" in Global Creativepool Annual in 2018. She has served as Executive Board Member of Advertisers' Association of Turkey (RVD) and Advertising Self-regulatory Body in Turkey (RÖK) for 6 years. She is the author of the business and memory book titled 'Karar Verdim.

Yusuf Kamil SONER
Independent Member

Born in 1961, Dr. Yusuf Soner was a graduate of METU Mechanical Engineering and a master's degree from ITU Nuclear Energy. He completed the Harvard Business School, Advanced Management Program in 2001. He completed his PhD in Business Administration at Yeditepe University. Dr. Yusuf Soner worked Product Development Engineer at Lassa A.Ş. between 1986-1987, Planning and Merchandising Manager at Anlas A.Ş. between 1988-1990, Spare Parts Assistant Manager at Toyotasa A.Ş. He acted as a general manager reporting to CEO. At 2013, he became General Manager of Temsa Motorlu Araçlar A.Ş., after its spin-off from Temsa Global. Since then, Yusuf Soner is a Faculty member at School of Management of Sabancı University, teaching, "Sales Management", "B2B Branding" and "Career & Professional Development" courses. He is also coordinating MBA, ExecMBA, PMBA and Masters in Finance programs. He started offering "Trade Marketing & Sales Management" course as an elective at Bosphorus University Executive MBA Program

Ahmet BOYACIOĞLU
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.

SEZAI TANRIVERDİ
Member

Born in 1963 in Samsun, Sezai Tanrıverdi completed his high school education at Samsun 19 Mayıs High School and received his bachelor's degree in Business Administration from Ankara University, Faculty of Political Sciences in 1984, his master's degree from Istanbul Commerce University, Institute of Social Sciences, Department of Business Administration, Accounting and Auditing Program in 2005 and his doctorate degree from Marmara University, Institute of Banking and Insurance, Department of Banking in 2010. He started his professional career in 1987 as an Assistant Account Specialist at the Board of Account Specialists of the Ministry of Finance and became an Account Specialist in 1990. He resigned from this position in 1996 and started working as Assistant Financial Affairs Coordinator at Anadolu Group. Between 1996 and 2008, he served as Assistant Financial Affairs Coordinator, Financial Affairs Manager, Financial Control Manager, Financial Affairs Director, Financial Affairs Coordinator and General Manager in Anadolu Group companies. On 01.01.2018, he was appointed as the General Manager of Kamil Yazıcı Yönetim ve Danışma A.Ş. and he is still serving in this position. Mr. Tanrıverdi holds a Certified Public Accountant License, Independent Auditor Certificate, Capital Market Activities Level 3 License, Corporate Governance Rating License, Credit Rating License and Real Estate Appraisal License. He is a member of the Mülkiyeliler Union, Istanbul Mülkiyeliler Foundation, Finance Accountants Foundation, 19 Mayıs Foundation, Finance Accountants Association and Turkish Accounting Professionals Association. He was a member of the Turkish Accounting Standards Board. He is a part-time Assistant Professor at Işık University Institute of Social Sciences Accounting and Auditing Master's Program. He is currently working as a part-time Assistant Professor at Işık University Graduate School of Social Sciences Accounting and Auditing Graduate Program.

ÜST YÖNETİM

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 Olmuksan 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 Olmuksan 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 Sektör Gönüllüleri Derneği (Private Sector Volunteers Association of Turkey), İş Dünyası ve Sürdürülebilir Kalkınma Derneği (Business Council for Sustainable Development).

Hakan Özenç

Operational Functions Group Director

Hakan Özenç was born in 1968 in Gölçük. 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. In 2014, Hakan Özenç held the position of Technical Director at Anadolu Isuzu responsible for Production and Quality Control Departments. Since January 2022 Hakan Özenç holds the position of Operational Functions Group Director.

Hakan Kefoğlu

R&D Group 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 served as Export Director at Anadolu Isuzu between May 2015 and December 2021. Hakan Kefoğlu holds the position of Commercial Functions Group Director since January 2022. He has been working as R&D Group Director since October 2023.

Neşet Fatih Vural
Chief Financial Officer

Neşet Fatih Vural was born in Antakya in 1980. He graduated from Boğaziçi University, Department of Economics in 2004 and Justice Department from Okan University in 2016 and he is currently student at Faculty of Law in Erzincan University. He had started his carrier as Assistant Social Auditor at Intertek in 2003. He worked as Senior Auditor at PriceWaterhouseCoopers between 2004 - 2007 and as Senior Auditor at KPMG between 2007 - 2008. Between the years 2008 - 2015, he respectively worked as Financial Controller and Financial Controlling Manager at Anadolu Efes HQ and its Subsidiaries in Turkey and Kazakhstan as well. He worked as Financial Controlling Manager in 2015 and as Chief Financial Officer between 2016 - 2020 at Çelik Motor. He has CIA, CPA, CMA, CRMA certificates and Derivative Instruments, Capital Market Activities Level 3, Credit Rating and Corporate Governance Rating licenses.

Barış Koca
Quality Control Director

Barış Koca was born in Gümüşhane in 1981. He graduated from Neşet Yalçın Super High School in 1999 and from Kocaeli University, Department of Mechanical Engineering in 2004. Koca earned his master's degree in Mechanical Engineering at Marmara University in 2007. In 2018, he completed the MBA for Executives (EMBA) Master's program at Sabancı University. Koca worked in our company as R&D Engineer (2006-2014), Truck Quality Control Chief (2014-2018), Truck Production Manager (2018-2020) and Bus Production Manager (2020-2023) respectively. He has been working as the Quality Control Director since January 1, 2023

Ali Salihi
Strategy, Product, Projects and Business Development Director

Aşkın İnci was born in 1979 in Dinar. He graduated from Ankara Alparslan Anatolian High School in 1997 and from METU Mathematics Department in 2002. He completed his master's degree in Engineering Management at METU Industrial Engineering In 2010. Mr İnci, started his career at MAN Turkey between 2003-2010, continued In Hidromek A.Ş to as the Manager of Business Solutions and he has made the task of the Manager of Information Technology at Eczacıbaşı Yapı Group. He joined Anadolu Isuzu as Information Technologies Manager in 2017 and has been working as the Information Technologies Director since 2020. Mr. İnci is also the Digital Transformation leader of our company.

Murat Sever
Supply Chain Director

Murat Sever was born in 1977 in Üsküdar. He graduated from Hüseyin Avni Sözen Anatolian High School in 1994, bachelor's degree in Industrial Engineering from Uludağ University in 1998, and completed his master's degree in Istanbul University Business Administration Department in 2007. Mr. Sever started his career in 1998 at Vepa Fırça San. Tic. A.Ş. as Product Manager. Mr. Sever worked in our company, which in the Production Planning and Control Department, as Stock Control Engineer between December 2000 - August 2006, as Production Planning Engineer between August 2006 - January 2011, as Production Planning Supervisor between January 2011 - January 2015, In the Truck & Pick-up department he served as Pick-up Production Manager and Bus Production Manager between February 2018 and January 2020. From 2020 to 2023 he worked as the Technical Director responsible for Quality Control, Bus Production, Truck Production and Auxiliary Operations departments. Mr. Sever, has been working as Supply Chain Director at our company since 2023.

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 Otoyol 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.

ÜST YÖNETİM

Aşkın İnci

Information Technologies Director

Aşkın İnci was born in 1979 in Dinar. He graduated from Ankara Alparslan Anatolian High School in 1997 and from METU Mathematics Department in 2002. He completed his master's degree in Engineering Management at METU Industrial Engineering In 2010. Mr İnci, started his career at MAN Turkey between 2003-2010, continued In Hidromek A.Ş to as the Manager of Business Solutions and he has made the task of the Manager of Information Technology at Eczacıbaşı Yapı Group. He joined Anadolu Isuzu as Information Technologies Manager in 2017 and has been working as the Information Technologies Director since 2020. Mr. İnci is also the Digital Transformation leader of our company.

Bora İZMİRLİOĞLU

Plant Director (Carcass Production Facility)

Bora İzmirlioğlu was born in 1971 in Istanbul. He graduated from Beşiktaş Atatürk High School in 1988 and from Yıldız Technical University Mechanical Engineering Department in 1992. He received his M.Sc. Mechanical Engineer diploma from Yıldız Technical University in 1994. Following his service at Santem Industry Housing A.Ş. as Construction Site Mechanical Installation Engineer (between 1995-1997), he has worked at Anadolu Isuzu as Design and Project Engineer (1997-2006), Bus Production Chief (2006-2011), Truck Quality Control Manager (2011-2014), Quality Control Manager (2014-2015), as Bus Production and Utility Services Manager (2015-2018) , and as Assistant Operations Manager between 2018-2023 respectively. Mr. Bora İzmirlioğlu has been working as Plant Director at Anadolu Isuzu since February 2023.

Hüseyin Alman

Technical Director

Hüseyin Alman was born in Malatya in 1976. He graduated from Kadıköy Kenan Evren High School in 1993 and from Kocaeli University Mechanical Engineering Department in 1997. He completed his master's degree in economics at Yıldız Technical University in 2023. Mr. Alman worked at Anadolu Isuzu as Maintenance Engineer, Truck Production Engineer and After Sales Service Field Responsible (2004-2014); Assistant Operations Manager (2014-2018); Bus Production Chief (2019-2020) and Domestic After Sales Services Manager (2020-2023) respectively. Since 2023, he has been working as the Technical Director responsible for the Bus Production, Truck Production and Sustainability Facility Investment departments.

Murat Dedeoğlu

International Sales Director

Born in 1986 in İzmir, Mr. Murat Dedeoğlu graduated from Saint Joseph French High School in 2005 and from Izmir University of Economics Department of International Relations in 2010. He completed the Sabancı University MBA program in 2019. Mr. Murat Dedeoğlu started his career at BMC Automotive as an Export Specialist (2011-2012) and worked as a Logistics Specialist at Oyak-Renault (2012-2015). After starting to work at Anadolu Isuzu in 2015 he served as Export Specialist, Regional Sales Manager and International Sales Manager respectively. Murat Dedeoğlu has been working as the International Sales Director at Anadolu Isuzu since July 2022.

Özkan Eriş

Aftersales Services Director

Özkan Eriş was born in Istanbul in 1982. He graduated from Kadir Has High School in 2000 and Marmara University Industrial Engineering Department in 2005. Eriş started his career as a Purchasing Specialist at Murat Ticaret Company in 2006. Then he worked Production Control Leader at HCC/Visteon Company (2007-2009), Spare Parts Administrator at Karsan Pazarlama (2009-2014), Spare Parts and Warranty Executive at Temsa Motor Vehicles Company (2014-2017) and as After Sales Services Manager at Temsa Transportation Vehicles Company in 2019. Eriş, who worked as Kia Spare Parts Supervisor at Çelik Motor in Anadolu Group (2017-2018), served as Spare Parts and Warehouses Manager at Anadolu Isuzu between 2020-2022. Özkan Eriş has been working as Aftersales Services Director as of January 2023.

Onur Ortatepe

Human Resources Director

He was born in 1986 in Adana. After graduating from Çukurova University, Department of Environmental Engineering, he completed his master's degree at Technological Institute of Ionia and Çukurova University. After starting his career as a Foreign Trade Specialist in 2011, he joined Temsa Global as a Human Resources Specialist in 2012. At Temsa, he assumed the roles of Human Resources Manager and Human Resources Manager responsible for the US, Germany and France operations, respectively. In March 2020, he joined Anadolu Isuzu as Human Resources Manager and continued his career in this position. Mr. Onur Ortatepe has been serving as Human Resources Director at Anadolu Isuzu since October 2023.

Birkan Atlamaz

R&D Electrical Electronic Systems (EES) Director

He was born in 1984 in Izmir. In 2002, he graduated from Atakent Anatolian High School, in 2006 he graduated from Ege University Electrical and Electronics Engineering program, and in 2012 he graduated from Izmir High Technology University Engineering Management master's program. Mr. In his career; Mr. Atlamaz worked as Electrical-Electronic System Designer and Design Group Leader at BMC Otomotiv Sanayi ve Ticaret A.Ş. between 2008-2013, and as Project Leader at Nesan Otomotiv ve Ticaret Ltd. in 2013. From 2013 to the present, he has worked as an Expert Engineer, Team Leader, Manager and R&D Manager at Anadolu Isuzu and since August 2023, he has been working as R&D Electrical Electronic Systems (EES) Director. He is also the Vehicle Cyber Security Manager. He holds Scrum Master, Product Owner, Cyber Security, Six-Sigma, software and project management certificates.

Gülşah YEREŞER

R&D Vehicle Development Director

She was born in 1983 in Kocaeli. In 2001, he graduated from Darıca Neşet Yalçın Anatolian High School and in 2005 he graduated from Dokuz Eylül University, Department of Mechanical Engineering. In 2013, he completed the Executive MBA program at Istanbul Technical University. He worked as an R&D Engineer at Askam Truck between 2005 and 2007 and as an R&D Engineer at Otokar between 2007 and 2011. Mr. Yereşer worked as R&D Engineer between 2011-2015, R&D Team Leader between 2015-2017, R&D Chief between 2017-2020 and Vehicle Development Manager between 2020-2023. Since August 15, 2023, he has been working as R&D Vehicle Development Director.

Emre İleri

R&D Operations and Validation Director

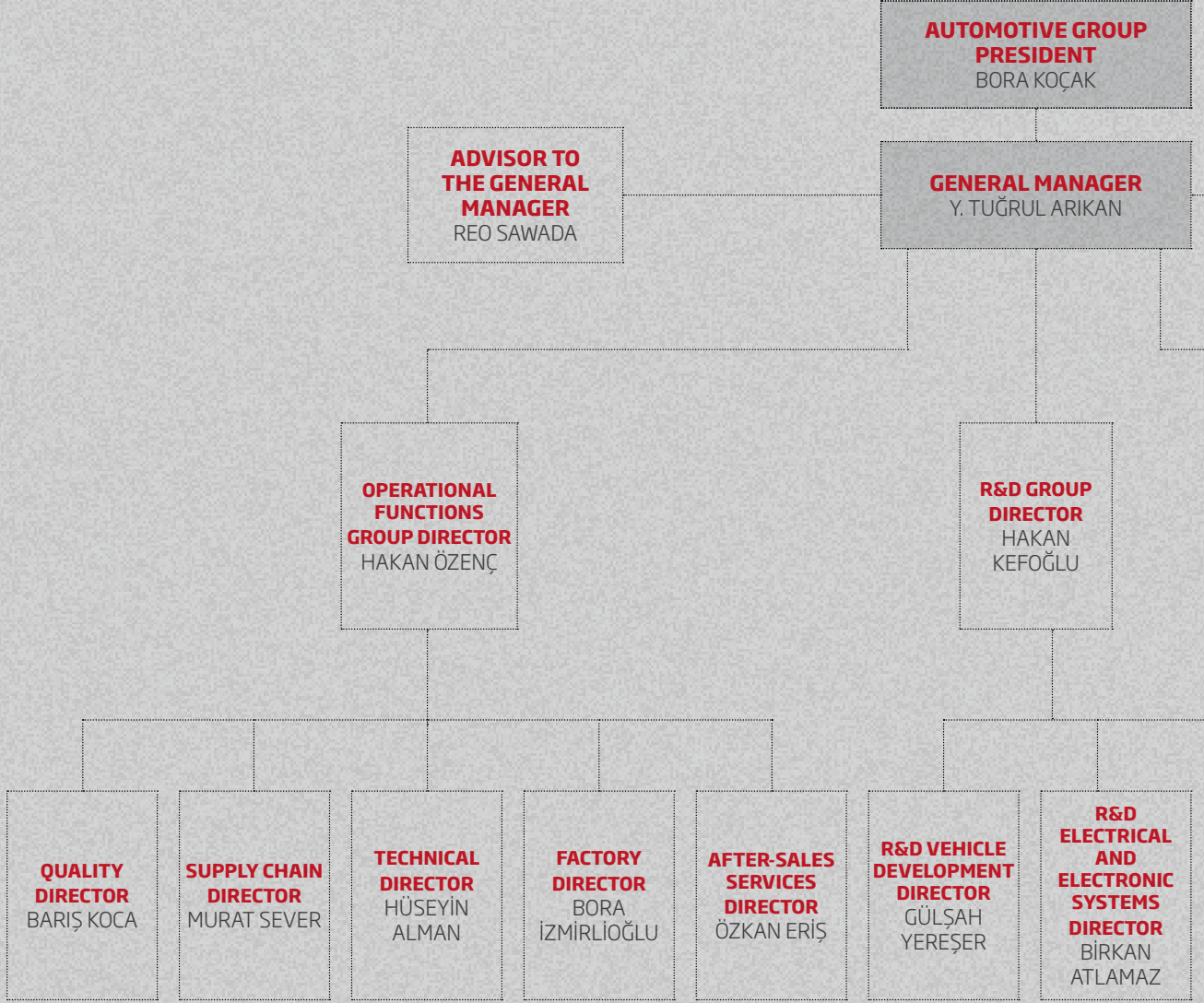
He was born in 1982 in Istanbul. In 2000, he graduated from Anakent High School and in 2006 he graduated from Yıldız Technical University, Department of Mechanical Engineering. In 2017, he completed his master's degree in Business Administration at Bilgi University. Mr. Emre İleri started his career as an R&D Engineer at Otokar Automotive and Defense Industry between 2007-2013. In 2013, he joined Anadolu Isuzu and worked as R&D Engineer between 2013-2015, R&D Team Leader between 2015-2017, R&D Manager between 2017-2019, R&D Product and Verification Manager between 2019-2023, and R&D Product Development and Special Vehicles Development Manager in 2023. Mr. Emre İleri has been working as R&D Operations and Verification Director at Anadolu Isuzu since August 2023.

Cengizhan Bilgin

Business Development, Product and Projects Director

He was born in 1979 in Trabzon. After completing his primary and secondary education in Trabzon, he started his undergraduate education at Istanbul Technical University Mechanical Engineering in 1997. After graduation in 2002, he took graduate courses in Mechanical Engineering at Rice University between 2002-2004. Between 2004-2005, he completed his master's degree on Mechanics of Solid Bodies at Istanbul Technical University Mechanical Engineering and received the title of Mechanical Engineer. Cengizhan Bilgin continued his academic education during his professional life and completed the EMBA graduate program at Sabancı University in 2013. Before joining Anadolu Group, Mr. Bilgin continued his career as a university research assistant in the United States of America, and after returning to the country, he worked in the R&D department of a company in the automotive industry. In 2006, he started working as a Specialist Engineer at Anadolu Isuzu Engineering Department. He worked as Engineering Manager in 2008, R&D Vehicle Development Manager in 2017 and finally as Defense Industry, Business Development, Product and Projects Manager in 2020. Since September 2023, he has been working as a director managing teams responsible for Business Development, Product/Pricing and Project Office.

ORGANIZATION CHART



**ADVISOR TO
THE GENERAL
MANAGER**
TOMOYUKI
YAMAGUCHI

**DOMESTIC
SALES
DIRECTOR**
HASAN YUSUF
TEOMAN

**INTERNATIONAL
SALES DIRECTOR**
MURAT
DEDEOĞLU

**FINANCIAL
AFFAIRS
DIRECTOR**
NEŞET FATİH
VURAL

**HUMAN
RESOURCES
DIRECTOR**
ONUR
ORTATEPE

**STRATEGY,
PRODUCTS,
PROJECTS AND
BUSINESS
DEVELOPMENT
DIRECTOR**
ALİ PEDREM
SALİHİ

**INFORMATION
TECHNOLOGIES
DIRECTOR**
AŞKIN İNCİ

**R&D
OPERATIONS
AND
VERIFICATION
DIRECTOR**
EMRE İLERİ

**BUSINESS
DEVELOPMENT,
PRODUCTS
AND PROJECTS
DIRECTOR**
CENGİZHAN
BİLGİN

YÖNETİM KURULUNUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

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

1. Görüş

Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.'nin ("Şirket") 1 Ocak - 31 Aralık 2023 tarihli hesap dönemine ilişkin yıllık faaliyet raporunu denetlemiş bulunuyoruz.

Görüşümüze göre, Yönetim Kurulu'nun yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun Şirket'in durumu hakkında denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

2. Görüşün Dayanağı

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

3. Tam Set Finansal Tablolara İlişkin Denetçi Görüşümüz

Şirket'in 1 Ocak - 31 Aralık 2023 hesap dönemine ilişkin tam set finansal tabloları hakkında 15 Mart 2024 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

4. Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Şirket yönetimi, 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 514. ve 516. Maddelerine ve Sermaye Piyasası Kurulu'nun ("SPK") II-14.1 No'lu "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") hükümlerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

- Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.
- Yıllık faaliyet raporunu; Şirket'in o yıla ait faaliyetlerinin akışı ile her yönüyle finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtabilecek şekilde hazırlar. Bu raporda finansal durum, finansal tablolara göre değerlendirilir. Raporda ayrıca, Şirket'in gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.

c) Faaliyet raporu ayrıca aşağıdaki hususları da içerir:

- Faaliyet yılının sona ermesinden sonra şirkette meydana gelen ve özel önem taşıyan olaylar,
- Şirketin araştırma ve geliştirme çalışmaları,
- Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, ayni ve nakdî imkânlar, sigortalar ve benzeri teminatlar.

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

5. Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK ve Tebliğ hükümleri çerçevesinde yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin, Şirket'in denetlenen finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtıp yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

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

PwC Bağımsız Denetim ve

Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM

Sorumlu Denetçi

İstanbul, 21 Mart 2024

OTHER INFORMATION ABOUT ACTIVITIES

ANADOLU ISUZU OTOMOTİV SANAYİİ VE TİCARET A.Ş.

1) GENERAL INFORMATION

Reporting Period:	01.01.2023-31.12.2023
Company Title:	Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş.
Trade Registration No:	173921-0
Mersis No:	0068006909500014
Head Office:	Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü 34771 Ümraniye/İstanbul
Factory Adres:	Şekerpınar Mah. Otomotiv Caddesi No:2 41435 Çayırova/Kocaeli
Tel:	(0850) 200 19 00
Fax:	(0262) 658 85 56
Website:	www.anadoluisuzu.com.tr

Capital Structure

The Company's capital increased from TL 84,000,000 to TL 252,000,000,000 with the 200% bonus issue realized within the current period, which was funded from internal resources.

As of 31 December 2022 and 31 December 2023, the shareholders' shares and their ratio in capital are as follows.

Shareholder	31.12.2022		31.12.2023	
	Share Amount	Share Ratio	Share Amount	Share Ratio
AG ANADOLU GRUBU HOLDİNG A.Ş.	46.535.401	%55,40	139.606.203	%55,40
ISUZU MOTORS LTD.	14.275.509	%16,99	42.826.526	%16,99
ITOCU CORPORATION	10.706.534	%12,74	32.119.605	%12,74
OTHER	12.482.556	%14,87	37.447.666	%14,87
TOTAL	84.000.000	%100,00	252.000.000	%100,00

Direct or Indirect Subsidiaries of the Company and Their Share Ratios

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

Subsidiary	31.12.2022	31.12.2023
	Share Ratio (%)	Share Ratio (%)
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	%100,00	%100,00

2) MANAGEMENT AND ORGANIZATION

Board of Directors:

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 13 members, adding up to a total of 15 members. All of the members of the Board of Directors were elected at the Ordinary General Assembly Meeting on 27 April 2023, to serve until a new Board of Directors is formed at the next Ordinary General Assembly Meeting.

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

Name	Duty
Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Talip Altuğ AKSOY	Member
Mustafa Ali Yazıcı	Member
Ahmet BOYACIOĞLU(*)	Member
Reo Sawada	Member
Tomoyuki YAMAGUCHI(**)	Member
Recep Yılmaz ARGÜDEN	Member
Özdemir Osman KURDAŞ	Member
Sezai TANRIVERDİ(***)	Member
Yusuf Kamil SONER	Independent Member
Lale DEVELİOĞLU	Independent Member
Barış TAN	Independent Member
Ahmet Murat Selek	Independent Member
Orhan ÖZER	Independent Member

(*) With the decision of the Board of Directors dated August 11, 2023, it has been resolved to accept the resignation of Mehmet Hurşit ZORLU, who has resigned from the Board of Directors, and to appoint Ahmet BOYACIOĞLU as a member of the Board of Directors in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the first General Assembly as of the date of the Board of Directors' decision. Mr. Mr. Ahmet BOYACIOĞLU, who was elected to complete the term of office of Mr. Mehmet Hurşit ZORLU, to the Board Membership vacated due to his resignation. Mr. Ahmet BOYACIOĞLU's Board Membership was approved by the Extraordinary General Assembly Resolution dated December 11, 2023.

(**)With the decision of the Board of Directors dated July 5, 2023, it has been resolved to accept the resignation of Mr. Hidenao HASHIMOTO, who resigned from the Board of Directors of our Company due to the change of duty within our shareholder Isuzu Motors Limited, and to appoint Tomoyuki YAMAGUCHI as a Board Member in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the first General Assembly as of the date of the Board of Directors' decision. Mr. Mr. Tomoyuki YAMAGUCHI, who was elected to complete his term of office, to the Board Membership vacated due to the resignation of Mr. Hidenao HASHIMOTO. Mr. Tomoyuki YAMAGUCHI's Board Membership was approved by the Extraordinary General Assembly Resolution dated August 11, 2023.

(***) It has been understood that the draft amendment to Article 13 of the Company's Articles of Association titled "Board of Directors" was approved at the Extraordinary General Assembly dated August 11, 2023 as stipulated, and the issue of the election of the Board of Directors members required to ensure the minimum number of Board members was discussed. Mr. Sezai Tanriverdi, who was proposed by the Group A shareholders and declared his candidacy. Mr. Sezai Tanriverdi, who was proposed by the Group A shareholders and declared his candidacy, was elected as a member of the Board of Directors to serve until the first Ordinary General Assembly meeting where the operating results for the year 2023 will be discussed and for the same term of office as the current members of the Board of Directors.

Duties of Board Members and Executives Outside the Company

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

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

OTHER INFORMATION ABOUT ACTIVITIES

Committees Established Within the Board of Directors

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

Following the election of the new Board Members at the Ordinary General Assembly Meeting held on 27 April 2023 and in line with the Board of Directors resolution dated 03 May 2023, the following committee members were determined in line with the Corporate Governance Principles published by the Capital Markets Board.

Corporate Governance Committee

Ahmet Murat Selek	Chairman
Mehmet Hurşit Zorlu	Member
Lale Develioğlu	Member
Recep Yılmaz ARGÜDEN	Member
Neşet Fatih Vural	Member

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

The Corporate Governance Committee convened four times throughout the year.

Audit Committee

Ahmet Murat Selek	Chairman
Orhan Özer	Member

The Audit Committee convened four times throughout the year.

Early Detection of Risk Committee

Orhan Özer	Chairman
Talip Altuğ Aksoy	Member
Bariş Tan	Member

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

Company Management

Senior management team and their job descriptions as of 31 December 2023:

Name	Duty
Bora Koçak	Automotive Group President
Yusuf Tuğrul Arıkan	General Manager
Hakan Özenç	Operational Functions Group Director
Hakan Kefoğlu	R&D Group Director
Neşet Fatih Vural	Chief Financial Officer
Barış Koca	Quality Director
Ali Salihi	Marketing and Business Development Director
Murat Sever	Supply Chain Director
Hasan Yusuf Teoman	Sales Director
Aşkın İnci	IT Director
Bora İzmirlioğlu	Plant Director
Hüseyin Alman	Technical Director
Murat Dedeoğlu	International Sales Director
Özkan Eriş	Aftersales Director
Onur Ortatepe	Human Resources Director
Birkan Atlamaz	R&D Electrical Electronic Systems (EES) Director
Gülşah YEREŞER	R&D Vehicle Development Director
Emre İleri	R&D Operations and Validation Director
Cengizhan Bilgin	Business Development, Product and Projects Director

Üst Düzey Yöneticilere Sağlanan Mali Haklar

The benefits (salaries, bonuses, social benefits, premium, severance pay, notice pay) provided to our senior managers in 2023 added up to TL 146,660,883.

Human Resources and Employment

As of 31 December 2023, our Company employs a total of 1.269 people, of which 568 are white collar and 701 are blue collar workers. (31 December 2022: 983 employees, of which 404 are white collar and 579 are blue collar workers).

Internal Audit Activities

The Internal Audit Manager answers to the Audit Committee at the functional level, and to the General Manager administratively. The effectiveness of the Company's internal control system is also monitored through internal audits. The findings and risks identified with the internal audit carried out in 2023 were communicated to the Company's senior management and the relevant departments together with suggestions for improvement.

Risk Management and Internal Control Mechanism

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

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

OTHER INFORMATION ABOUT ACTIVITIES

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

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

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

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

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

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

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

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

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

Selection of Independent Audit Firms

After the relevant evaluations and consulting the Audit Committee, the Board of Directors selected PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi as the independent audit firm for the fiscal year of 2023 in line with the Turkish Commercial Code and Capital Market regulations. This resolution by the Board of Directors was approved at the Ordinary General Assembly meeting dated 27 April 2023.

Forward-Looking Assessments

Anadolu Isuzu continues its efforts to strengthen its position in foreign markets, open up to new markets by leveraging the global sales network of its partner Isuzu Motors Ltd, and increase the number of export countries and export turnover. The most significant dynamic of the Company in 2023 is, yet again, its strong export structure.

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

Investments Made in 2023

Investments Made in 2023 Investments totaling TL 1.1 million were made during January-December 2023.

Tangible Fixed Asset Investments

Description (TL)	2023
Land and Land Improvements	2.211.126
Buildings	125.505.610
Facility Machinery and Devices	318.254.520
Vehicles	16.180.070
Fixtures	7.368.093
Ongoing Investments	124.429.309
Total Tangible Fixed Assets Investments	593.948.728

Intangible Fixed Asset Investments

Description (TL)	2023
Rights	178.123
Development Expenses	74.734.791
Other Intangible Fixed Assets	38.264.191
Ongoing Investments	405.475.281
Total Intangible Fixed Asset Investments	518.652.386

Financial Results

Independently audited financial statements showing the operating results of the year 2023 and the relevant footnotes are presented in the relevant sections of the Annual Report. The asset size of Anadolu Isuzu increased by 30% year-on-year and reached TL 19,100 million, while its revenue rose by 30% to net TL 15,175 million.

Gross profit increased by 99% year-on-year to TL 2.675 million, while income from main operations was TL 816 million and net profit was TL 1,614 million.

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

OTHER INFORMATION ABOUT ACTIVITIES

Financial Data (TL)	2023	2022
Sales Revenue	15.174.742.066	11.686.265.335
Gross Profit	2.675.235.355	1.341.059.853
EBITDA	1.199.460.249	307.148.806
Profit Before Tax	1.704.955.000	735.514.010
Net Profit (Controlling Shares)	1.614.217.374	784.307.983
Profitability Ratios	2023	2022
Gross Profit Margin	17,6	11,5
Net Profit Margin	10,6	6,7
Return on Equity	19,6	12,6
Operating Expenses/Net Sales	12,3	11,9
Financial Expenses/Net Sales	5,3	3,2
EBITDA Margin	7,9	2,6
Current Ratios	2023	2022
Current Ratio	1,20	1,19
Cash Ratio	0,40	0,35
Liquidity Ratio	0,81	0,81
Solvency Ratio	2023	2022
Trade Debt-To-Equity Ratio	45,2	58,1
Financial Debt-To-Equity Ratio	19,4	14,3
(Total Trade Debt + Total Financial Debt)/ Equity	109,0	111,4
Debt-to-Asset Ratio	56,8	57,5
Equity-to-Asset Ratio	43,2	42,5
Market Value (TL)	2023	2022
ASUZU	16.488.360.000	19.437.600.000

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

Amendments to the Articles of Association in 2023

Article 13 of the Articles of Association titled "Board of Directors" regarding the decision of the Board of Directors to increase the number of members of the Board of Directors from 14 to 15 and to decrease the number of members of the Board of Directors to be nominated by Group B shareholders from 4 to 2 as stated in subparagraph A of Article 13 titled "Board of Directors" of the Articles of Association of the Company was approved at the Extraordinary General Assembly dated August 11, 2023 and the General Assembly Resolutions including the relevant resolution were registered on August 24, 23.

The amendment of Article 7 titled "Capital" of the Articles of Association regarding the decision of the Board of Directors to increase the share capital from TL 84,000,000 to TL 252,000,000 by 200% by meeting the internal resources of the company was approved at the Extraordinary General Assembly dated December 11, 2023, and the General Assembly Resolutions including the relevant resolution were registered on December 19, 2023.

Production

Anadolu Isuzu continues production in the truck, light truck, midibus, bus and pick-up segments. Production volume increased in 2023 by 16% year-on-year to 5,976 units.

Production	2023	2022
Trucks	3.368	3.090
Light-Trucks	726	603
Midibuses	1.491	995
Buses	391	473
Total Production	5.976	5.161

Domestic Sales - Export

Anadolu Isuzu continues its vehicle sales with 32 sales points spread throughout the country and distributors in more than 44 countries. In 2023, a total of 7,670 vehicles were sold; 6,422 to the domestic market, and 1,248 to international markets.

Domestic Sales	2023	2022
Truck	3.356	2.881
Light Trucks	776	549
Pick-Ups	1.555	1.373
Midibuses	629	445
Buses	106	101
Total Domestic Sales	6.422	5.349

Export	2023	2022
Number of Vehicles	1.248	1.078

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

After-Sales Services

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

Improving customer satisfaction

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

With the belief that the actual service starts after the sale, Anadolu Isuzu continued to expand its after-sales services in 2023.

The Company further improved its high level of customer satisfaction in 2023. The results of the satisfaction survey conducted with customers showed that the domestic customer satisfaction rate for Anadolu Isuzu remained high in 2023.

Anadolu Isuzu owes a great deal of its sustainable customer satisfaction to its after-sales service team that stands out with their widespread service network and tireless efforts.

As of the end of 2023, Anadolu Isuzu's domestic service network consists of 91 points operating in 57 provinces. Anadolu Isuzu vehicles abroad are served with 133 authorized service points in 43 countries.

Other Activities and Information

There are no administrative or judicial sanctions imposed on the Company and its management body, as there are no practices contrary to the provisions of the legislation.

Our company held its 2022 Ordinary General Assembly Meeting on 27 April 2023. During the year, 2 Extraordinary General Assembly meetings were held on 11.08.2023 and 11.12.2023. The resolutions made during the General Assembly and the

OTHER INFORMATION ABOUT ACTIVITIES

meeting minutes are published on our website and the Public Disclosure Platform.

There is no lawsuit filed against the Company that could affect its financial status and activities. Provisions for lawsuits filed against the Company as of 31 December 2023 and not concluded as of the balance sheet date are disclosed in the footnotes of our financial statements.

There was no special audit conducted during the accounting period. There are no penalties arising from public audits.

There is no legal action taken for the benefit of our main partners and their affiliates, with the guidance of our partners. There is no taken or avoided measure for the benefit of our main partners or their affiliate companies (TCC Regulations Art. 11).

The Company did not acquire its own shares during this period.

3) EVENTS AFTER THE BALANCE SHEET DATE

None.

4) DIVIDEND DISTRIBUTION POLICY

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, Capital Market Regulations, Tax Regulations and other relevant regulations and the article on dividend distribution of our Articles of Association

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated 21 March 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated 17 April 2014

In 2023, a total of TL 286 million gross dividend payment was realized in relation to 2022 profit.

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. BOARD OF DIRECTORS 2023 AFFILIATED COMPANY REPORT PREPARED UNDER ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

In accordance with Article 199 of the Turkish Commercial Code No. 6102 that entered into force on 1 July 2012, the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors is obliged to prepare a report on the Company's relations with the controlling shareholder and its affiliates in the previous year of operation within the first three months of the year of operation, and include the conclusion of this report in the annual report.

The necessary explanations on the transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the related parties are included in Footnote No. 28 of the financial reports.

"The report dated 15 March 2024 and prepared by the Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. Board of Directors, shows no transactions carried out by Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with the controlling shareholders and their affiliates through the guidance of the controlling Company or with the intention of achieving results for the benefit of the controlling Company or its affiliates, and no measures taken or avoided for the benefit of the controlling Company or its affiliates. It shows that in all transactions carried out with the controlling shareholder and its affiliates in 2023, a counter act at arm's length was carried out in every transaction in accordance with the known terms and conditions to ensure that the operation is carried out in a competitive manner under the market conditions at the time of the transaction, there are no measures taken or avoided to cause damage to the Company in favor of our Company's controlling shareholder and its affiliates, and there are no actions or measures within this

CORPORATE GOVERNANCE

SECTION I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. Statement of Compliance with Corporate Governance Principles

All activities of our company are carried out in compliance with all legal regulations and the “Corporate Governance Principles” regulated by the CMB. In addition to the information on our Company’s practices for each of the subjects mentioned in the Corporate Governance Principles, this Statement of Compliance with Corporate Governance Principles includes justified explanations of cases where these principles have not been applied (if any), the conflicts of interest arising due to the failure to fully comply with these principles (if any), and explanations regarding whether there are plans to make changes in our Company’s management practices in the future within the frame of these principles.

Our Company deems it a strategic necessity to take all necessary measures in line with the requirements of the “Corporate Governance Principles” disclosed to the public by the Capital Markets Board. Our Company complied with the “Corporate Governance Principles” published by the CMB during the operation period of 1 January 2023 - 31 December 2023, except for certain principles outside of the ones we are obliged to comply with, as specified below. There is no conflict of interest arising from the non-applicable matters summarized below. In addition, the Corporate Governance Compliance Report (URF) and the Corporate Management Information Form (KYBF), prepared in line with the CMB’s Resolution No. 2/49 dated 10 January 2019, can be accessed through the Corporate Governance section on the Public Disclosure Platform.

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

- In accordance with Article 4.6.5 of the Corporate Governance Principles, the remuneration and all other benefits provided to the members of the Board of Directors and managers with administrative responsibilities are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis as in previous years, but in a manner that includes the distinction between the Board of Directors and the managers with administrative responsibilities.
-
- There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company’s “Corporate Governance Principles.” The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.
- Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming period.

Ahmet Murat SELEK
Head of the Corporate Governance Committee

Mehmet Hürşit ZORLU
Member of the Corporate Governance Committee

Lale Develiođlu
Member of the Corporate Governance Committee

Recep Yılmaz ARGÜDEN
Member of the Corporate Governance Committee

Neşet Fatih VURAL
Member of the Corporate Governance Committee

SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

2.1. Investor Relations Department

The personnel with name, contact and license information provided below are responsible for the investor relations department of our Company established under the Chief Financial Officer.

Working under Fatma Aksoy Özek in 2019, the Investor Relations Department has been working under Neşet Fatih Vural, who was appointed as Chief Financial Officer, as of 4 January 2021.

Neşet Fatih Vural - Investor Relations Department Manager/CFO

Phone: +90 850 200 19 00

Email: investorrelations@isuzu.com.tr

License: Capital Market Activities Level 3 License

Corporate Governance Rating License

Fatih Terlemez - Member of Investor Relations Department/ Investor Relations Supervisor

Phone: +90 850 200 19 00

Email: investorrelations@isuzu.com.tr

The Investor Relations Department works primarily to ensure communication between the Board of Directors and shareholders, and to ensure the exercise of shareholder rights. In this context, issues such as making material disclosures on matters stipulated in accordance with the Capital Market legislation, preparing periodic information notes on the activities in order to inform investors, providing the content of the Company website, creating an annual report and meeting the written/verbal information requests of the shareholders are under the responsibility of the Investor Relations Department

During this period, the Investor Relations Department answered questions from investors and provided the necessary explanations. During this period, more than 100 applications were made to the department, and the number of questions asked increased upon the publishing of the financial statements, announcement of the date for the Ordinary General Assembly Meeting and other material disclosures.

The Corporate Governance Committee oversees the works of the Investor Relations Department. In this context, the committee determines the standards and basic principles of investor relations, annually reviews these standards and principles and compliance and makes the necessary suggestions to the Board of Directors. The report prepared by the Investor Relations Department regarding the activities and submitted to the Committee at each Corporate Governance Committee meeting is also submitted to the Board of Directors by the committee. Four committee meetings were held in 2023.

Improved outlook for our credit rating, Positive Outlook

Anadolu Isuzu's recent successes in many areas, particularly in export markets, are reflected in the outlook of its financial structure. Our company successfully manages the logistics and supply problems that affect the automotive industry as well as all other sectors with the support of its long-term and strong business partnerships as well as its healthy financial structure. During the period when we were preparing our report for publication, the reputable credit rating agency JCR Eurasia confirmed Anadolu Isuzu's Long Term National Corporate Credit Rating as AA (tr) and revised its outlook from 'Stable' to 'Positive' in its credit rating report announced on July 27, 2023. This credit rating update is an important reflection and result of our achievements.

ASUZU shares are now included in the BIST Corporate Governance Index (XKURY)

As a result of the Corporate Governance Rating study conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. ("SAHA"), our Company's Corporate Governance Rating score was determined as 9.45 (out of 10) as of 12.06.2023 and our Company's shares were included in the Corporate Governance Index (XKURY) as of 14.06.2023.

CORPORATE GOVERNANCE

2.2. Exercise of Shareholders' Right to Information

Information Requests of Shareholders from the Company

In line with its information policy, our Company ensures the complete and timely notification of all shareholders with all the information required for the proper exercise of their shareholding rights. Information requests from shareholders are evaluated within this frame. Transfer of information takes place within the scope of the content previously disclosed to the public.

Talks were held to ensure that domestic and foreign, corporate and individual investors, shareholders and analysts were informed about our Company's operating results, performance and other developments during the period, and all issues determined in accordance with the Capital Market legislation were announced to the public through material disclosures and press releases.

The questions answered within the scope of the information requests directly from the shareholders or intermediary institutions during the periods of financial statement announcements were about the Company's financial statements, the market structure, the change in the market, the development of the Company's market share and the new projects for the future and corresponding investments.

Assessment of Shareholder Information Requests and Announcement of Developments to Investors

Information requests from shareholders are answered immediately. The Company's website includes detailed information about the Company's capital structure, trade registry information, articles of association, organizational structure, periodic activities and financial statements, and the material disclosures made during the period.

In addition, our Company responds to the questions conveyed through the contact form on the website, one by one, in the shortest possible time and in line with the information disclosed to the public, especially to those asked by domestic individual investors.

Appointment of Special Auditors

Our Company's articles of association do not contain any provisions that make it difficult to conduct a special audit, and the Company management avoids any action that would make it difficult to conduct a special audit. Our Company acts in accordance with the relevant provisions of the TCC regarding the exercise of the right to request a special audit. There was no shareholder request for the appointment of a special auditor in 2023.

2.3. General Assembly Information

Our Company organizes its General Assembly meetings in accordance with all principles under the "General Assembly" heading of the Corporate Governance Principles

Our Company held its Ordinary General Assembly meeting for 2022 at 2 p.m. on 27 April 2023 at ""Fatih Sultan Mehmet Mahallesi Balkan Caddesi No 58 Buyaka E Blok Tepeüstü 34771 Ümraniye / İstanbul"" with the participation of 86 percent of the partners. Our Company organized 2 more Extraordinary General Assembly meetings in 2023 on 11.08.2023 at 11:00 am and 11.12.2023 at 14:00 am at the address "Fatih Sultan Mehmet Mahallesi Balkan Caddesi No 58 Buyaka E Blok Tepeüstü 34771 Ümraniye / İstanbul". Attendance rate was 86%.

Shareholders were invited to the General Assembly meeting at least three weeks before the meeting date with an advertisement in the national newspaper. In addition, written invitations were sent out to the registered holders.

Information on the Company's operating results is made available to the shareholders at the Company headquarters and Company factory at least three weeks before the General Assembly Meeting. After the financial statements are disclosed to the public, the information regarding the financial statements is also announced on the Company website. During the Ordinary General Assembly meeting, the chairman made sure to convey the agenda items in an impartial, detailed, clear and understandable manner. The chairman ensured that every question asked by the shareholders at the General Assembly meeting outside of the scope of trade secrets was answered directly at the General Assembly meeting, and there were no questions not related to the agenda or too comprehensive to be answered immediately at the Ordinary General Assembly meeting.

In accordance with Article 1.3.7 of the Corporate Governance Principles, there were no transactions performed within the scope of the Company's field of operation by persons with privileged access to Company information on their own behalf and which must be communicated to the General Assembly.

The agenda of the General Assembly was prepared in a manner that each item would be under separate headings and agenda items would be clear to not cause different interpretations. Expressions such as "other" and "various" were avoided in the agenda. The information provided before the General Assembly meeting was provided in reference to the relevant agenda items.

While the meeting agenda was being prepared, there were no issues that the shareholders conveyed to the Company's Investor Relations Department in writing for inclusion in the agenda. Likewise, the shareholders, CMB and/or other public institutions and organizations related to the Company did not make any requests for the inclusion of any items in the agenda.

The total number of shares and voting rights reflecting the Company's shareholding structure as of the date of the announcement of the General Assembly meeting were published on the Company's corporate website (www.anadoluisuzu.com.tr).

Invitation to the General Assembly is made at least three weeks in advance in the national newspaper and trade registry gazette. In addition, the decision of the Board of Directors regarding the invitation of the General Assembly to the meeting and the meeting agenda are published on the Public Disclosure Platform, the Electronic General Meeting System and the Company's website. In order to increase the participation of the shareholders, the General Assembly meetings are held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the least cost possible. In addition information regarding the decisions taken in the General Assembly is published on the Public Disclosure Platform and the Company's website after the meeting.

Members of the Board of Directors, other relevant persons, officials and auditors responsible for the preparation of the financial statements were present at the General Assembly Meeting in order to provide the necessary information and answer questions.

Although there is no such provision in the articles of association, General Assembly meetings are open to the public, including the stakeholders and the media. Except for the Company officials mentioned in the previous paragraph, no stakeholders or media members attended the Ordinary General Assembly meeting held on 27 April 2023.

Although our Company does not have a policy dedicated to donations and aids, this issue is regulated in detail in the articles of association. A separate item was added to the General Assembly agenda regarding the donations and aids made during the period, and the shareholders were informed about this issue at the meeting.

During the period, there was no transaction seeking the majority vote of the independent Board members for decision by the Board of Directors and left to the General Assembly due to the failure to achieve the majority vote.

In line with the provision of the mandatory Corporate Governance Principle No. 1.3.6 in the CMB Communiqué No. II-17.1 stating that "if the controlling shareholders, board members, managers with administrative responsibilities and their spouses and seconddegree relatives by blood or marriage carry out a transaction that may cause a conflict of interest with the partnership or its subsidiaries and/or carry out a commercial transaction within the scope of the line of business of the partnership or its subsidiaries on their own or someone else's account or enter another partnership operating in the same line of business as an unlimited partner, these transactions are included in the General Assembly agenda as separate items for detailed information on the subject and recorded in the minutes of the General Assembly Meeting," the partners were informed that there were no major transactions in this context during the year. The minutes of the meeting and the list of attendees were announced to the public on the same day of the meeting via the Public Disclosure Platform.

The minutes of the General Assembly Meeting and the list of attendees are kept available for the information of shareholders on our corporate website

CORPORATE GOVERNANCE

2.4. Voting Rights and Minority Rights

Privilege in Voting Rights

There is no practice in our Company that makes it difficult for shareholders to exercise their voting rights, and within the frame of the provisions of the Turkish Commercial Code regarding the electronic general meeting, the necessary mechanisms are established to provide every shareholder, including those outside the country, with the opportunity to exercise their voting rights in the easiest and most convenient way possible.

According to the Company's Articles of Association, there is one right to vote for each share in the General Assembly, and there is no privilege on voting.

There is a regulation in the current articles of association of the Company regarding the election of the board members;

The Company is managed by a Board of Directors consisting of 15 members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation.

For the Board of Directors, the General Assembly elects two members from the candidates nominated by the Group B shareholders, eight members from the candidates nominated by the Group A shareholders, and the other members from the candidates nominated by any shareholder.

Anadolu Group signed a joint venture agreement between its foreign partners Isuzu Motors Limited, and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensing partner. This cooperation, which includes technology transfer, was realized with the participation of foreign partners in the management in a non-majority partnership structure.

Mutual Participation

The Company does not have a mutual participation relationship with any organization.

Representation of Minority Interests in Management

Our Company takes the utmost care in the exercise of minority rights. In line with the Corporate Governance Principles, the independent members of the Company's Board of Directors are capable of performing their duties without being under any influence, and accordingly contribute to the objective management of the Company and ensure the protection of minority rights.

Although minority rights can also be granted to those who have an amount less than one-twentieth of the capital in accordance with the Corporate Governance Principles, there is no provision in our Company's Articles of Association that expands the scope of minority rights compared to the legally determined measures.

2.5. Dividend Rights

Privileges on Company Profit Participation

There is no privilege granted to shareholders regarding participation in the profits of the Company.

Company Dividend Distribution Policy

Our Company distributes dividends in accordance with the provisions of the Turkish Commercial Code, the Capital Market Regulations, Tax Regulations and other relevant regulations and the article on dividend distribution of our Articles of Association.

Our Company distributes at least 50 percent of its distributable dividends as cash and/or bonus shares every year.

Except for the investments and other fund needs required for the long-term growth of the Company, and the special cases required by extraordinary developments in economic conditions, maintaining this dividend policy is among the main objectives of our Company.

Decisions for dividends are taken separately for each accounting period by the Board of Directors and submitted to the General Assembly for approval. Dividend distribution starts on the date determined by the General Assembly, provided that the date is before the end of the year in which the General Assembly Meeting was held. The Company may consider distributing advance dividends in accordance with the provisions of the current legislation or paying the dividends in equal or different installments.

Within the frame of our efforts for compliance with the Corporate Governance Principles, we decided to handle this as a written policy in 2005. In accordance with the Capital Market's Communiqué on Dividends (Series: II-19.1), the revised dividend policy approved with the Board of Directors Resolution dated 21 March 2014 and published in the Public Disclosure Platform on the same date was approved at the General Assembly Meeting dated 17 April 2014.

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

Within the framework of the principles set forth in the Capital Markets Board's (CMB) Dividend Communiqué (II-19.1), the provisions of our Company's Articles of Association and the dividend distribution policy publicly disclosed by our Company; our Company has realized a gross dividend payment of TL 286 million in 2023 from the consolidated financial statements of 2022 prepared in accordance with the Turkish Commercial Code and CMB regulations.

2.6. Transfer of Shares

There are no provisions restricting the transfer of shares in the Company's Articles of Association, and our Company does not have any practice in place that makes it difficult to transfer the shares freely.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company Website and Its Content

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

Information about privileged shares is not specified separately since it is included in the Articles of Association, and other issues specified in the Corporate Governance Principles are included in the website in a comprehensive manner. The information on our Company's website is consistent with the statements made in accordance with the provisions of the relevant legislation, and does not contain any conflicting or incomplete information.

Except for special cases and footnotes, financial statement notifications that need to be disclosed to the public in accordance with the capital market legislation are not currently disclosed simultaneously in English and Turkish on the Public Disclosure Platform. The plan is to include the aforementioned statements on the PDP in English in the upcoming periods.

3.2. Annual Report

Our Company's annual reports are prepared in a thorough manner that will enable the public to find complete and accurate information about the activities of the Company, and include the information under Article 2.2.2 of the Corporate Governance Principles in addition to the matters specified in the legislation and other sections of the Corporate Governance Principles.

CORPORATE GOVERNANCE

SECTION IV - STAKEHOLDERS

4.1. Informing Stakeholders

Informing Stakeholders

Stakeholders are individuals, institutions or interest groups such as employees, creditors, customers, suppliers, trade unions, various nongovernmental organizations that have an interest in the Company's achievement of its goals or in its activities. Our Company protects the rights of the stakeholders in its procedures and activities, which are regulated by legislation and mutual agreements. In cases where these rights are not protected by legislation and mutual agreements, the Company shows utmost care to protect the interests of the stakeholders within the frame of goodwill and bounds of possibility. Our Company acts in accordance with the Corporate Governance Principles in its relations with stakeholders and has established all the relevant mechanisms.

If there is a conflict of interest between stakeholders or a stakeholder is involved in more than one interest group, a balanced policy is followed to protect the relevant rights with the goal of protecting each right separately.

Our Company implements the provisions of the relevant legislation in the use of mechanisms such as compensation of stakeholders. There is no written compensation policy for employees that is required in accordance with Article 3.1.2 of our Company's "Corporate Governance Principles." The Company takes the utmost care to protect the right to compensation of the employees within the frame of the principles in the Labor Law, as well as Anadolu Group Working Principles.

Ensuring the satisfaction of stakeholders by producing timely and applicable solutions to problems related to employees and other stakeholders is one of the most critical policies of the Company. Our employees, suppliers, customers and consumers are informed on the relevant issues in different ways.

Communication of Stakeholders with the Corporate Governance Committee and Audit Committee

Stakeholders can report the Company's transactions that are in violation of the legislation and not ethically appropriate to the Corporate Governance Committee or the Audit Committee through the office of the Chief Financial Officer and Internal Audit Directorate.

4.2. Stakeholders' Participation in Management

Studies on Stakeholders' Participation in Management

Models that support the participation of stakeholders in Company management, especially for the Company's employees, are developed in a manner that does not disrupt the activities of the Company. An open platform is provided for shareholders to state their positive or negative opinions about the Company at the General Assembly Meetings that are open to the participation of shareholders. In addition, the contact form on the Company website and the telephone line of the Investor Relations Department also provide an effective communication mechanism for shareholders.

Our employees can share their suggestions for adding value to our organization with the management through the Anadolu Group Innovation Portal "Bi-Fikir." The Human Resources Request and Improvement Line is actively used by our employees for general or improvement requests regarding the services offered by Human Resources. In addition, the Employee Satisfaction and Loyalty Survey, regularly conducted to support our employees' participation in management, is a channel where employees can express their general or improvement requests for the relevant institution.

Within the scope of Kaizen improvement studies and quality circles, the company carries out works aimed at improving the activities with employee participation.

Dealers and suppliers are asked for their opinions at annual meetings, and these opinions are considered in strategic plan studies.

Our Company takes all kinds of measures to ensure customer satisfaction in marketing and sales of goods and services. Requests for the goods and services purchased by the customer are rapidly evaluated, and our customers are informed about delays without waiting for the deadline. Quality standards are followed for all goods and services, as the Company emphasizes maintaining a certain level of standard in all its operations. Certain guarantees of quality are provided for this very purpose. The Company ensures the confidentiality of customer and supplier information and treats them as trade secrets. Stakeholders are asked for their opinions in critical decisions that may have consequences for them.

4.3. Human Resources Policy

Human Resources Policy

Our Company's Human Resources Policy was established in line with Anadolu Group Human Resources Quality Policies and announced to all employees

Anadolu Isuzu Human Resources Mission

To create an innovative company culture that encourages employee participation and collaboration, develops together and progresses towards a common goal, and enjoys itself.

Anadolu Isuzu Human Resources Vision

To create an inclusive, innovative and agile team structure focused on the dynamics of a sustainable future, adding value to society.

An approach which is against discrimination and supports equal opportunity

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

Equality of opportunity, which is also included in Anadolu Group's code of conduct and practiced without compromise, is supported, and equal opportunity and diversity are ensured in all human resources practices, including training, remuneration and career, starting from the recruitment process of employees.

Anadolu Isuzu aims to be a preferred employer under all circumstances with its human resources practices.

Anadolu Isuzu aims to be a preferred employer in the market with its human resources practices under all circumstances. It considers it among its corporate priorities to manage its human resources, in which professionals who provide high added value in a way that supports sustainable growth, work with a focus on employee satisfaction, continuous development and mutual open communication.

Anadolu Isuzu has a total of 1.269 employees in 2023. The total number of employees at the Company's R&D Center was 276 in the same period. Anadolu Isuzu employed 105 people in 2023.

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

Selection and placement processes carried out in order to recruit qualified human resources to Anadolu Isuzu; It includes foreign language level determination, numerical and verbal tests, personality inventory applications and reference researches. Our candidates are evaluated on a role-based basis, regardless of the concepts of competition equality, religion, language, race, ethnicity and gender, and are selected meticulously and sensitively.

Employees who join Anadolu Isuzu are greeted with a welcome kit, and they are included in the 1-month orientation process that starts from the day they start working to support the adaptation process to the corporate culture.

CORPORATE GOVERNANCE

An approach that encourages the female workforce

As a result of the employment approach implemented within Anadolu Isuzu in line with the goal of ensuring equality between women and men, the number of women working in 5 years has increased by 41% in the total number of employees.

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

In order to achieve our goal of doubling the number of our female employees, we aim for at least 50% of our recruits to be women each year. In this direction, we started our female candidate recommendation system.

Open Jobs Model

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

With this platform Anadolu Isuzu aims

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

The contribution of the Performance Management System

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

Performance criteria and annual performance targets for employees are determined within the framework of the company's strategy and goals. We aim to link the performance targets of decision-makers at Anadolu Isuzu with sustainability issues such as human rights, environment, employee rights/decent work, and anti-corruption, and to increase our efforts in these areas. Anadolu Isuzu aims to create sustainable goals through a performance management system that focuses on the objective evaluation of employee performance.

Employees can easily carry out approval processes from anywhere throughout the year by creating their goals through the system. The process is implemented twice a year, as Mid-Term Performance Evaluation and End of Year Performance Evaluation.

Steps taken for organizational development

Always attaching importance to organizational development activities, Anadolu Isuzu continued to work on organizational designs that will help the Company achieve its strategic goals in 2023 and implemented new business models.

Anadolu Isuzu believes that people are one of the most critical factors on the road to the growth, change and digital transformation that is part of its vision.

In line with its Human Resources strategy, creating a culture that is inclusive and supports development is among the most important priorities. While building the future, Anadolu Isuzu aims to develop talents who can keep pace with innovations, have vision, think strategically and are open to development in these areas.

Contribution through training and development activities

With the training and development activities carried out for continuous improvement and development at Anadolu Isuzu, it is strategically aimed to develop all employees in their focus areas.

Considering continuous training and development as the focus of its human resources system, Anadolu Isuzu aims to expand the visions of its employees and to support their technical, knowledge, skill and personal development.

Development needs; In addition to the feedback received from their managers and colleagues within the scope of the competency evaluation system, the outputs of the manager-employee meetings held during the performance process and the human resources planning process meetings are determined, and short and long-term training and development plans are created accordingly.

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

Highlights from the Training Sessions in 2023

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

The Leadership Development Program was designed and implemented in collaboration with Sabancı University in order to support the managerial competencies of First-Level Managers and Team Leaders, as well as to support their development in creating a common management understanding and language unity, and to enable them to reconsider their leadership skills and view of work and problems with an understanding of integrity. has been passed. The Leadership Program consists of 5 main modules, 7 topics and a Business Simulation application and a total of 10 training days.

The One-to-One Financial Coaching program has been initiated with the aim of how to interpret the tables in which financial transactions are reflected, related analysis and applications are discussed, to improve the financial literacy of every manager, even if it is not directly related to financial management, and to observe holistically the place in the financial statements of the movements within their own field decisions that will be reflected in the Company's results. The aim of the program is to gain a holistic financial perspective and to foresee the effects of the financial dimension in all decision processes of Anadolu Isuzu. In the same context, the Finance School program consisting of 4 separate training sessions for managers was held in order to foresee the effects of the financial dimension in all decision processes of Anadolu Isuzu.

Occupational health and safety, accident research and risk analysis trainings have been organized in order to provide a healthy and safe environment, reduce work accidents and occupational diseases, teach the occupational risks faced by employees and the measures to be taken against these risks, and raise awareness of occupational health and safety.

Trainings such as transactional analysis and communication, time and stress management, and effective presentation techniques were held in the classroom in order to improve the competencies of the employees.

Employees received 6,662 hours of training through the "flexible online training" application, where employees can receive technical training within the budget defined for them via the online training platform of their choice.

An English Training Program was offered to the employees in order to improve the English language level of employees who use English in their daily business cycle. In 2024, employees received a total of 440 hours of training under this program.

CORPORATE GOVERNANCE

With the aim of supporting the synergy among Anadolu Group Companies and the organizational development of the Group, a process has been established that will bring together employees from different companies and contribute to their development. This process, which started with the inventory evaluation carried out at the end of 2022, continues with a comprehensive Development Program from now on.

The development activities of the operators continued with training programs in different fields; A total of 15,803 hours of training was provided to 2,096 employees within the scope of kaizen, 5S, fire, OHS and environmental trainings.

Anadolu Isuzu Employees can participate in training on many topics from leadership, communication, personal productivity to information technologies through MESS and TISK Online academy platforms.

Since Agile requires a cultural transformation, it is necessary to understand the need for change at the individual, team and organizational level and to adapt the desire for change. Agile Awareness Session was held with the aim of providing the necessary transparency for all individuals touched by the transformation process.

Our management team received a certificate of expertise in "Disruptive Strategy" with the Harvard Business School Online training program.

Transactional Analysis and Communication, Target Mapping and Human-Focus Cooperation trainings were given to our colleagues who have just joined us in 2023, within the scope of orientation, so that they can adapt to our culture more quickly.

The "Competition Law" training was offered, where employees will have theoretical and practical knowledge to evaluate the very different situations and problems they encounter in their business life from the perspective of competition law.

The AG ACADEMY - The Distance Learning Platform

Anadolu Isuzu Human Resources carries out pioneering work in digital transformation in order to create the infrastructure for today's qualified workforce and to provide a working environment for technology development.

AG ACADEMY is Anadolu Group's training and development platform that removes the limits in accessing information, enables continuous learning, and has a direct impact on business performance.

Company employees can participate in trainings designed according to their needs at AG ACADEMY.

The importance of internal communication and employee satisfaction

Attaching great importance to internal communication activities, Anadolu Isuzu Human Resources publishes its human resources policies and procedures on a portal accessible to employees.

Employee satisfaction and loyalty surveys are conducted periodically within the company. On the other hand, with the aim of maintaining healthy communication between employees and the management team, employees are given the opportunity to share their innovative ideas via an e-platform.

Within the scope of an online application, surveys are organized to receive employees' opinions and suggestions on various issues. With this structure, which employees can access from both their smartphones and computers and respond to the survey, it is possible to receive opinions on any subject at any time. Through the online platform, employees can submit their suggestions and wishes, which are evaluated by HR and returned to the employee.

Anadolu Isuzu is a company that wants to capture the future, prioritizes employee happiness and productivity, and manages to use a common language with its employees.

One of the biggest goals is to increase productivity by ensuring the loyalty of competent and experienced employees. In line with this goal, plans for employee-specific organizations and events were increased in 2023.

On December 3, World Day of Persons with Disabilities, Anadolu Isuzu senior management met with our disabled employees for breakfast.

On the 100th anniversary of our Republic, we visited the Museum of Anatolian Civilizations, the Turkish Grand National Assembly and the Mausoleum in Ankara with 100 colleagues.

Employer Brand

In order to convey Anadolu Isuzu's fields of activity, working culture and vision to potential candidates, Anadolu Isuzu was established in 2023 with the "Our Way Will Come, Our Power Is You!" motto is used.

"Our Way Will Come, Our Power Is You!" under its roof; Many practices for the development, future and working conditions of the employees were sustained and strengthened.

Anadolu Isuzu's new employer brand offered a beautiful and powerful tool to show and explain success, vision for the future, unity and strength in the best possible way.

Projects involving collaboration between industry and academia

Talent Pick-up

Anadolu Isuzu's university-campus communication process was redesigned to make it more efficient, to provide prospective students with an "Anadolu Isuzu employee experience" and to attract promising talented students to Anadolu Isuzu. In this context, all internship and youth communication practices were gathered under the "Talent Pick-Up" brand and our practices were renewed. The project is available in 4 different options.

Talent Pick-Up: an internship program initiated to provide Anadolu Isuzu experience to selected department and university students for 10 weeks during the summer semester.

Talent Pick-Up Experience, on the other hand, is an internship program that allows university students who can organize a lesson program to have a real working experience at Anadolu Isuzu for 6 months.

Talent Pick-Up Plus is an internship program initiated for university students who want to do one full-term internship during the academic year (Fall and Spring).

Talent Pick Up Intro: Our Talent Pick Up Intro program is a program that offers prep, 1st and 2nd year students the opportunity to experience working at Anadolu Isuzu for 6 weeks during the summer. Young talents participating in the program have the opportunity to work on project-oriented issues in all departments of our company, while developing creative projects for Anadolu Isuzu's future strategies through the Ideathon process.

Talent Pick-Up was launched in July 2023. In order to provide intern candidates with a qualified recruitment experience in line with the requirements of the age, stages of the process such as interviews, personality inventories and English tests were conducted digitally.

In the internship program, which was designed with a full content, sensitive in the intern selection process (General Aptitude Test, Personality Inventory, English Exam, Department Interview) and attention was paid to equality, students were involved in the process by learning their project coaches and project topics before starting their internship.

During the internship period, Talent Pick Up interns worked on the subject they were assigned with their assigned mentors. While developing in terms of experience and projects, trainings were provided on the following topics in order to touch their personal development within the scope of the internship period.

- The Importance of Networking in Business Life.
- Communication with Transactional Analysis
- Target Mapping and Mind Mapping
- People-Oriented Collaboration and Internal Negotiation

In order to better explain the production lines of Anadolu Isuzu and to show the processes on site, the factory was also visited and examined in detail as part of the Talent Pick Up Tech Tour. In addition, a technical trip was organized to our Group company Adel Production Plant in order to create a different vision and enable the interns to see different areas.

A total of 20 university students participated in the Talent Pick-Up Internship program and carried out 20 projects related to their departments.

In 2023, 30 students participated in our Talent Pick Up Intro program, and at least 50% of our young people were selected from female candidates in line with our equal opportunity goals.

CORPORATE GOVERNANCE

While Talent Pick Up Intro interns were experiencing their work experience, they also participated in the 6-week In-House Ideathon program using Design Thinking methodology with Makers Consulting company. They started to produce projects on Anadolu Isuzu's future strategies using techniques such as brainstorming, reverse brainstorming and scamper. The projects were then presented to Anadolu Isuzu senior management. Not only focusing on professional development, Talent Pick Up Intro Interns also received Networking Training, Presentation Training, Goal Mapping Training and Effective Communication training, which contributed to their personal development. After these trainings, our interns realized 7 different projects and made presentations to our senior management team.

The Talent Pick-Up Internship Program, which aims to help university students start their careers with experience and success, was ranked among the Most Admired Talent Programs of the Year in Top 100 Talent Programs 2023 by Toptalent.co.

In 2023, Talent Pick Up Talent program was ranked 1st in the field of Automotive (Commercial) in the Best Talent Program competition organized by Toptalent.co, the University Campus Communication Agency.

Anadolu Isuzu employees organize webinars for university students as part of the Talent Talks program on topics in which they are experts.

In 2023, our Talent Pick Up Intro program, which we launched for the first time, received an award in the category of Paving the Way for Young People at the Common Tomorrows Award program organized by the Confederation of Employer Associations of Turkey.

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

Vocational high school-industry collaboration projects

As part of the cooperation between vocational high schools and industry, 65 senior students from industrial vocational high schools were offered internship opportunities at Anadolu Isuzu.

There is an Anadolu Isuzu Paint Technologies Workshop at Küçükalyal Vocational and Technical Anatolian High School. The workshop provides important support to vocational education. The workshop trains qualified paint professionals who are eager to follow and commission innovations, who are familiar with theoretical knowledge as well as practical applications, who have internalized occupational health and safety rules, and who act with environmental awareness. The project also contributes to the creation of qualified human resources needed by the industrial sector.

As of 2023, a total of 76 students have graduated from the Anadolu Isuzu Paint Technologies Workshop.

We are in interaction with the students of Adem Ceylan Final Technical College Motor Department, we have participated in technical trips and career fairs, and we are developing a project on Electric Vehicles.

Promotional activities at universities

Anadolu Isuzu participates in the career days of Turkey's leading universities and sponsors case studies. Students and academics from all over Turkey and abroad are introduced to Anadolu Isuzu on a Tech Tour. Visitors are encouraged to discover Anadolu Isuzu through explanations of the technologies used, exploration of R&D and production areas, and answers to questions by expert and experienced staff.

During the year, technical tours were organized for Middle East Technical, Mimar Sinan, Gazi, Istanbul Technical, Yıldız Technical and Kocaeli University student clubs and vocational high school students to share information about the company's activities and the experiences of its expert staff.

A Masterbee protocol was signed with Istanbul Technical University and a Koop Agreement was signed with Kocaeli University.

We participated in the Defense Technologies Days organized by the Savtek Club of Istanbul Technical University in order to recruit outstanding students to Anadolu Isuzu.

Participated in the Makinistanbul event organized by Istanbul University Industrial Project Development and Cooperation Club.

Participated in the YEA event, which was attended by over 10,000 people from various parts of Turkey.

We participated in the Career Days event organized by Middle East Technical University and explained in-company career opportunities.

We participated in the Interview Simulation event organized by Middle East Technical University.

Participated in the Engineering Summit event organized by Boğaziçi University Engineering Club and informed students about Anadolu Isuzu production facility and products.

OSD Automotive Summer Camp

Organized between July 4 - July 7, 2023 with the support of the Automotive Industry Exporters' Association (OIB), the online certified Automotive Summer Camp event continued in its second year with great interest.

Over 70,000 students enrolled in the Automotive Summer Camp, which was developed and implemented by the OSD Human Resources Committee, Education Working Group in order to increase awareness of the automotive industry and to limit students' internship opportunities during the pandemic. Anadolu Isuzu representatives shared their experiences on "Connected Vehicles" with university students.

Union rights and collective bargaining agreement at Anadolu Isuzu

At Anadolu Isuzu, relations with blue-collar employees are regulated within the scope of collective bargaining agreements.

United Metal İş Union is the authorized labor union in Anadolu Isuzu. There is 1 Chief Representative and 3 Union Representatives elected and appointed within the company.

The said representatives; In the Collective Bargaining Agreement signed between the United Metal Workers' Union and MESS (Turkish Metal Industrialists' Union) and within the limits determined by the laws; They are obliged to follow up the demands, complaints and problems of blue-collar employees, to represent the employees in committees such as the Disciplinary Board and the Occupational Health and Safety Board, and to observe their legal rights.

Professional competency certification studies

In accordance with the communiqué issued by the Republic of Turkey Ministry of Labor and Social Security, the Vocational Qualification Certification process continues at Anadolu Isuzu.

Workshop-based trainings were organized in order to train qualified personnel for the automotive industry and to rate employees in relation to their work. In order to improve the competence and skills of our employees, we provided mastership, master instructor and vocational qualification trainings, and a total of 588 employees received certificates.

BiFikir Application and BiFikir Festival

Bi-Fikir Application and Bi-Fikir Festival, where Anadolu Group employees present their innovative ideas; It stands out as a platform where they develop their creativity as individuals and as a team 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.

The creative and innovative ideas that Anadolu Isuzu started with the Quality Circle studies and transformed into corporate culture over time continue to be conveyed in Bi-Fikir with the active participation of all employees in every field.

In the final event of Bi-Fikir, Anadolu Group's innovation program, the "Anadolu Isuzu Professional Development Program" won first prize in the Sustainability & People Category, and the "V2X Connected Vehicles" project, which represents Anadolu Isuzu's innovation and creativity, won first prize in the Digitalization and Efficiency Category.

Bi-Fikir KAP aims to carry Anadolu Group's innovation approach outside the group, to strengthen the employer brand, and to collect useful, innovative and applicable project proposals for Group companies from university students through open innovation.

CORPORATE GOVERNANCE

Creative Ideas Come Together in Kaizen Days

Kaizen is a Japanese word formed by combining two words.

Kai combined the words 'Change' and Zen 'Good' to form a philosophy that means continuous improvement. In the long run, it is the realization of improvements with small and firm steps. It is done with no or little investment. By the end of the year, hundreds of Kaizen are uniting and creating significant gains.

Anadolu Isuzu completed 566 Kaizen projects in 2023. Anadolu Isuzu always supports and encourages creative-innovative ideas that started with the Quality Circle and Kaizen studies and turned into a company culture over time. Kaizen awards were presented to the employees who made presentations on Kaizen days.

HAPPINESS TEAM AT WORK

Anadolu Isuzu Happiness Team, representing all departments, takes steps for the happiness of its employees;

Organizing studies related to areas to be focused, together with human resources, Takes an active role in the creation of employee engagement action plans, The realization of employee engagement action plans for the company and departments is presented to the senior management.

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

Awards

The Talent Pick Up Internship program, which aims to help university students start their careers with experience and success, ranked 1st in the Top 100 Talent Program 2023 Automotive (Commercial) category.

Anadolu Isuzu received the Automotive Company of the Year Award at the Bosphorus Business World Awards organized by the Boğaziçi University Engineering Club.

Anadolu Isuzu received the Automotive Company of the Year Award at the Crystal Deer Awards organized by Hacettepe University.

Anadolu Isuzu received the Employer Brand Company of the Year Award at the Business World Awards organized by Yıldız Technical University

The Talent Pick Up Intro Internship Program project, which supports the professional development of young people in the automotive sector, received an award in the category of Paving the Way for Young People at the Common Tomorrows award event organized by the Turkish Confederation of Employers' Associations (TİSK).

Within the scope of the Istanbul Metropolitan Municipality's Regional Employment Offices Project, which brings together job seekers and employers, the company was awarded as one of the companies "Adding Value to Istanbul Employment".

4.4. Codes of Conduct and Social Responsibility

Codes of Conduct

Since its foundation, Anadolu Group has had a consciously implemented, managed and maintained corporate culture. In addition to knowledge and experience, this corporate culture shared by all managers and employees also includes future expectations and strategies that are in line with today's conditions. Providing the best services and products for everyone and passing on its reputation to future generations form the fundamental values of Anadolu Group.

Adhering to legal rules and ethical values in business and social life, working based on trust, producing quality, accurate and reliable results, acting in accordance with the established beliefs, rules and thoughts, and respecting nature and the environment are indispensable components of the Anadolu Isuzu corporate culture.

Our Company activities are carried out within the frame of Anadolu Group Working Principles available on our corporate website. Our Company is also a member of the Ethics and Reputation Society of Turkey. Our Company has an Ethics Committee chaired by the General Manager, and holds evaluation meetings at regular intervals.

On the other hand, in order to reinforce compliance with the capital market legislation and corporate governance practices at Anadolu Group, a group that is widely recognized and trusted in domestic and foreign capital markets, the Company employees are reminded of their obligations arising from the legislation in relation to insider trading within the scope of the Anadolu Group Working Principles prepared for Group companies. Since we are a public company, there is a "Blackout Period" prohibiting the trading of the relevant Company's shares for those who have access to insider information.

Social Responsibility Activities

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

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

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

Highlights from the Anadolu Isuzu social awareness projects in 2023

The Million Women to Million Women Mentor Program, which aims to bring together young women between the ages of 15-25 working in STEM (Science, Technology, Engineering and Mathematics) fields and industry leaders on a digital platform, with the contributions of 20 employees was supported.

By supporting the Million Women Mentor program, 20 of our employees, who are experts and professionals in their fields, shared their experiences with 15 female STEM students and shed light on their careers.

On March 8, International Women's Day, the Anadolu Isuzu family continued the relief and support efforts we initiated to heal the wounds of the earthquake disaster that struck 11 provinces in February.

In conjunction with March 8, International Women's Day, we set out with our specially designed need bus and 12 employees to respond to the needs of women and children in earthquake zones. We acted in coordination with AFAD.

We reached 1 Container City, 3 Tent Cities and Adiyaman Training and Research Hospital in the center of Adiyaman.

Within the scope of these aids, we distributed 1,237 Newborn Baby Kits, 1,979 Children's Toys and Stationery Kits, 1,397 Women's Hygiene Kits, 1,936 Adult Underwear, 2016 Children's Underwear.

By taking part in the Promise the Future Scholarship Program event organized by Sabancı University, we provided a scholarship fund of 150,000 TL by making necklaces in Ayşe Arman's goodness necklace workshop to make a stronger future possible for our successful and needy young people.

SECTION V - BOARD OF DIRECTORS

5.1. Structure and Formation of the Board of Directors

The Company's Board of Directors consists of a Chairman, a Vice Chairman and 13 members, adding up to a total of 15 members. In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. Management and representation affairs can be distributed among the Board Members. The chairmen and members of the committees are determined. The Board of Directors is authorized to make decisions on this matter.

Currently, there is no executive Board member in the Company's Board of Directors.

The resumes of the Board Members, including their duties outside the Company, are available both in the 2023 annual report and on our Company's website.

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Current Board Members and their job descriptions are as follows:

Name	Duty	Current Duties Outside the Company
Tuncay ÖZİLHAN	Chairman	Chairman of the Board at AG Anadolu Grubu Holding A.Ş., Chairman, Vice Chairman and Member of the Board at Anadolu Group Companies
Kamilhan Süleyman YAZICI	Vice Chairman	Vice Chairman at AG Anadolu Grubu Holding A.Ş., Board Member at Anadolu Group Companies
Talip Altuğ AKSOY	Board Member	Board Member at Anadolu Group Companies
Mustafa Ali YAZICI	Board Member	Board Member at Anadolu Group Companies
Ahmet BOYACIOĞLU(*)	Board Member	Board Member at Anadolu Group Companies
Reo SAWADA	Board Member	Itochu Corporation - Managerial Position
Tomoyuki YAMAGUCHI(**)	Board Member	GM at Isuzu Motors Regional Management Office
Recep Yılmaz ARGÜDEN	Board Member	Board Member of Anadolu Group Companies; Chairman of ARGE Consulting and Rothschild&Co Turkey; Board Member of Akış Real Estate and Marmara Group; Chairman of the Board of Trustees of Argüden Management Academy; Member of the Board of Trustees of Altınbaş University; Vice President of the Turkish Basketball Federation
Özdemir Osman KURDAŞ	Board Member	Board Member at Anadolu Group Companies
Sezai Tanrıverdi(***)	Board Member	Board Member at Anadolu Group Companies
Lale DEVELİOĞLU	Independent Board Member	Board Member - Women's Association, Aksa Acrylic, Nobel ilaç
Barış TAN	Independent Board Member	Koç University - Business and Industrial Engineering Faculty Member, Kyoto University Graduate School of Management - Advisory Board Member, E.M. Lyon - Member of the International Advisory Board, Nottingham Business School - Member of the International Advisory Board, ISM University of Management and Economics - President of the Senate
Yusuf Kamil SONER	Independent Board Member	
Ahmet Murat SELEK	Independent Board Member	Selek Stratejik ve Kurumsal Yönetim Danışmanlık Şirketi - Management
Orhan ÖZER	Independent Board Member	

(*) With the decision of the Board of Directors dated August 11, 2023, it has been resolved to accept the resignation of Mehmet Hurşit ZORLU, who has resigned from the Board of Directors, and to appoint Ahmet BOYACIOĞLU as a member of the Board of Directors in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the first General Assembly as of the date of the Board of Directors' decision. Mr. Mr. Ahmet BOYACIOĞLU, who was elected to complete the term of office of Mr. Mehmet Hurşit ZORLU, to the Board Membership vacated due to his resignation. Mr. Ahmet BOYACIOĞLU's Board Membership was approved by the Extraordinary General Assembly Resolution dated December 11, 2023.

(**)With the decision of the Board of Directors dated July 5, 2023, it has been resolved to accept the resignation of Mr. Hidenao HASHIMOTO, who resigned from the Board of Directors of our Company due to the change of duty within our shareholder Isuzu Motors Limited, and to appoint Tomoyuki YAMAGUCHI as a Board Member in accordance with Article 363 of the Turkish Commercial Code, to be submitted to the approval of the first General Assembly as of the date of the Board of Directors' decision. Mr. Mr. Tomoyuki YAMAGUCHI, who was elected to complete his term of office, to the Board Membership vacated due to the resignation of Mr. Hidenao HASHIMOTO. Mr. Tomoyuki YAMAGUCHI's Board Membership was approved by the Extraordinary General Assembly Resolution dated August 11, 2023.

(***) It has been understood that the draft amendment to Article 13 of the Company's Articles of Association titled "Board of Directors" was approved at the Extraordinary General Assembly dated August 11, 2023 as stipulated, and the issue of the election of the Board of Directors members required to ensure the minimum number of Board members was discussed. Mr. Sezai Tanrıverdi, who was proposed by the Group A shareholders and declared his candidacy. Mr. Sezai Tanrıverdi, who was proposed by the Group A shareholders and declared his candidacy, was elected as a member of the Board of Directors to serve until the first Ordinary General Assembly meeting where the operating results for the year 2023 will be discussed and for the same term of office as the current members of the Board of Directors.

Independent Members and Independence Criteria

During the period, there was no development that prejudiced the independence of independent members. Individuals elected as independent members of the Board of Directors have not been registered and announced on behalf of a legal entity.

Duties of Board Members Outside the Company

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

5.2. Operating Principles of the Board of Directors

The Company's Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner, in compliance with all matters specified in the Corporate Governance Principles. The Company's Board of Directors convened five times during the reporting period. All of the meetings were attended 100% of the time.

The Board of Directors plays a leading role in maintaining effective communication between the Company and shareholders, settling and resolving any disputes that may arise and continues to work in close cooperation with the Corporate Governance Committee and the Investor Relations Unit for this purpose.

In accordance with the Company's Articles of Association, the Board of Directors elects a Chairman and a Vice Chairman every year. The Chairman of the Board of Directors is responsible for managing the meetings of the Board of Directors, ensuring that the discussions take place regularly and recording what is said at the meeting. While the powers of the Chairman/members of the Board of Directors and Company executives are defined in the Company's articles of association, no one in the Company is vested with unlimited decision-making authority alone.

Determination of the Board of Directors Agenda and the Call

In accordance with Article 4.4.1 of the Corporate Governance Principles, the Board of Directors convenes as often as it can to efficiently fulfill its duties. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. In accordance with our Company's Articles of Association, the majority of the total number of members is present at the Board of Directors meetings, and decisions are taken with the majority vote after hearing the opinions of the members

Informing the Board Members

Board Members are informed about Company activities by the General Manager.

Inclusion of the Justification for the Opposing Votes in the Record

As a requirement of the Corporate Governance Principles, the minutes of all Board meetings are recorded. In the meetings, the Board of Directors discusses not only the performance in the previous period or developments in the current period, but also matters regarding future growth plans, competition strategies, human resources and organizational structure. While not all of the relevant issues are resolved, the minutes are not disclosed to the public, as the disclosure of the resolved issues may lead to certain speculations. On the other hand, all critical issues resolved by the Board of Directors are announced to the public via material disclosure.

The method and frequency of the Board of Directors meetings, meeting and decision quorum, the method of objection to the Board resolutions and the issues regarding the validity of the Board resolutions are clearly stated in the Articles of Association.

The agenda of the Board meetings consists of the issues decided in the previous Board meeting for further discussion in the next board meeting, and the issues determined by senior management. Matters that need to be discussed by the Board are forwarded to the Chief Financial Officer and brought together to set the agenda of the next meeting. The ordinary meeting dates of the Board of Directors are determined in the annual calendar and announced to the members. Before each meeting, Board members are informed again about the issues included in the meeting agenda through formal information letters and reports.

If necessary, the Board of Directors may convene more than once in a single month. The Chairman, Vice Chairman and each Board member have the right to call a Board meeting and/or add certain issues to the agenda of the relevant meeting by notifying all other Board members at least fifteen (15) days in advance. Board meetings may be held at the Company's head office, or some other location inside or outside Turkey as decided at an ordinary meeting with the Board's quorum.

CORPORATE GOVERNANCE

The opinions of the members who could not attend the meeting but have sent their opinions in writing are notified to other members. In accordance with the Turkish Commercial Code, the Board of Directors may also take decisions without holding a meeting. The meeting and decision quorum specified in the Company's Articles of Association are also valid for such decisions.

The secretary services of the Board of Directors are carried out by the Company's Chief Financial Officer. If there are reasonable and detailed grounds for opposing votes regarding the questions asked by the Board Members at the meetings and issues with different opinions, these are included in the record. In accordance with the Corporate Governance Principles, members must attend the Board of Directors meetings in person.

Board members do not have voting and/or veto powers in case of tied votes. Each Board member, including the Chairman, has one vote. None of the members has the power to break a tied voting.

The Company's Board of Directors evaluates its own performance at regular intervals. The self-evaluation of the Board of Directors is carried out once a year to reflect the individual performance of the Board members. Self-evaluation is also used to determine the competencies required by the Company's Board of Directors within the frame of the changing and developing global business conditions, and take action accordingly.

Related Party Procedures

In accordance with the Corporate Governance Principles, Board decisions regarding critical related party procedures are taken with the approval of the majority of the independent members.

Executive Liability Insurance

Damages caused to the Company due to the faults of the Board Members during their duties are insured with a policy of \$25,000,000 in coverage.

5.3. Number, Structure and Independence of the Committees Established by the Board of Directors

Corporate Governance Committee

The Corporate Governance Committee, established in accordance with the Communiqué, consists of five members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Mehmet Hurşit Zorlu, Lale Develioğlu, Recep Yılmaz Argüden and Neşet Fatih Vural, who serves as the Investor Relations Manager of our Company, in accordance with the provision in Article 4.5.3 of the Corporate Governance Communiqué (Series: II-17.1) dated 3 January 2014 stating that "specialists who are not Board members may join committees other than the Audit Committee."

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

The Corporate Governance Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Corporate Governance Committee regulation approved by the Board of Directors is published on our corporate website. (www.anadoluisuzu.com.tr)

Audit Committee:

The Audit Committee, established in accordance with the Communiqué, consists of two members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while Independent Board Member Orhan Özer was elected as a member.

The Audit Committee is responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently.

The Audit Committee convened four times throughout the year.

In accordance with the Corporate Governance Communiqué, the Audit Committee regulation approved by the Board of Directors is published on our corporate website. (www.anadoluisuzu.com.tr)

Early Detection of Risk Committee:

The Early Detection of Risk Committee, established in accordance with the Communiqué, consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Talip Altuğ Aksoy and Barış Tan.

The tasks of the Committee include early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management.

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

The regulation on the working principles of the Early Detection of Risk Committee was determined by the Board Resolution No. 2013/28 dated 23 July 2013, and is published on our corporate website. (www.anadoluisuzu.com.tr)

Members Joining Multiple Committees

In accordance with the Communiqué Serial: IV No: 56 of the CMB Communiqué on the Determination and Implementation of Corporate Governance Principles, all members of the Audit Committee and the chairman of the Early Detection of Risk Committee and Corporate Governance Committee were elected among the Independent Board Members. There are five independent members on the Company's Board of Directors and four of the five members serve on the committees. Ahmet Murat Selek is the Chairman of the Corporate Governance Committee and the Audit Committee, and Orhan Özer is the Chairman of the Early Detection of Risk Committee and a member of the Audit Committee. In addition, Lale DEVELİOĞLU is a member of the Corporate Governance Committee and Barış TAN is a member of the Early Detection of Risk Committee.

5.4. Risk Management and Internal Control Mechanism

The Company's financing resources and risk management policies

In addition to its cash and capital, Anadolu Isuzu also uses long-term Turkish lira and foreign currency (Euro) loans from Turkish and foreign banks to finance its investments.

The principles of Anadolu Isuzu risk management policies are included in the relevant article of the Corporate Governance Principles Compliance Report.

Explanations regarding the main components of the Group's internal audit and risk management systems for the preparation process of consolidated financial statements

The Internal Audit Department under Anadolu Isuzu audits all companies and units consolidated periodically every year. The business plan of the department is approved annually by the Audit Committee and revised depending on the developments experienced during the year. The internal audit, performed in all companies subject to consolidation, is carried out according to the standards published by the Global Institute of Internal Auditors.

CORPORATE GOVERNANCE

Risk Management and Internal Control Mechanism

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

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

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

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

- Performance and risk indicators are used as an early warning system to monitor risks and take the necessary measures on time. The SAP system, which is integrated into all processes within the Company, is an effective technological decision support system used for this very purpose. ·
- This allows for instantaneous monitoring of activity results, elimination of human errors, early detection of risks and increased efficiency of the internal control system. At the same time, the internal communication system with high-level technology provides the opportunity to quickly intervene in any problem and produce solutions. ·
- Business continuity and crisis management studies are carried out and supported by effective insurance management in order to prevent and reduce losses arising from risks that may cause business and production interruptions, such as natural risks and supply chain problems. ·
- Investments are made in backup systems to prevent system damage and data loss in case of any extraordinary situation. ·
- In addition, the Company instantly monitors environmental factors and extraordinary situations and investigates their causes, and continuously takes measures to minimize any risks.

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

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

5.5. Strategic Targets of the Company

While the Board of Directors manages and represents the Company by keeping the risk, growth and income balance of the Company at the most appropriate level with a rational and cautious risk management approach, primarily considering the Company's long-term interests, it is also responsible with ensuring that the Company achieves its determined and publicly disclosed operational and financial performance targets. In this context, the relevant directorates create annual budgets and business plans each year and submit them to the Board of Directors through the office of the Chief Financial Officer. The results achieved by operating in accordance with these plans throughout the year are continuously compared with the budget approved by the Board of Directors, and the reasons for deviations are investigated.

In the process of establishing the annual strategic targets, the Company's Board of Directors firstly approves the basic assumptions and strategic targets established after the relevant studies.

During the implementation process, the Board of Directors monitors the comparative results of the Company's activities with its strategic targets in the light of the monthly activity reports and the information obtained directly at the Board meetings.

5.6. Financial Rights

Criteria Used in Determining the Rights of Board Members

In accordance with the Articles of Association, it is not possible to pay dividends to Board members.

As stated in the Articles of Association, the compensation of Board Members is determined by the General Assembly. The Board of Directors is authorized to elect the senior executives who will take part in the management of the Company, specify their powers, wages and other rights, and conclude/break agreements with them.

On the other hand, in accordance with the decision taken at the Ordinary General Assembly meeting held on April 27, 2023, it has been resolved that each of the members appointed as independent board members shall be paid an annual net fee of TL 504,000 at a level that will maintain their independence throughout their term of office and that each of the members of the board of directors who served as independent board members in 2022 shall be paid a retroactive net lump sum payment of TL 84,000 in April 2023 regarding their 2022 salaries.

There are no other compensation or benefits provided to the Board of Directors.

Compensation and Benefits Provided to the Company's Senior Employees

In accordance with Article 4.6.5 of the Corporate Governance Principles, the compensation and all other benefits provided to the members of the Board of Directors and senior managers are disclosed to the public with the annual report. However, the statement was not prepared on an individual basis, but in a manner that it would include the distinction between the Board of Directors and the managers with administrative responsibilities.

The Board of Directors carries out the studies necessary to ensure that senior managers receive reasonable wages according to market conditions. The compensation policy prepared for this purpose is included in ANNEX-2.

Loans to Board Members and Executives

The Company has not provided any Board member or executive with a loan or credit, has not extended the duration of any loans or credits, has not improved the terms of loans, has not extended credits under the name of personal loan through a third party and has not given guarantees such as sureties.

Annex: 1

Evaluation of the Working Principles and Effectiveness of the Board Committees

With the Board decision taken on 27 April 2023 in accordance with the Corporate Governance Principles after the election of the Board members at the Ordinary General Assembly Meeting held on 3 May 2023;

- Independent Board Member Ahmet Murat Selek was elected the Chairman of the Audit Committee, while Independent Board Member Orhan Özer was elected as a member
- The Early Detection of Risk Committee consists of three members. Independent Board Member Orhan Özer was elected the Chairman of the Committee, while members elected were Talip Altuğ Aksoy and Barış Tan.
- The Corporate Governance Committee consists of five members. Independent Board Member Ahmet Murat Selek was elected the Chairman of the Committee, while members elected were Hürşit Zorlu, Lale Develioğlu, Recep Yılmaz Argüden and Neşet Fatih Vural.

The duties of the Nomination Committee and the Remuneration Committee will be carried out by the Corporate Governance Committee. These matters were disclosed to the public on the Public Disclosure Platform and our Company's website.

In 2023, our Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee effectively performed the duties and responsibilities as required in their own regulations.

In accordance with the annual meeting plans determined and created in their own regulations, deemed necessary for the effectiveness of their efforts in 2023;

The Audit Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Responsible for taking all necessary measures to ensure that any internal and independent audit is performed adequately and transparently and the internal control system is implemented effectively, the "Audit Committee" provided the Board of Directors with its suggestions regarding the issues under its responsibility, including its opinions and suggestions regarding the internal audit and internal control system.

The Corporate Governance Committee convened four times and provided the Board of Directors with reports containing information about their activities and the results of the meetings held throughout the year. Accordingly;

Established to monitor the Company's compliance with the Corporate Governance Principles, carry out studies to improve this compliance and provide the Board of Directors with suggestions, the "Corporate Governance Committee" determined whether the Corporate Governance Principles are applied in the Company; and if not, the justification for this non-compliance and the conflicts of interest arising due to the same non-compliance. The committee provided the Board of Directors with suggestions on how to improve corporate governance practices and oversaw the work of the Investor Relations Department.

The Early Detection of Risk Committee convened two times. The committee submitted six evaluation reports to the Board of Directors, including its works throughout the year. Accordingly;

Working on the early detection of risks that may endanger the existence, development and continuation of the Company, implementation of the necessary measures regarding the detected risks, and carrying out studies for risk management, the "Early Detection of Risk Committee" examined the Company's risk management systems in accordance with the Corporate Governance Principles and the Early Detection of Risk Committee Regulation.

Annex: 2

ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. compensation policy for the Board of Directors and senior executives was prepared in order to define the remuneration system and practices and other rights of Board members and senior executives.

Our Company's Chairman and Members of the Board may be paid a fixed monthly fee/attendance fee for their services in these positions. The amount to be paid is determined at the General Assembly meeting. In any case, the independent Board members are paid an amount that will maintain their independence, and the payment plans based on the Company's performance are not used in the remuneration of the independent Board members

Executive members of the Board of Directors are paid within the scope of the policy determined for senior executives, as detailed below.

The rights provided to the senior executives at our Company are defined within the frame below:

Monthly Salary: Determined depending on the market and/or industry conditions, inflation, the position of the manager, their level, qualifications and individual performance, and paid for the duration of the employment contract. Unless there are any changes in market conditions, the monthly salaries are reviewed once a year within the frame of the determined principles, while considering the criteria essential for determining the salaries.

Information about the market and/or industry conditions is collected through generally accepted consultancy organizations, as well as by using data obtained from other sources, while considering the status and future of the Company's goals.

The factors that come into play in determining the level of individual performance are the manager's approach, business style and behaviors, and the completion of the annual goals they have set with their managers.

Bonuses: Determined based on the monthly salary. Four months of monthly salary is divided into the periods determined by the Company, and paid for the duration of the employment contract.

Premium: Upon exceeding a certain lower limit defined according to certain weights in compliance with the Key Performance Indicators (KPI) determined for the Company's relevant calendar year and approved by the Board of Directors, a certain ratio of the annual total of the monthly salary and bonus payments made to the manager (depending on their position) may be calculated in line with the Company KPIs and individual performance realization rates and paid to the manager as a premium.

Other Rights: In line with the organization's defined policies and regulations, benefits such as Health Insurance, Private Pension and so on and other social benefits are provided generally and/or based on certain conditions such as position, qualifications and so on.

Annex: 3

BAĞIMSIZLIK BEYANI

- Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (Şirket), Şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda görev yapmadığımı, sermaye veya oy haklarının veya imtiyazlı payların %5'inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişki kurmadığımı,
- Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, odak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,
- 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K)'na göre Türkiye'de yerleşmiş sayıldığımı,
- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,
- Şirketin yönetim kurulunda son on yıl içerisinde toplam 6 yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu ve dolayısıyla şirket yönetim kurulu üyeliğimi, bağımsız üye olarak yerine getireceğimi beyan ederim.

Tarih: 01.02.2023

Adı-Soyadı: Ahmet Murat Selek

İmza:



Annex: 3


BAĞIMSIZLIK BEYANI

- Anadolu Isuzu Otomotiv Sanayii ve Ticaret A.Ş. (Şirket), Şirketin yönetim kontrolü ya da önemli derecede etki sahibi olduğu ortaklıklar ile Şirketin yönetim kontrolünü elinde bulunduran veya Şirkette önemli derecede etki sahibi olan ortaklar ve bu ortakların yönetim kontrolüne sahip olduğu tüzel kişiler ile şahsım, eşim ve ikinci dereceye kadar kan ve sıhrî hısımlarım arasında; son beş yıl içinde önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda görev yapmadığımı, sermaye veya oy haklarının veya imtiyazlı payların %5'inden fazlasına birlikte veya tek başıma sahip olmadığımı ya da önemli nitelikte ticari ilişki kurmadığımı,
- Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, odak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,
- 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K)'na göre Türkiye'de yerleşmiş sayıldığımı,
- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,
- Şirketin yönetim kurulunda son on yıl içerisinde toplam 6 yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu ve dolayısıyla şirket yönetim kurulu üyeliğimi, bağımsız üye olarak yerine getireceğimi beyan ederim.

Tarih: 01.02.2023

Adı-Soyadı: Orhan Özer

İmza:



Annex: 3

BAĞIMSIZLIK BEYANI

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- Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, odak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
- Bağlı oldukları mevzuata uygun olması şartıyla, üniversite öğretim üyeliği hariç, üye olarak seçildikten sonra kamu kurum ve kuruluşlarında tam zamanlı çalışmıyor olduğumu,
- 31/12/1960 tarihli ve 193 sayılı Gelir Vergisi Kanunu (G.V.K)'na göre Türkiye'de yerleşmiş sayıldığımı,
- Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ile pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,
- Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olduğumu,
- Şirketin yönetim kurulunda son on yıl içerisinde toplam 6 yıldan fazla yönetim kurulu üyeliği yapmamış olduğumu,
- Şirketin veya şirketin yönetim kontrolünü elinde bulunduran ortakların yönetim kontrolüne sahip olduğu şirketlerin üçten fazlasında ve toplamda borsada işlem gören şirketlerin beşten fazlasında bağımsız yönetim kurulu üyesi olarak görev almıyor olduğumu,
- Yönetim kurulu üyesi olarak seçilen tüzel kişi adına tescil ve ilan edilmemiş olduğumu ve dolayısıyla şirket yönetim kurulu üyeliğimi, bağımsız üye olarak yerine getireceğimi beyan ederim.

Tarih: 01.02.2023

Adı-Soyadı: Lale Develioğlu

İmza:



Annex: 3

BAĞIMSIZLIK BEYANI

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- Son beş yıl içerisinde, başta Şirketin denetimi (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesi ve danışmanlığı olmak üzere, yapılan anlaşmalar çerçevesinde Şirketin önemli ölçüde hizmet veya ürün satın aldığı veya sattığı şirketlerde, hizmet veya ürün satın alındığı veya satıldığı dönemlerde, odak (%5 ve üzeri), önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmadığımı,
- Bağımsız yönetim kurulu üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,
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Tarih: 01.02.2023

Adı-Soyadı: Barış Tan

İmza:



Annex: 3

BAĞIMSIZLIK BEYANI

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Tarih: 01.02.2023

Adı-Soyadı: Yusuf Kamil Soner

İmza:





ANADOLU ISUZU MANAGEMENT DISCUSSION & ANALYSIS

Financial Performance

Supported by its strong financial structure, Anadolu Isuzu achieved a healthy financial and operational performance in 2023, despite the fluctuations in global and national economic conditions and the volatile outlook of the Turkish automotive industry.

Prioritizing liquidity and zero risk-oriented balance sheet management throughout the year, the Company's total turnover reached TL 15.2 billion and total assets exceeded TL 19 billion in the reporting period.

In 2023, gross profit amounted to TL 2.7 billion, while operational profit (operating profit) was TL 816 million.

All of the Company's profitability ratios improved, particularly gross and net profit margins, which were realized at 17.6% and 10.6%, respectively, while EBITDA ratio was measured at 7.9%.

The Company's debt ratios remain at reasonable levels within the Anadolu Group's targets. Successful operational performance, strong free cash flow generation, tight balance sheet and proactive risk management, utilization of idle assets and reduction of FX open positions remained a priority in the reporting period.

Throughout 2023, high inflation and exchange rate movements had an impact on the growth achieved, but Anadolu Isuzu's volume increases in both domestic and international markets, product innovation, breakthroughs in smart and alternative fuel mobility, and efficiency-oriented production and management approach were the main drivers of the progress achieved.

Operational performance and exports

Anadolu Isuzu continued its efforts to balance exports and the domestic market with a risk-focused approach, and continued its efforts to reinforce shareholder value with a risk-oriented approach.

Healthy performance in the domestic market Turkey's commercial vehicle brand Anadolu Isuzu continued to add to its successes in domestic markets in 2023.

In 2023, Anadolu Isuzu maintained its upward momentum in exports of buses and minibuses and maintained its success in the commercial vehicle market with strong shares in the domestic market, particularly in the mid-range truck segment.

In 2023, Anadolu Isuzu broke a new export record with a total of 149 million euros, of which 139 million euros were vehicles and 10 million euros were spare parts sales. In 2023, sales to the top 10 countries in terms of turnover accounted for 76% of Anadolu Isuzu's total exports.

Anadolu Isuzu's export market share among domestic brands in its segment was 22, According to OSD data, in 2023, Anadolu Isuzu's market share in midibus exports was 44%, while its market share in bus exports was 9% among domestic manufacturers.

The Company captured a 9% market share in the segment as a whole among all local and foreign brands. The Company became the leader in Turkish midibus exports for the 20th time, a record that will be hard to break. In 2023, Novociti Volt, Turkuaz and Kendo made the highest contribution to midibus and bus exports. Sales of 21 electric vehicles in 2022 increased to 77 units in 2023. During this period, 62 Novociti Volts and 15 Citivolts were sold.

Anadolu Isuzu also plays an active role in defense projects for the Turkish Armed Forces. While defense projects continue at full speed, parts and vehicle distribution of defense group vehicles are also successfully carried out in line with customer needs.

Value chain management

In the reporting period, Anadolu Isuzu successfully operated its supply chain, planning and fully realizing the procurement of a total of 35,000 different imported and domestic inputs used in the production cycle and 16,000 different items in terms of meeting spare parts needs.

By the end of 2023, the company had collaborated with more than 500 suppliers in total, more than 400 in Turkey and more than 100 abroad.

In the same period, Anadolu Isuzu provided high value-added services through its authorized service centers located at 91 locations in 57 provinces in Turkey and 133 locations in 43 countries abroad. In addition, three wholesale spare parts dealers continued to serve domestic customers.

Human resources and OHS management

During the reporting period, the number of employees of Anadolu Isuzu amounted to 1,269 in 2023. The total number of employees of the Company's R&D Center was 276 in the same period. Anadolu Isuzu employed 105 people in 2023.

As a result of the employment approach implemented at Anadolu Isuzu in line with the goal of ensuring equality between women and men, the number of women employees increased by 41% in the total number of employees in five years.

Anadolu Isuzu operates with the goal of zero accidents and reduces its accident frequency rate (IFR-Injury Frequency Rate) every year. As a result of focusing on occupational safety and healthy working targets, the accident frequency rate for 2023 was reduced by 61% compared to 2015.

Contribution to the fight against the climate crisis

Anadolu Isuzu works to minimize the environmental impact of its processes and products. In 2022, a Solar Power Plant (SPP) investment with an installed capacity of 5,500 MWp was realized in order to eliminate Scope 2 emissions at source on the path to decarbonization. With the second stage of the SPP with a capacity of 1.2 MWp, which was commissioned in June 2023, the total installed capacity reached 6.7 MWp.

It is aimed to provide 70% of the electricity consumed annually from renewable energy, generate 7,945 MWh of electricity annually, and prevent approximately 3,495 tons/year of carbon emissions with this green energy equivalent to the electricity consumption of 2,600 households.

The company has set emission reduction targets for Scope 1 and 2 emissions in accordance with the SBTi methodology within 10 years. The company aims to reduce Scope 1 and 2 emissions by 4.2% each year until 2030 compared to the base year of 2022, and to reduce Scope 3 emissions from the product use phase by at least 2.5% each year.

Anadolu Isuzu renewed its voluntary reporting within the scope of the Carbon Disclosure Project (CDP) Climate Change Program in 2023 in the context of its low carbon economy-oriented efforts. With an "A-" score in the 2023 Climate Change Program, Anadolu Isuzu continues to be among the leading companies in its sector in Turkey.

About the future

Anadolu Isuzu will continue to focus on enhancing shareholder and stakeholder value.

In this context, the Company will continue to carefully assess the risks posed by the global inflation wave, climate crisis, changes in disruptive technologies, potential breaks in supply chains, and geopolitical developments in Turkey's neighboring geographies, plan its production and marketing cycle accordingly, and manage its balance sheet diligently.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				Pursuant to the relevant article of the General Assembly Internal Directive, guests deemed appropriate and necessary by the Company may attend the General Assembly.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Although minority rights are not determined by the articles of association to be less than one-twentieth of the share capital, the provisions of the Turkish Commercial Code and the CMB shall apply to the matters regarding minority rights that are not stipulated in the articles of association.

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution was made during the period.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.			X			It is not available on our corporate website and is disclosed on PDP under General Information - Capital and Shareholding Structure.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Some of the policies and procedures regarding the rights of stakeholders are published on the corporate web site.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Employee Satisfaction and Engagement Survey, designed to support employee participation in management, is a vehicle for employees to express their needs and improvement demands about the organization and is administered once every year. In addition, our employees can share their value-added projects with the management via "Bi Fikir" system developed by Anadolu Group HR Department.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Adopting the principle of having 25% female members on the board of directors as a corporate governance principle, our Company has 1 female board member.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no restrictions on the board members taking on other duties outside the company. The external duties of the board members are disclosed to the shareholders at the general shareholders' meeting and on PDP.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			There are five independent members on the Board of Directors of our company. Ahmet Murat Selek is the Chairman of the Corporate Governance Committee and the Chairman of the Audit Committee, and Orhan Özer is the Chairman of the Early Detection of Risk Committee and a member of the Audit Committee.

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No consultancy service was received.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There is no performance evaluation of our board of directors.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Remuneration and all other benefits provided to Board members and senior executives are disclosed to the public through the annual report. The disclosure includes the remuneration of Independent Board Members. As in previous years, the total remuneration paid to executives with administrative responsibility is included, but no breakdown is provided on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

1.SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year

During the period, our Company held 1 online meeting with analysts.

1.2. Right to Obtain and Examine Information

The number of special audit request(s)

None.

The number of special audit requests that were accepted at the General Shareholders' Meeting

None.

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/1131350> , <https://www.kap.org.tr/tr/Bildirim/1171703> , <https://www.kap.org.tr/tr/Bildirim/1217960>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

Provided both in Turkish and English.

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

None.

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)

None.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)

<https://www.kap.org.tr/tr/Bildirim/1140150>

The name of the section on the corporate website that demonstrates the donation policy of the company

Although the Company does not have a separate policy on donations and grants, this issue is regulated in detail in the articles of association. <https://www.anadoluisuzu.com.tr/en/corporate-governance/articles-of-association>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

None.

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting

Article 16

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any

On April 27, 2023, Ordinary General Assembly meeting and on August 11, 2023 and December 11, 2023, Extraordinary General Assembly meetings were attended by some stakeholders such as auditors, rating agencies and employees as observers within the knowledge of the Company.

1.4. Voting Rights

Whether the shares of the company have differential voting rights

Hayır (No)

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.

There are no voting privileges.

The percentage of ownership of the largest shareholder

55,40%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

Hayır (No)

If yes, specify the relevant provision of the articles of association.

None.

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

<https://www.anadoluisuzu.com.tr/en/corporate-governance/corporate-management-principles-policies>

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

The Board of Directors did not make any such proposal.

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

The Board of Directors did not make any such proposal.

General Assebley									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
27.04.2023	0	85,77%	0,00%	85,77%	Corporate Governance / General Assembly Meetings	Corporate Governance / General Assembly Meetings	12	0	https://www.kap.org.tr/tr/Bildirim/1142205
11.08.2023	0	85,82%	0,00%	85,82%	Corporate Governance / General Assembly Meetings	Corporate Governance / General Assembly Meetings	-	0	https://www.kap.org.tr/tr/Bildirim/1171703
11.12.2023	0	85,92%	0,00%	85,92%	Corporate Governance / General Assembly Meetings	Corporate Governance / General Assembly Meetings	-	0	https://www.kap.org.tr/tr/Bildirim/1217960

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Corporate Governance & Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	It is not available on our corporate website and is disclosed on PDP under General Information - Capital and Shareholding Structure.
List of languages for which the website is available	Turkish & English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Corporate Governance / Section V: Board of Directors / 5.1. Structure and Composition of the Board of Directors and Corporate Governance - Annex:3
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance / Section V: Board of Directors / 5.3. Number, Structure and Independence of the Committees Established within the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance / Section V: Board of Directors / 5.2. Operating Principles of the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	There are no legislative changes that may significantly affect the Company's operations.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Explained under the "Other Activities and Information" section of the annual report.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	None.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Corporate Governance/4.4. Code of Ethics and Social Responsibility Corporate Governance/4.3 Human Resources Policy.

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Corporate Governance / Corporate Governance Principles Policies / Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	General Manager
The contact detail of the company alert mechanism	etik@isuzu.com.tr

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	None.
Corporate bodies where employees are actually represented	Labor Union

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The succession plan is regularly evaluated within the scope of Organizational Development Meetings covering all employees across Anadolu Isuzu and Anadolu Group companies. Key Executive plans are also reviewed during this process. In case of changes in the relevant positions, the Management Board approval is obtained.
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The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	About Us / Human Resources Policy
Whether the company provides an employee stock ownership programme	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	About Us / Human Resources Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	None.

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	None.
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	"There is no corporate social responsibility report. About Us / Environmental Policy; About Us / Social Responsibility; About Us / Business Continuity Policy; About Us / Business Continuity Policy;"
Any measures combating any kind of corruption including embezzlement and bribery	Bribery and corruption are prohibited in our Company in all circumstances and will be tolerated with zero tolerance. This prohibition covers all activities of our Company. All employees and third parties acting on behalf of our Company are obliged to comply with anti-bribery and anti-corruption rules and relevant national and international laws and regulations.

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	None.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Corporate Governance /5.4. Risk Management and Internal Control Mechanism
Name of the Chairman	Tuncay Özilhan
Name of the CEO	Yusuf Tuğrul Arıkan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	It is not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1107802
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	1 and 6,7%

Board Members

Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
TUNCAY ÖZİLHAN	Non-Executive	Dependent Member	20.06.1980	Not Considered	Unrelated	Yes
KAMİLHAN SÜLEYMAN YAZICI	Non-Executive	Dependent Member	14.04.2017	Not Considered	Unrelated	Yes
TALİP ALTUĞ AKSOY	Non-Executive	Dependent Member	03.01.2017	Not Considered	Unrelated	Yes
MUSTAFA ALİ YAZICI	Non-Executive	Dependent Member	22.04.2022	Not Considered	Unrelated	Yes
AHMET BOYACIOĞLU	Non-Executive	Dependent Member	14.04.2017	Not Considered	Unrelated	Yes
RECEP YILMAZ ARGÜDEN	Non-Executive	Dependent Member	14.04.2017	Not Considered	Unrelated	Yes
ÖZDEMİR OSMAN KURDAŞ	Non-Executive	Dependent Member	15.04.2020	Not Considered	Unrelated	No
SEZAI TANRIVERDİ	Non-Executive	Dependent Member	11.08.2023	Not Considered	Unrelated	Yes
LALE DEVELİOĞLU	Non-Executive	Independent Member	22.04.2022	Considered	No	No
BARIŞ TAN	Non-Executive	Independent Member	22.04.2022	Considered	No	Yes
YUSUF KAMİL SONER	Non-Executive	Independent Member	22.04.2022	Considered	No	No
TOMOYUKI YAMAGUCHI	Non-Executive	Dependent Member	13.07.2023	Not Considered	Unrelated	No
REO SAWADA	Non-Executive	Dependent Member	26.09.2019	Not Considered	Unrelated	No
AHMET MURAT SELEK	Non-Executive	Independent Member	17.04.2018	Considered	No	Yes
ORHAN ÖZER	Non-Executive	Independent Member	17.04.2018	Considered	No	Yes

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-II**4.4. Meeting Procedures of the Board of Directors**

Number of physical or electronic board meetings in the reporting period.	5
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	Evet (Yes)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	No written deadline has been set in this regard; however, the Company Management provides information and documents to the members within a reasonable period of time prior to the meetings and it is ensured that this period is at least 3 days.
The name of the section on the corporate website that demonstrates information about the board charter	Corporate Governance / Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Corporate Governance / Section V: Board of Directors / 5.3. Number, Structure and Independence of the Committees Established within the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/367357 , https://www.kap.org.tr/tr/Bildirim/367358

4.5. Board Committees-II

Names Of The Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	Ahmet Murat Selek	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	Mehmet Hürşit Zorlu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	Lale Develioğlu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	Recep Yılmaz Argüden	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	Neşet Fatih Vural	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Denetim Komitesi (Audit Committee)	Ahmet Murat Selek	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)	Orhan Özer	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	Orhan Özer	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	Talip Altuğ Aksoy	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	Barış Tan	Hayır (No)	Yönetim kurulu üyesi (Board member)

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report /Corporate Governance /Assessment on the Working Principles and Effectiveness of the Board Committees
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report /Corporate Governance /Assessment on the Working Principles and Effectiveness of the Board Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / Committees / Corporate Governance Committee Regulation
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report /Corporate Governance /Assessment on the Working Principles and Effectiveness of the Board Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / Committees / Corporate Governance Committee Regulation
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	The Chairman of the Board of Directors / Automotive Group President and General Manager's message is included in the annual report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance / Corporate Governance Policies
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Financial Review / Notes to the Consolidated Financial Statements

Names Of The Board Committees	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
(Corporate Governance Committee)	100%	40%	4	4
Denetim Komitesi (Audit Committee)	100%	100%	4	4
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	100%	67%	2	6

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X				Anadolu Isuzu will continue its efforts to increase the effectiveness of ESG issues within the scope of sustainability policies in 2024.	Sustainability Report 2022 Page 44 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X				Anadolu Isuzu carries out its activities within the framework defined in the link in the side tab in order to put these basic principles into practice and to improve the value it generates in three different axes of sustainability (economic, environmental and social).	Sustainability Report 2022 Page 38-41 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.	X				Within the framework of its sustainability report, the Company has announced its short and long-term targets in line with its ESG policies under the From Anatolia to the Future strategy	Sustainability Report 2022 Page 37 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				Anadolu Isuzu has a Sustainability Committee that carries out sustainability-related activities, projects and research and supports the Board of Directors and senior management in this regard. The Sustainability Committee consists of 9 members under the leadership of the General Manager. The Sustainability Committee consists of Human Resources Director, Quality Director, Technical Directorate, R&D Director, Information Technologies Director, Supply Chain Director and Finance Director.	Sustainability Report 2022 Page 24-25 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				The Sustainability Committee convenes at certain times of the year. Decisions taken by the Committee are reported to Anadolu Isuzu Board of Directors by the General Manager/Committee Chairman.	Sustainability Report 2022 Page 25 https://www.anadoluisuzu.com.tr/en/sustainability/reports

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				The Company's sustainability strategy "Transforming for Tomorrow" is shared in the 2022 Sustainability Report. Thus, implementation and action plans were created and disclosed to the public in line with ESG targets.	Sustainability Report 2022 Page 31-37 https://www.anadoluisuzu.com.tr/sustainability/reports
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				Anadolu Isuzu's investments in the environmental field and progress in energy intensity, carbon emissions, greenhouse gas intensity, water intensity, waste management, innovation, R&D investments and OHS are shared.	Sustainability Report 2022 Pages 17, 48, 80-88, 114,118 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				It is disclosed in the annual report and sustainability report.	Sustainability Report 2022 Page 27 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				Anadolu Isuzu shares information about its social and environmental activities, which constitute the cornerstones of its sustainability performance, with its stakeholders. In addition to the Sustainability Reports, information about Anadolu Isuzu's sustainability activities is shared through the Annual Report and the corporate website. All stakeholders, particularly Anadolu Isuzu employees, are informed about Anadolu Isuzu's policies and practices on environmental, social and governance issues.	Annual Report Sustainability Section Sustainability Report 2022 https://www.anadoluisuzu.com.tr/en/sustainability/reports
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				Anadolu Isuzu directly contributes to 13 of the SDGs with the value it generates and shares within the scope of its sustainability priorities and social awareness activities	Sustainability Report 2022 Page 47 https://www.anadoluisuzu.com.tr/en/sustainability/reports

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				All material lawsuits filed against the Company are disclosed in the Other Operations and Information section of the Annual Reports and in the Consolidated Financial Statements.	Annual Report Other Activities and Information Section Page 118
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.		X			Anadolu Isuzu will continue its efforts to expand the scope of external verification of sustainability performance indicators included in its sustainability reports.	Sustainability Report 2022 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.	X				Anadolu Isuzu conducts all of its operations within the framework of the ISO 14001 Environmental Management System. In addition to its direct impact on the environment, Anadolu Isuzu works in cooperation with its stakeholders to minimize the environmental impacts that arise during the production process and publicly shares these efforts under the title of Proactive Approach to Environmental Management.	Sustainability Report 2022 Pages 78-87 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				Information on the scope, date and limitations of environmental data reports is provided in the Sustainability Reports and CDP Report.	Anadolu Isuzu CDP Report published in 2023 (CO.2) section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).	X				In this context, in addition to performance-based incentives for employees at all levels, Anadolu Isuzu evaluates and rewards all achievements, inventions and suggestions that benefit the company's sustainable production approach on relevant platforms. It is publicly disclosed in the CDP report.	Anadolu Isuzu CDP Report published in 2023 (C1.3a) section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S.-_CDP_Climate_Change_Questionnaire_2023.pdf
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				The Sustainability Committee, Senior Management, Environment and Sustainability Directorate work for the early detection of risks that may jeopardize the existence, development and continuity of the Company, implementation of necessary measures regarding the identified risks and management of the risk. It makes strategic decisions and manages risks and opportunities by evaluating corporate risks and opportunities within the scope of sustainability principles and policies. Reviews and approves corporate risk policies for each risk type and annual limits for each risk type. Reviews and approves measures to mitigate the effects of identified risks in case they materialize.	Anadolu Isuzu CDP Report published in 2023 (C3) section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S.-_CDP_Climate_Change_Questionnaire_2023.pdf
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X				Having a wide supplier network, Anadolu Isuzu requires its suppliers to comply with current environmental legislation and to continuously improve themselves in terms of environmental sustainability.	Anadolu Isuzu CDP Report published in 2023 (C1.2) section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S.-_CDP_Climate_Change_Questionnaire_2023.pdf

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.	X				Anadolu Isuzu carries out innovative and sustainable efforts to minimize the environmental impact of its operations. Anadolu Isuzu engages in joint activities to create value with key stakeholders such as employees, customers, suppliers, dealers and business partners, shareholders and investors, public institutions and society. It also continues to work with other stakeholders such as universities, NGOs, financial institutions, sectoral associations and organizations, group companies and the media in social, economic and environmental areas.	Anadolu Isuzu CDP Report published in 2023 (C1.2) section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Environmental indicators are shared in the Sustainability Report as Scope 1 + 2 and Scope 3 emissions. Since 2019, greenhouse gas emissions calculated are shared in a comparable way by explaining them with graphs.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				The Sustainability Report includes information on the standard used in the calculation of Corporate Carbon Footprint, the base year and verification information.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				All environmental indicators are publicly disclosed in a comparable manner, explained with graphs.	Sustainability Report 2022 Pages 78-87 https://www.anadoluisuzu.com.tr/sustainability/reports
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.		X			Anadolu Isuzu has publicly shared its goals, which are analyzed under 3 separate headings under the name of Sustainable Transformation - 2030 Goals in line with its sustainability policy and strategies.	Sustainability Report 2022 Page 37 https://www.anadoluisuzu.com.tr/en/sustainability/reports

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Anadolu Isuzu's Climate Change and Energy Efficiency Action Plan is organized under 3 main headings; Strategy Formulation, Energy Efficiency and Circular Economy. In the CDP report, actions related to strategies to combat the climate crisis are defined	Sustainability Report 2022 Page 37 https://www.anadoluisuzu.com.tr/sustainability/reports Anadolu Isuzu CDP Report published in 2023 (C3.3) Section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.		X			Under the title of Sustainable Transformation - 2030 Targets, the targets given under the titles of Operational Transformation and Product Transformation were shared. The actions to be taken regarding the environmental impact of products and services in the automotive sector prepared by the Automotive Group President are included in the Sustainability Report. No relevant program/procedure has been established.	Sustainability Report 2022 Page 6-7, 37 https://www.anadoluisuzu.com.tr/sustainability/reports
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.	X				Environmental performance and improvement efforts, including greenhouse gas emissions, are among the audited issues included in supplier selection criteria. In 2023, suppliers were provided with information training on greenhouse gas emission reduction. 2023 was publicly disclosed in the Annual Report.	Anadolu Isuzu 2023 Annual Report Environmental Awareness, Education and Information Activities section
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				Savings from solar energy and energy projects used in the factory to reduce environmental impact are shared in the CDP report.	Anadolu Isuzu CDP Report published in 2023 Section (C2.4a, C3.4) https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Energy consumption data is shared publicly.	Sustainability Report 2022 Page 115 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.	X				In the reporting year, electricity generation and consumption values from solar energy were publicly disclosed.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B18. The studies related to increase the use of renewable energy and transition to zero/ low carbon electricity have been conducted and disclosed.	X				With 14 thousand solar panels, a Solar Power Plant with a capacity of 6,700 MWp was established and renewable energy was started to be used in the factory.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/sustainability/reports
B19. The renewable energy production and usage data has been publicly disclosed.	X				Data on energy produced and consumed through renewable energy is shared in the Sustainability Report.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.	X				Energy consumed through energy projects and emission reduction data were shared in the Sustainability Report and CDP report.	Sustainability Report 2022 Page 81 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X				The amount of water withdrawn from underground sources, the amount of wastewater discharge and the wastewater treatment system are shared in the Sustainability Report.	Sustainability Report 2022 Page 83, 115 https://www.anadoluisuzu.com.tr/sustainability/reports
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				Anadolu Isuzu is not subject to any carbon pricing system, but it is disclosed in the Sustainability Report and CDP report that studies are being conducted on an internal carbon pricing mechanism.	Sustainability Report 2022 Page 83 https://www.anadoluisuzu.com.tr/en/sustainability/reports
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.			X		No carbon credits were purchased during the reporting period.	Anadolu Isuzu CDP Report published in 2023 (C11) Section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
B24. If carbon pricing is applied within the Company, the details have been disclosed.	X				Anadolu Isuzu is developing an internal carbon pricing mechanism. In this context, a carbon value of 100-150 Euros per ton of carbon dioxide (approximately 3,000 - 5,000 TL) is added to the feasibility reports of new investments. The 2022 SPP project is an example of this. In this cycle, the impact of emission pricing on projects is examined; the impact of additional costs, i.e. potential financial risks associated with climate change and the carbon price on the prices of projects under development is calculated. The shadow price applied does not affect the financial flow, but its potential impact is included in the financial feasibility.	Anadolu Isuzu CDP Report published in 2023 (C11) Section https://www.anadoluisuzu.com.tr/_docs/ANADOLU_ISUZU_OTOMOTIV_SANAYI_VE_TICARET_A.S._-CDP_Climate_Change_Questionnaire_2023.pdf
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				The Sustainability Reports published annually are the main platform where environmental performance is transparently presented. Environmental indicators are also included in the Annual Report on the corporate website and in the CDP report.	Sustainability Report 2022 Page 115 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X				The relevant references are described in the Anadolu Isuzu Human Rights Policy.	www.anadoluisuzu.com.tr/hakkimizda/ikpolitikasi
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				In light of its values and corporate culture, Anadolu Isuzu serves "people first" regardless of language, religion, race or gender. Equality of opportunity, which is also included in Anadolu Group's working principles and practiced without compromise, is supported, and equal opportunity and diversity are ensured in all human resources practices, including training, remuneration and career, starting from the recruitment process of employees.	Sustainability Report 2022 Page 90 https://www.anadoluisuzu.com.tr/en/sustainability/reports

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				In light of its values and corporate culture, Anadolu Isuzu serves "people first" regardless of language, religion, race or gender. Equality of opportunity, which is also included in Anadolu Group's working principles and practiced without compromise, is supported, and equal opportunity and diversity are ensured in all human resources practices, including training, remuneration and career, starting with the recruitment process.	Sustainability Report 2022 Page 90 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				The organization shares its working principles on ethical issues. It also details its progress in this regard under the heading of Competent Human Resources in the 2022 Sustainability Report. It maintains its human resources practices and processes within the framework of AG Anadolu Group Holding Equal Opportunities. It is also a UNGC signatory.	Sustainability Report 2022 Page 90-92 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				Relevant references are described in the Anadolu Isuzu Human Rights Policy	Annual Report 2023 Page 72 Under Human Resources
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				We monitor employee complaints and suggestions through our CBA and Wellbeing surveys conducted throughout the year.	Annual Report 2023 Page 72 Under Human Resources
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Employee satisfaction and loyalty surveys are conducted periodically within the Company.	Annual Report 2023 Page 72 Under Human Resources

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
C1.6. The occupational health and safety policies have been established and disclosed.	X				Relevant references are described in the Anadolu Isuzu Occupational Health and Safety Policy.	Annual Report 2023 Page 86 Under the heading of OHS/ Employee Safety"
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Explained under the OHS/ Employee Safety heading in the annual report.	Annual Report 2023 Page 86 Under the heading of OHS/ Employee Safety
C1.7. The personal data protection and data security policies have been established and disclosed.	X				The relevant references are explained in the Code of Business Ethics and Non-Compliance Notification Regulation and AG Anadolu Grubu Holding A.Ş. Code of Ethics.	https://www.anadoluisuzu.com.tr/hakimizda/kisiselverilerin-korunmasi
C1.8. The ethics policy have been established and disclosed.	X				The relevant references are explained in the Code of Business Ethics and Non-Compliance Notification Regulation and AG Anadolu Grubu Holding A.Ş. Code of Ethics.	https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_grubu_holding_is_etigi_ilkeleri_ve_uygunsuzluk_bildirim_yonetmeligi.pdf https://www.anadolugrubu.com.tr/yatirimci-iliskileri/361/etik-kurallar
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Since 2014, Anadolu Isuzu has focused on education, environment and disability in the area of corporate social responsibility. In this context, the Company has organized its activities under the name of Social Awareness Projects and ensured the voluntary participation of its employees in these projects.	Sustainability Report 2022 Pages 104-108 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.			X		Subject-specific consultancy services are received.	

SUSTAINABILITY COMPLIANCE REPORT

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				Relevant references are described in the quality policy.	https://www.anadoluisuzu.com.tr/hakimizda/kalitepolitikasi
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Shareholder relations are carried out in accordance with the requirements of the relevant laws and regulations and capital markets legislation. Information about the Company is communicated to the relevant parties through the annual ordinary General Assembly Meetings, Annual Report, Sustainability Report, annual and quarterly Financial Performance Reports, periodic analyses and information documents, website, press releases, material event disclosures, meetings and interviews.	Sustainability Report 2022 Pages 43 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C2.3. The international reporting standards that adopted in reporting have been explained.	X				The performance indicators and disclosures in the 2022 Sustainability Report are presented within the framework of GRI Standards Comprehensive reporting.	Sustainability Report 2022 Pages 1 https://www.anadoluisuzu.com.tr/en/sustainability/reports
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				AG Anadolu Grubu Holding A.Ş. and Group companies Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu and Anadolu Etap are signatories of the United Nations Global Compact, the world's largest and only corporate sustainability platform supported by the United Nations.	Website, Sustainability Menu https://www.anadolugrubu.com.tr/page/1/410/united-nations-global-compact
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.		X			Anadolu Isuzu will continue to work to fully comply with this principle in the coming period.	

	Yes	Partial	No	Not Applicable	Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Anadolu Isuzu attaches great importance to maintaining a sustainable dialog with its stakeholders. The company uses the feedback obtained from the stakeholder communication process as input in many areas; - identification of strategic priorities, - policy formulation, - designing the business model, - development of social responsibility projects	Sustainability Report 2022 Pages 43 https://www.anadoluisuzu.com.tr/en/sustainability/reports
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				Since 2014, Anadolu Isuzu has focused on education, environment and disability in the area of corporate social responsibility. In this context, the Company has organized its activities under the name of Social Awareness Projects and ensured the voluntary participation of its employees in these projects.	Sustainability Report 2022 Pages 104-108 https://www.anadoluisuzu.com.tr/en/sustainability/reports

**Consolidated Financial
Statements and Notes for the
year ended 31 December 2023
Together with Independent
Auditor's Report**





SECTION 5

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

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of TAS 29 - Financial Reporting in Hyperinflationary Economies</p> <p>TAS 29 “Financial reporting in hyperinflationary economies” is applicable for the Group as disclosed in Note 2.1.3.</p> <p>TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period with prior year statements with comparative information were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The implementation of TAS 29 leads to a change in several of the Group’s control activities pervasively related to financial reporting. The impact of TAS 29 is reliant upon a number of key judgements such as the relevant line items in the inventories were restated on an average basis depending on the level of fluctuation of the underlying transactions and rate of inflation. The preparation of financial statements using a current purchasing power approach requires a complex series of procedures and reconciliations to ensure accurate results.</p> <p>The application of IAS 29 was identified as a key audit matter due to judgement applied in the restatement, high degree of complexity in calculation and the risk of the data used in the restatement being incomplete or inaccurate.</p>	<ul style="list-style-type: none"> - We obtained an updated understanding of the Group’s processes and accounting policies. - We gained an understanding and evaluated the relevant controls designed and implemented by management resulting from implementation of TAS 29, - Obtaining whether the segregation of monetary and non-monetary items made by the management is in accordance with TAS 29, - We obtained detailed listings of non-monetary items, and tested the original cost and dates of acquisition with supporting documentation, - Verifying the general price index rates used in the calculations with the index coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, - We evaluated the reasonableness of judgements used by management by comparing them with recognized practices and applying our industry knowledge and experience. We also checked if the judgements were used consistently in all periods, - The methodology and price index rates used were tested to ensure that the indexation of non-monetary items, statements of comprehensive income, changes in equity and cash flow statements were prepared in accordance with TAS 29.

3. Key audit matters (continued)

Key Audit Matters	How the key audit matter was addressed in the audit
<p data-bbox="204 517 496 551">Revenue recognition</p> <p data-bbox="204 573 810 636">In the consolidated statement of profit or loss and other comprehensive for the -year ended</p> <p data-bbox="204 658 810 882">31 December 2023, revenues amounting to 15.174.742.066 TRY were recognized by the Group. The Group's revenues mainly consist of the sales of vehicle and spare part. Revenue is measured by the amount remaining after deducting discounts and returns from the amount received or to be received in exchange for the goods or services provided.</p> <p data-bbox="204 904 810 1151">Revenue is one of the most significant indicators in the performance evaluation of the Group. Revenue has been selected as a key audit matter because it is of great importance in terms of evaluating the results of the strategies implemented during the year and monitoring performance and it has significant, decisive impact on more than one financial statement item.</p> <p data-bbox="204 1173 810 1308">Disclosures regarding the Group's revenue-related accounting policies and amounts are included in Notes 2 and 20 of the attached financial statements.</p>	<p data-bbox="847 573 1417 636">During our audit, the following audit procedures were performed for the recognition of revenue:</p> <ul data-bbox="847 658 1469 1397" style="list-style-type: none"> - Evaluated the understanding of the controls and processes the Group applied in recording revenue and the appropriateness of its accounting policies in terms of TFRS - Performed the revenue testing using the sampling method and supporting documents such as invoices, sales orders, contracts and dispatch notes - Evaluated performance obligations by comparing with sales contracts - Tested the revenue items belong to period ending and the beginning of the following period with the sampling method regarding the cut-off of the revenue, - Tested the completeness and accuracy of the sales discount using the sampling method - Tested the balances of trade receivables using the sampling method by sending confirmation letters - Evaluated the accuracy and adequacy of the revenue related disclosures included in footnotes 2 and 20 of the attached financial statements in terms of TFRS.

4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

5. Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 15 March 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Independent Auditor
Istanbul, 15 March 2024

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AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

	Notes	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
ASSETS			
Current Assets		11.130.397.056	8.371.412.196
Cash and Cash Equivalents	4	3.664.900.162	2.432.548.278
Financial Investments	5	-	414.687.325
Trade Receivables		2.944.760.595	1.805.832.358
Trade Receivables from Related Parties	7-28	103.323.977	189.449.510
Trade Receivables from Third Parties	7	2.841.436.618	1.616.382.848
Other Receivables		101.894.844	142.495.814
Other Receivables from Third Parties		101.894.844	142.495.814
Inventories	10	3.672.642.194	2.665.408.912
Derivative Instruments	9	86.807.663	7.975.949
Prepaid Expenses	18	600.238.892	722.625.409
Current Tax Assets		-	937.628
Other Current Assets		59.152.706	178.900.523
Non-Current Assets		7.969.104.615	6.305.137.828
Financial Investments	5	14.673.988	1.379.809
Other Receivables		3.644	8.061
Other Receivables from Third Parties		3.644	8.061
Property, Plant and Equipment	11	6.423.012.758	5.205.778.945
Right of Use Assets	13	82.690.076	32.101.513
Intangible Assets		1.447.734.594	1.060.162.513
Goodwill	14	106.248.200	-
Other Intangible Assets	12	1.341.486.394	1.060.162.513
Prepaid Expenses	18	989.555	5.706.987
TOTAL ASSETS		19.099.501.671	14.676.550.024

The accompanying notes form an integral part of these consolidated financial statements.

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

	Notes	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
LIABILITIES			
Current Liabilities		9.245.405.729	7.014.873.750
Current Borrowings		3.780.500.944	1.764.898.767
Current Borrowings from Third Parties	6	3.780.500.944	1.764.898.767
Bank Loans	6	3.780.500.944	1.764.898.767
Current Portions of Non-Current Borrowings		700.008.018	879.497.228
Current Portions of Non-Current Borrowings from			
Third Parties	6	700.008.018	879.497.228
Bank Loans	6	653.190.478	865.396.863
Lease Liabilities	6	46.817.540	14.100.365
Trade Payables		3.727.714.393	3.623.701.184
Trade Payables to Related Parties	7-28	2.083.903.100	1.926.594.898
Trade Payables to Third Parties	7	1.643.811.293	1.697.106.286
Other Payables		40.819.033	18.859.487
Other Payables to Related Parties	28	9.109	15.007
Other Payables to Third Parties		40.809.924	18.844.480
Derivative Instruments	9	33.179.796	66.353.178
Employee Benefits Obligations		96.775.043	63.565.507
Liabilities Arising from Contracts with Customers	18	18.041.558	12.180.404
Deferred Income	18	498.488.522	345.773.766
Current Period Profit Tax Liability		264.340	-
Current Provisions		349.614.082	240.044.229
Current Provisions for Employee Benefits	17	118.413.369	8.956.246
Other Current Provisions	16	231.200.713	231.087.983
Non-Current Liabilities		1.599.969.844	1.422.154.066
Non-Current Borrowings		789.418.129	680.049.525
Non-Current Borrowings from Third Parties		789.418.129	680.049.525
Bank Loans	6	501.729.296	663.463.129
Lease Liabilities	6	287.688.833	16.586.396
Employee Benefits Obligations		25.482.401	-
Liabilities Arising from Contracts with Customers	18	193.488.305	172.049.343
Deferred Income	18	71.573.252	4.064.844
Non-Current Provisions for Employee Benefits	17	47.809.516	207.234.068
Deferred Tax Liability	26	472.198.241	358.756.286
EQUITY		8.254.126.098	6.239.522.208
Equity Attributable to Equity Holders of the Parent	19	8.254.126.098	6.239.522.208
Issued Capital		252.000.000	84.000.000
Adjustments to Share Capital		1.761.199.852	1.761.199.852
Revaluation and Remeasurement Earnings/Losses that will			
not be Reclassified in Profit or Loss		1.906.080.800	1.219.644.625
Gain on Revaluation of Property, Plant and Equipment		1.964.884.654	1.290.185.946
Gain/Loss on Remeasurement of Defined Benefit Plans		(58.803.854)	(70.541.321)
Restricted Reserves Appropriated from Profits		318.248.329	274.542.226
Retained Earnings		2.402.379.743	2.115.827.522
Current Period Net Profit		1.614.217.374	784.307.983
TOTAL LIABILITIES		19.099.501.671	14.676.550.024

The accompanying notes form an integral part of these consolidated financial statements.

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

	Notes	Audited 1 January- Current Period 31 December 2023	Audited 1 January- Prior Period 31 December 2022
PROFIT			
Revenue	20	15.174.742.066	11.686.265.335
Cost of Sales (-)	20	(12.499.506.711)	(10.345.205.482)
GROSS PROFIT		2.675.235.355	1.341.059.853
General Administrative Expenses (-)	21	(554.722.904)	(340.343.593)
Marketing Expenses (-)	21	(946.761.568)	(623.098.353)
Research and Development Expenses (-)	21	(115.988.615)	(45.337.924)
Other Income from Operating Activities	23	1.091.934.379	220.074.427
Other Expenses from Operating Activities (-)	23	(1.333.697.053)	(599.333.216)
PROFIT FROM OPERATING ACTIVITIES		815.999.594	(46.978.806)
Income from Investing Activities	24	47.288.873	33.468.115
PROFIT BEFORE FINANCE EXPENSE		863.288.467	(13.510.691)
Finance Income	25	1.247.947.390	873.166.604
Finance Expenses (-)	25	(2.052.515.048)	(1.248.071.171)
Monetary Gain/(Loss)		1.646.234.191	1.123.929.268
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		1.704.955.000	735.514.010
Tax Income From Continuing Operations		(90.737.626)	48.793.973
Current Tax Expense	26	(73.041.163)	(2.327.562)
Deferred Tax Income	26	(17.696.463)	51.121.535
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		1.614.217.374	784.307.983
PROFIT FOR THE YEAR	27	1.614.217.374	784.307.983
Profit for the Year Attributable to:		1.614.217.374	784.307.983
Owners of The Parent		1.614.217.374	784.307.983
Earnings Per 100 Share from Continuing Operations	27	6,4056	9,3370
OTHER COMPREHENSIVE INCOME		1.614.217.374	784.307.983
Items That Will Not Be Reclassified to Profit or Loss			
Gains on on Revaluation of Property, Plant and Equipment		766.531.712	1.463.823.133
Gains (Losses) on Remeasurement of Defined Benefit Plans		15.649.955	(88.176.649)
Losses on on Revaluation of Property, Plant and Equipment, Tax Effect		(91.833.003)	(173.637.187)
Gains (Losses) on Remeasurement of Defined Benefit Plans, Tax Effect		(3.912.489)	17.635.330
OTHER COMPREHENSIVE INCOME		686.436.175	1.219.644.627
TOTAL COMPREHENSIVE INCOME		2.300.653.549	2.003.952.610
Owners of the Parent		2.300.653.549	2.003.952.610

The accompanying notes form an integral part of these consolidated financial statements.

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

	Notes	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
Cash Flows from Operating Activities		(89.531.939)	780.182.019
Current Period Net Profit	27	1.614.217.374	784.307.983
Adjustments to Reconcile Profit for The Year		260.658.781	684.086.120
Adjustments Related to Depreciation and Amortization Expenses	11-12-13	380.613.722	310.657.396
Adjustments Related to Provision for Employee Benefits (Released)	17	39.842.046	80.931.291
Adjustments Related to Tax (Income) Expense		90.737.626	(48.793.973)
Adjustments Related to Provisions for Litigations	16	27.153.320	46.453.546
Provision for Impairment of Receivables	7	(115.133)	-
Adjustments Related to Interest Income	25	(472.137.864)	(112.644.687)
Adjustments Related to Interest Expenses	25	835.189.958	372.498.855
Adjustments Related to Unrealized Currency Translation Differences of Financial Debts		356.723.678	190.913.343
Adjustments Related to Fair Value Losses (Gains)		(86.270.568)	303.084.027
Other Adjustments to Profit/(Loss) Reconciliation		136.886.879	58.167.284
Adjustments Related to Other Provisions (Released)	16	222.577.839	170.424.732
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		(41.628.397)	(260.931)
Monetary Gain/(Loss)		(1.228.914.324)	(687.344.764)
Changes in Working Capital		(1.587.898.119)	(531.003.915)
Adjustments Related to Decrease (Increase) in Trade Receivables	7	(1.169.697.840)	241.525.830
Adjustments Related to Decrease (Increase) in Inventories	10	(1.007.233.282)	(1.167.213.196)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		283.672.931	(663.533.513)
Adjustments Related to Increase (Decrease) in Trade Payables	7	142.323.996	890.474.240
Adjustments Related to Increase (Decrease) in Other Payables from Operations		306.006.505	340.077.154
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		(142.970.429)	(172.334.431)
Cash Generated from Operations		286.978.036	937.390.187
Income Tax Returns (Paid)		(72.776.823)	(3.265.190)
Payments Related to Other Provisions	16	(176.553.830)	(123.842.808)
Payments to Provision of Employee Benefits	17	(127.179.322)	(30.100.170)
Cash Flows from Investing Activities		(468.457.292)	(982.315.841)
Proceeds from Sale of Property, Plant and Equipment	11	62.605.194	687.616
Payments for Purchase of Property, Plant and Equipment	11	(321.190.738)	(244.537.891)
Payments for Purchase of Intangible Assets	12	(518.652.386)	(338.176.306)
Cash outflows for the acquisition of interests in other entities and funds		(106.248.200)	-
Proceeds from Other Activities		415.028.838	(400.289.260)
Cash Flows from Financing Activities		1.726.793.895	893.379.462
Dividend Payments		(286.049.660)	(57.042.055)
Interest Received		373.361.694	102.962.332
Interest Paid	6	(581.052.416)	(311.034.200)
Proceeds from Borrowings	6	9.618.973.730	4.340.898.855
Cash Outflows from Repayment of Borrowings	6	(6.375.806.644)	(2.510.942.509)
Cash Outflows Related to Debt Payments arising from Lease Agreements	6	(40.574.171)	(9.221.168)
Nakit ve Nakit benzerlerindeki Parasal Kayıp/Kazanç etkisi		(982.058.638)	(662.241.793)
Net Increase (Decrease) in Cash and Cash Equivalents		1.168.804.664	691.245.640
Cash and Cash Equivalents at The Beginning of The Year		2.422.795.280	1.731.549.640
Cash and Cash Equivalents at The End of The Year	4	3.591.599.944	2.422.795.280

The accompanying notes form an integral part of these consolidated financial statements.

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

Prior Period	Notes	Issued Capital	Adjustments to Share Capital	Gain/Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss	
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans
Balances as of 1 January 2022	19	84.000.000	1.761.199.852	-	-
Total Comprehensive Income				1.290.185.945	(70.541.320)
Profit for the Period				-	-
Other Comprehensive Income/(Loss)				1.290.185.945	(70.541.320)
Dividend				-	-
Transfers				-	-
Balances as of 31 December 2022	19	84.000.000	1.761.199.852	1.290.185.945	(70.541.320)
Current Period					
Balances as of 1 January 2023	19	84.000.000	1.761.199.852	1.290.185.945	(70.541.320)
Total Comprehensive Income				674.698.709	11.737.466
Profit for the Period				-	-
Other Comprehensive Income				674.698.709	11.737.466
Dividend				-	-
Transfers		168.000.000		-	-
Balances as of 31 December 2023	19	252.000.000	1.761.199.852	1.964.884.654	(58.803.854)

İlişikte yer alan açıklayıcı notlar, bu konsolide finansal tabloların tamamlayıcı parçalarıdır.

Restricted Reserves Appropriated from Profits	Retained Earnings		Total Equity of the Parent	Non Controlling Interest	Total Equity
	Accumulated Profit	Current Period Net Profit			
268.838.020	1.606.300.901	572.272.883	4.292.611.656	-	4.292.611.656
-	-	784.307.983	2.003.952.608	-	2.003.952.608
-	-	784.307.983	784.307.983	-	784.307.983
-	-	-	1.219.644.625	-	1.219.644.625
-	(57.042.056)	-	(57.042.056)	-	(57.042.056)
5.704.206	566.568.677	(572.272.883)	-	-	-
274.542.226	2.115.827.522	784.307.983	6.239.522.208	-	6.239.522.208
274.542.226	2.115.827.522	784.307.983	6.239.522.208	-	6.239.522.208
-	-	1.614.217.374	2.300.653.549	-	2.300.653.549
-	-	1.614.217.374	1.614.217.374	-	1.614.217.374
-	-	-	686.436.175	-	686.436.175
-	(286.049.659)	-	(286.049.659)	-	(286.049.659)
43.706.103	572.601.880	(784.307.983)	-	-	-
318.248.329	2.402.379.743	1.614.217.374	8.254.126.098	-	8.254.126.098

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (the "Company") was established in 1980. Principal activities of the Company are comprised mainly of manufacturing, assembling, import and sales of commercial vehicles and also procure and sales of related spare parts regarding to after sales service. The Company is registered to Capital Markets Board of Turkey and the percentage of 15 of the Company's shares have been traded on Borsa Istanbul A.Ş. since 1997.

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd. Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory which is established in Çayırova/Kocaeli. The average number of employees as of 31 December 2023 is 1083 (31 December 2022:970).

The Company has been registered in Turkey, and the address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü Ümraniye, İstanbul.

The company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş. and AG Sınai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages AG Anadolu Grubu Holding A.Ş.'s companies.

As of 31 December 2023 and 31 December 2022, details about the company's subsidiary, which is subject to consolidation, is below:

Company Name	Principal Activity	Capital	31 December 2023 Participation Rate (%)	31 December 2022 Participation Rate (%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100	100

Approval of Financial Statements

Consolidated financial statements for the period 1 January - 31 December 2023 approved by the Board of Directors on 15 March 2024 and signed by Independent Member of the Board of Director Ahmet Murat SELEK (Audit Committee Chairman) and Orhan ÖZER (Audit Committee Member), General Manager Yusuf Tuğrul ARIKAN and Finance Director Neşet Fatih VURAL.

The Company and its subsidiary will be referred as (the "Group") in the condensed consolidated financial statements and notes to the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Statement of Compliance TAS

The enclosed consolidated financial statements have been prepared in line with Capital Markets Board ("CMB"), Communiqué Serial: II, No. 14.1 on "Principles on Financial Reporting in Capital Market", promulgated in Official Gazette No. 28676 dated 13 June 2013. Pursuant to Article 5 of the Communiqué, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") enforced by Public Oversight Accounting and Auditing Standards Authority ("POA"), and their relevant appendices and interpretations ("TAS/TFRS") have been taken as basic.

In addition, the financial statements and disclosures are presented in accordance with the publication by CMB dated 15 October 2022.

The Company (and its Subsidiary registered in Turkey) takes the Turkish Commercial Code ("TCC"), tax legislation and Uniform Chart of Accounts introduced by Turkish Ministry of Finance as basic for book keeping and preparation of the statutory financial statements. Consolidated financial statements have been prepared in Turkish Lira based on the historical costs, as well as the financial assets and liabilities presented in their fair values. Historical costs are generally based on the fair value of the amount paid for the assets. Consolidated financial statements have been arranged by applying the required adjustments and classifications to the statutory records prepared on historical cost basis in order to provide accurate presentation in line with TAS/TFRS. The most important adjustment records are the application of consolidation accounting, deferred tax calculation, calculation of employee termination benefit and other provisions.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.1 Statement of Compliance TAS (cont'd)

Currency Used

The financial statements of the Group's each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the each entity are expressed in TRY, which is the functional currency of the Company and the currency used for presenting consolidated financial statements.

2.1.2 Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are companies in the Group's control. The Group's control is provides for exposure to variable returns from these companies, being eligible for these benefits, and the power to direct them. Subsidiaries are consolidated using the full consolidation method starting from the date when the control is transferred to the Group. They are excluded from the scope of consolidation as of the date when the control is lost.

The purchasing method is used in accounting for group business combinations. The cost of acquisition includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owner of the company, and costs, consisting of equity instruments issued by the Group. The acquisition cost includes the fair value of the assets and liabilities transferred as a result of the contingent acquisition agreement.

The identifiable assets, liabilities, and contingent liabilities taken over during a business combination are measured at their fair value on the acquisition date. For each purchase, non-controlling shares of the acquired company are recognised either at their fair value or according to their proportional share in the net assets of the acquired company.

The table below sets out the subsidiaries and their ownership interests as of 31 December 2023 and 31 December 2022.

Subsidiary	Voting power held by the Group (%)		Proportion of ownership interest (%)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	100	100	100	100

2.1.3 Financial Reporting in Hyperinflationary Economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of presentation (cont'd)

2.1.3 Financial Reporting in Hyperinflationary Economy (cont'd)

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion Factor	Three-year Inflation Rate
31 December 2023	1.859.38	1.00000	268%
31 December 2022	1.128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.

Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

2.1.4 Offsetting

The financial assets and liabilities in the consolidated financial statements are shown at their net value when a legal system that allows clarification of relevant values and there is an intention to demonstrate the values clearly or the realization of the asset and the settlement of the debt are at the same time.

2.1.5 Comparatives and Adjustment of Prior Periods' Financial Statements

The Group's consolidated financial statements for the current period are prepared in comparison with the previous periods in order to be able to determine the financial position and performance trends. The comparative information is reclassified when necessary with the aim of ensuring consistency with the presentation of the current period's consolidated financial statements and significant differences are disclosed.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.6 Amendments in Standards and Interpretations

a) Standards, amendments, and interpretations applicable as of 31 December 2023

Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

IFRS 17, 'Insurance Contracts'; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

Amendment to IAS 12 - International tax reform ; The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

Amendment to IAS 1 - Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16 - Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 Effect of Revised Accounting Policies

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition terms. Changes without any transition requirement, optional significant changes in accounting policies or significant accounting errors are applied retrospectively and the previous period's consolidated financial statements are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if they are related to future periods, they are applied both in the period in which the change is made and prospectively.

2.3 Summary of Significant Accounting Policies

2.3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value.

2.3.2 Trade receivables and provision for allowance

Trade receivables as a result of providing goods or services by the Group directly to a debtor are carried at amortised cost using original effective interest rates.

Provision for impairment of trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

The Group collects most of the receivables from domestic vehicles sales through the "Direct Debit System" (DDS). Within this system which is also named as Direct Collection System; the contracted banks warrant the collection of the receivables within the limits granted to the dealers. Trade receivables are transferred by the contracted banks to the Group's bank accounts at the due dates.

2.3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. The inventories of the Group mainly composed of trucks, small trucks, midi buses, pickups and spare parts which belong to those vehicles. The cost of inventories is determined on the monthly weighted moving average method. Cost of the finished and work in process good include raw materials, direct labour cost, related general production expenses and exclude the cost of borrowing. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Idle time expenses arising from the ceases in production other than planned in the factory's annual production plan are not associated with inventories and are recognised as cost of finished goods.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.4 Property, plant and equipment and related depreciation

While property, plant and equipment are presented on financial statement according to the adjusted values based on the effects of inflation as of 31 December 2004 for the assets acquired before 1 January 2005, they are presented on the financial statements by deducting accumulated depreciation from cost values for the assets acquired after 2005. As of 31 December 2017, lands and buildings have been monitored by revaluation method. Depreciation is calculated using the straight-line method based on their economic lives. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

Type	Useful Lives
Land Improvements	5-15
Buildings	2-50
Machinery and Equipment	10-15
Motor Vehicles	4-10
Furnitures and Fixtures	5-10
Other Property, Plant and Equipment	10-20

Revaluation Method

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Cost Method

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Except for land and investments in progress, cost or valued amounts of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in estimates and accounted for prospectively if there is a change in the estimates.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.4 Property, plant and equipment and related depreciation (cont'd)

Cost Method (cont'd)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.3.5 Intangible assets and related amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are comprised of software programme rights, brand and patent rights and development expenses.

Type	Useful Lives
Rights	5-15
Development Expenses	5
Other Intangible Assets	3-15

2.3.6 Impairment of assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is presumed. The recoverable amount is presumed in each year-end for unusable intangible assets. An impairment loss is recognised for the amount by which the carrying amount of the asset or a cash-generating unit related to the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognised in the statement of income. Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

2.3.7 Bank loans and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of income as financing cost over the period of the borrowings. When it comes to the assets which take long time to get ready to usage and sales, borrowing costs related to production or construction are integrated to the cost of the asset.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.8 Taxes on income

Tax liability on current period's profit or loss includes current period tax and deferred tax. Current year tax liability consists of tax liability on the taxable income calculated according to currently enacted tax rates and to the effective tax legislation as of balance sheet date.

Deferred tax is provided, using the liability method, on the temporary differences between the carrying values of assets and liabilities and their carrying. The tax value of assets and liabilities represent the amounts that will affect the tax base in the future periods related to the assets and liabilities within the framework of tax legislation. Deferred tax is calculated over the tax rates that are expected to apply in the period when the tax asset or the liability will be realized by taking into consideration the tax rates and tax legislation in effect as of the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Deferred tax assets and liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2.3.9 Provision for employee benefits

The Group is obliged to pay termination indemnities to employees whose employment is terminated due to retirement or due to reasons other than resignation or behavior specified in the Labor Code, in accordance with the applicable law. The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

2.3.10 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases, in the case of an event occurring after the provision is accounted for, the related amount is classified as other income in the current period.

2.3.11 Research and development expenses

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expense as incurred. Subsidies received from Tübitak are accounted for as deferred income by Group and are offset with amortisation expenses in the income statements in line with the useful life of the completed projects. Development costs are directly recognised as expense. Development expenses recognised as expense in prior periods are not subject to capitalisation in subsequent periods.

2.3.12 Warranty provision expenses

Warranty expenses are recognised on an accrual basis for amounts estimated based on prior periods' realization.

2.3.13 Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by/or affiliated with them and associated companies are considered and referred to as related parties. The transactions with related parties for operating activities are made with prices which are convenient with market prices.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.14 Foreign currency transactions

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the Central Bank of Turkey's exchange rates prevailing at the balance sheet dates. Foreign currency exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the statement of income.

2.3.15 Earnings per share

Earnings per share disclosed in the statement of income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("no-per shares") to existing shareholders from retained earnings and the revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

2.3.16 Revenue recognition

Commercial vehicle and spare part sales

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Group's revenues are comprised of sales of commercial vehicles and the spare parts of those commercial vehicles. Net sales is determined by reducing customer returns and sales discounts.

Revenue from the sale of goods is recognized when all the following conditions are gratified:

- The significant risks and the ownership of the goods are transferred to the buyer,
- The Group refrains the managerial control over the goods and the effective control over the goods sold,
- The revenue can be measured reasonably,
- It is probable that the economic benefits related to transaction will flow to the entity,
- The costs incurred or will be incurred in conjunction with the transaction can be measured reliably.

Warranties given for sales cannot be purchased separately. These warranties are assured that the products sold are in compliance with the pre-determined conditions. In this respect, the Group will continue to recognize the warranty provisions in accordance with the provisions of the existing TAS 37 Provisions, Contingent Liabilities and Conditional Assets.

Revenue from extended warranty sales

For the products it sells, the Group sells extended warranty for the periods starting from the end of the legal warranty periods. The price of the additional commitments given is considered as a different service promised within the contract, apart from the products sold. Therefore, the Group accounts for the service to be provided due to extended warranty sales as a separate performance obligation.

Service rendering

When the revenue from services can be measured reliably, the revenue is recorded in accordance with its completion level. If the revenue cannot be measured reliably, revenues are recognized as much as the recoverable amount of expenses that are associated with these revenues.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.17 Reporting of cash flows

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid assets with less than three months to maturity.

2.3.18 Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.3.19 Government Grants

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants and assistance received for R&D purposes of the Group are explained in Note 15.

2.3.20 TFRS 9 Financial Instruments

TFRS 9, Financial instruments; effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. Group has carried out valuation studies to determine the cumulative effect of the first transition and concluded that no changes should be made to the consolidated financial statements.

Financial assets

At initial recognition, the Group measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measures trade receivables at their transaction price (as defined in TFRS 15) if the trade receivables do not contain a significant financing component in accordance with TFRS 15 (or when the entity applies the practical expedient) at initial recognition.

In the initial measurement of financial assets except at fair value through profit or loss, transaction costs directly attributable to the acquisition or export of such assets are added to or deducted from the fair value. Financial assets that are traded in the normal course are recognized at the date of the transaction (delivery date).

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.20 TFRS 9 Financial Instruments (cont'd)

Financial assets measured at amortized cost

A financial asset is measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest revenue of financial assets measured at amortised cost is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Company accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in the financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

Financial assets measured at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Financial assets that are not designated as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss. The related financial assets are presented with their fair values and the gains and losses arising from the valuation are recognized in profit or loss.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.20 TFRS 9 Financial Instruments (cont'd)

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortized cost or fair value through other comprehensive income.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

At each reporting date, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses except for purchased or originated credit impaired financial assets. For purchased or originated credit-impaired financial assets, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance at the reporting date.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables that do not contain a significant financing component, which is referred as simplified approach.

Financial liabilities

Financial liabilities are initially measured at fair value. During initial recognition of financial liabilities not designated fair value through profit or loss, all directly attributable transaction costs related to underwriting of financial liabilities, added to this fair value.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- (a) financial liabilities at fair value through profit or loss: Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Company recognises any income on the transferred asset and any expense incurred on the financial liability.

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NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

2.3.20 TFRS 9 Financial Instruments (cont'd)

(c) contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. Such contingent consideration is subsequently be measured at fair value with changes recognised in profit or loss.

The Group does not reclassify any financial liability.

Recognition and derecognition of financial assets

The Group recognises a financial asset or a financial liability in the statement of financial position when the Group becomes party to the contractual provisions of the instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group only derecognizes the obligation if the obligation defined in the contract is lifted or canceled or if it expires on time.

2.3.21 Events after the reporting period

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring an adjustment to the consolidated financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the consolidated financial statements.

2.4 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. If the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

Significant accounting errors are applied retrospectively and the consolidated financial statements of the previous period are restated. There has been no significant change in the accounting estimates of the Group in the current year.

2.5 Other Accounting Estimates

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements except instances where the estimation of the effect related to upcoming periods are not possible.

a) Deferred Tax

There are previous year losses, research and development expenditures and investment incentive certificates that the Group can gain tax advantage in the future. Deferred tax assets can only be recognized if it is probable that sufficient taxable profit will be generated in future periods. In each reporting period, the Group management evaluates the taxable profit that may occur in the future periods, and during its evaluations, future profit projections and unused losses are taken into account within the scope of tax legislation. For the year ended December 31, 2023, the Group has recorded deferred tax assets up to the part that it finds sufficient indications of taxable profit in the foreseeable future.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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NOTE 2 -BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.6 Other Accounting Estimates (cont'd)

b) Warranty Cost Provisions

The Group determined the warranty provision based on warranty costs for each vehicle model in previous years and the remaining warranty periods for each vehicle.

c) Useful lives of property, plant and equipment:

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The Company may shorten or prolong the useful lives and related depreciation of property, plant and equipment by taking into consideration the intended use of property, plant and equipment, technological progress according to their types and other factors.

d) Revaluation of land improvements and buildings:

Land improvements, evaluation of buildings and machinery have been made by taking into consideration the current market conditions. A significant increase/(decrease) in the market value of the lands and lands where the market approach (peer comparison) method is used will cause a significant increase/(decrease) in the fair value of the immovables in the relevant region and under similar conditions. As a result of the revaluation, provision for impairment of the fixed assets with fair value lower than the cost value is made.

The Group's land improvements and buildings have been revalued at 31 December 2023 by independent appraisals accredited by the Capital Markets Board. The Group's land improvements and buildings have been revalued by TSKB Gayrimenkul Değerleme A.Ş. accredited by the Capital Markets Board. The revaluation fund which is composed of the difference between the book value and the fair value is offset with deferred tax and shown under the equity as revaluation fund. Revaluation is performed periodically.

e) Provision for Employment Termination Benefits

Provision for employment termination benefits is calculated by taking into account the severance pay ceiling and actuarial informations recognized into the consolidated financial statements. Provision for employment termination benefits represents the estimated present value of the amount of retirement pay liability that the Group is liable to pay in the future.

NOTE 3 -SEGMENT REPORTING

The field of activity of the Group established in Turkey is the manufacture, assembly, import and sale of motor vehicles and spare parts. The field of activity of the Group, the nature and economic properties of products, production processes, classification according to customer risks and methods used in the distribution of products are similar. Moreover, the Group is structured on an activity basis rather than being managed under separate divisions including different activities. Thus, the operations of the Group are considered as a single activity division, and the outputs of the Group's activities, determination of the resources to be allocated to these activities, and review of the performance of these activities are evaluated accordingly.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and equivalent values as of the end of the period are presented below:

	31 December 2023	31 December 2022
Banks-Demand Deposits	132.176.261	686.454.459
Banks-Time Deposits	3.529.419.771	1.743.299.139
Other Liquid Assets(*)	3.304.130	2.794.680
Total	3.664.900.162	2.432.548.278

(*) As of 31 December 2023 and 31 December 2022, the balance in "Other Liquid Assets" is consist of credit card receivables in bank of the group.

There are no restricted deposits as of 31 December 2023 and 31 December 2022.

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Liquid Assets	3.664.900.162	2.432.548.278
Interest Accruals (-)	(73.300.218)	(9.752.998)
Total (Excluding interest accruals)	3.591.599.944	2.422.795.280

The details of time deposits are as follows:

	31 December 2023		31 December 2022	
	Amount (TRY Equivalent)	Annual Average Interest Rate (%)	Amount (TRY Equivalent)	Annual Average Interest Rate (%)
TRY	3.426.198.954	38,50	1.743.299.139	16,80
EUR	103.220.817	2,70	0	0,00
Total	3.529.419.771		1.743.299.139	

The Group does not have any time deposits with maturities longer than three months and the time deposits are composed of fixed interest rates.

NOTE 5 - FINANCIAL INVESTMENTS

The details of short term financial investments as follows:

	31 December 2023			31 December 2022		
	Carrying Amount	Interest Accrual	Fair Value	Carrying Amount	Interest Accrual	Fair Value
Currency Protected Deposit	-	-	-	-	17.667.503	414.687.325
Total	-	-	-	-	17.667.503	414.687.325

The details of long term financial investments as follows:

	31 December 2023			31 December 2022		
	Carrying Amount	Interest Accrual	Fair Value	Carrying Amount	Interest Accrual	Fair Value
Investment Fund	-	-	14.673.988	-	-	1.379.809
Total	-	-	14.673.988	-	-	1.379.809

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 6 - FINANCIAL LIABILITIES

The details of bank loans as of 31 December 2023 and 31 December 2022 are as follows:

a) Short-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
TRY	16,58	17,21	3.780.500.944	1.764.898.767	3.780.500.944	1.764.898.767
Total					3.780.500.944	1.764.898.767

b) Short-term Portions of Long Term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EUR	4,38	4,38	4.782.233	18.489.909	155.775.986	369.258.270
USD	4,25	-	5.583.593	-	164.370.928	-
TRY	17,52	15,84	333.043.565	496.138.593	333.043.564	496.138.593
Total					653.190.478	865.396.863

Finance Lease Liabilities

Short-term Finance Lease Payables

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
TRY	34,00	-	24.031.730	-	24.031.730	-
Total					24.031.730	-

Short-term Lease Payables Arising from Operating Leases

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EUR	3,20	3,20	215.526	81.156	7.020.534	1.617.832
TRY	28,05	28,05	15.765.277	12.482.534	15.765.276	12.482.533
Total					22.785.810	14.100.365

b) Long-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EUR	5,45	5,45	7.729.431	14.246.228	251.777.721	284.508.579
TRY	15,34	12,29	249.951.575	378.954.550	249.951.575	378.954.550
Total					501.729.296	663.463.129

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 6- FINANCIAL LIABILITIES (cont'd)

As of 31 December 2023 and 31 December 2022, the payment schedule of long-term loans is as follows:

	31 December 2023	31 December 2022
1 to 2 years	289.857.106	382.901.441
2 to 3 years	61.971.648	69.557.681
3 to 4 years	52.203.017	61.552.739
4 to 5 years	71.498.095	51.465.756
More than 5 years	26.199.430	97.985.512
Total	501.729.296	663.463.129

Finance Lease Liabilities

Long Term Finance Lease Payables

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	TRY	35,46	-	248.726.260	-	248.726.260
Total					248.726.260	-

Long-term Lease Payables Arising from Operating Leases

	Average Effective Interest Rate %		Original Currency		Amount in TRY Including Interest	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	EUR	3,20	3,20	96.272	173.516	3.135.941
TRY	28,05	28,05	35.826.632	13.127.376	35.826.632	13.127.376
Total					38.962.573	16.586.396

Financial net debt reconciliation as of 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023	31 December 2022
Opening balance	3.324.445.520	2.526.582.034
Interest expense	832.899.306	372.159.476
Cash outflows from debt payments arising from lease agreements	(40.574.171)	(9.221.168)
TFRS 16 changes in lease liabilities	326.598.565	22.121.301
Interest paid	(581.052.416)	(311.034.200)
Newly obtained credits	9.618.973.730	4.340.898.855
Loans repaid	(6.375.806.644)	(2.510.942.509)
Exchange difference	352.274.603	244.568.629
Inflation Effect	(2.187.831.402)	(1.350.686.898)
Closing balance	5.269.927.091	3.324.445.520

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 7- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	31 December 2023	31 December 2022
Trade Receivables from Third Parties	2.875.652.811	1.619.829.438
Trade Receivables from Related Parties	103.323.977	189.449.510
Rediscount Expenses (-)	(34.216.193)	(3.446.590)
Doubtful Receivables	189.907	790.976
Allowance for Doubtful Receivables (-)	(189.907)	(790.976)
Total	2.944.760.595	1.805.832.358

As of 31 December 2023, the average term for trade receivables is 82 days (31 December 2022: 76 days).

Movements of provision for doubtful receivables are as follows:

	31 December 2023	31 December 2022
Opening Balance	790.976	1.413.171
Provisions for Uncollectible Provisions	(115.133)	-
Collections in the Period	(175.000)	(69.299)
Inflation Effect	(310.936)	(552.896)
Closing Balance	189.907	790.976

Disclosures on the nature and level of risks in trade receivables are given in Note 29.

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	31 December 2023	31 December 2022
Trade Payables to Third Parties	1.688.326.271	1.707.329.118
Trade Payables to Related Parties	2.083.903.100	1.926.594.898
Rediscount Incomes(-)	(44.514.978)	(10.222.832)
Total	3.727.714.393	3.623.701.184

As of 31 December 2023, the average term for trade payables is 113 days (31 December 2022: 115 days).

Disclosures on the nature and level of risks in trade payables are given in Note 29.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 8- OTHER RECEIVABLES AND PAYABLES

a) Other Short-term Receivables

	31 December 2023	31 December 2022
Receivables from Tax Office (*)	93.850.959	139.470.682
Due from Personnel	7.989.771	2.974.471
Deposits and Guarantees Given	54.114	50.661
Total	101.894.844	142.495.814

(*) As of 31 December 2023, the amount of Group's receivables was TRY 92.047.082 which consists of the receivables related to the VAT refund request (31 December 2022: TRY 138.593.455).

b) Other Long-term Receivables

	31 December 2023	31 December 2022
Deposits and Guarantees Given	3.644	8.061
Total	3.644	8.061

Disclosures on the nature and level of risks in other receivables are given in Note 29.

c) Other Short-term Payables

	31 December 2023	31 December 2022
Payables Under Employee Benefit	96.775.043	63.565.507
Tax and Funds Payables	40.029.183	17.989.934
Other Miscellaneous Payables	780.741	854.546
Total	137.584.967	82.409.987

d) Other Long-term Payables

	31 December 2023	31 December 2022
Payables Under Employee Benefit	25.482.401	-
Total	25.482.401	-

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 9- DERIVATIVE INSTRUMENTS

Derivative instruments at period ends are as follows:

Foreign Currency Forward Transactions

	31 December 2023			31 December 2022		
	Nominal Value	Fair Value		Nominal Value	Fair Value	
		Asset	Liability		Asset	Liability
Interest Rate Swap	-	-	-	-	-	(4.016.845)
Forward Contracts	2.234.243.801	86.807.663	(33.179.796)	1.202.378.578	7.975.949	(62.336.333)
Total	2.234.243.801	86.807.663	(33.179.796)	1.202.378.578	7.975.949	(66.353.178)

NOTE 10- INVENTORIES

Inventory balances as of period ends are as follows:

	31 December 2023	31 December 2022
Raw Materials	2.272.971.663	1.689.286.032
Work in Process Goods	107.220.468	2.918.932
Finished Goods	378.525.955	458.809.461
Trade Goods	291.745.744	287.762.358
Other Inventory	62.534.700	20.897.489
Goods in Transit	559.643.664	205.734.640
Total Inventories	3.672.642.194	2.665.408.912

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 11- PROPERTY, PLANT AND EQUIPMENT

31 December 2023

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2023	3.809.976.050	157.703.583	1.029.823.181	2.697.230.620	45.588.955	42.338.067	10.695.208	29.395.983	7.822.751.647
Additions	-	1.715.926	14.386.343	268.597.889	16.180.070	5.476.917	-	287.591.583	593.948.728
Transfers from Construction in Progress	-	495.200	111.119.267	49.656.631	-	1.891.176	-	(163.162.274)	-
Disposals	-	-	(3.716.371)	(82.921.832)	(4.202.760)	-	-	(79.000)	(90.919.963)
Revaluation Increases	665.332.832	-	88.810.696	-	-	-	-	-	754.143.528
Closing Balance as at 31 December 2023	4.475.308.882	159.914.709	1.240.423.116	2.932.563.308	57.566.265	49.706.160	10.695.208	153.746.292	9.079.923.940
Accumulated Depreciation									
Opening Balance as at 1 January 2022		- (125.714.200)	(207.858.246)	(2.203.302.439)	(34.238.667)	(35.181.200)	(10.677.950)		- (2.616.972.702)
Charge for the year	-	(4.103.580)	(12.021.624)	(89.305.478)	(1.854.389)	(2.591.198)	(5.377)	-	(109.881.646)
Disposals	-	-	1.195.160	65.520.060	3.227.946	-	-	-	69.943.166
Closing Balance as at 31 December 2023		- (129.817.780)	(218.684.710)	(2.227.087.857)	(32.865.110)	(37.772.398)	(10.683.327)		- (2.656.911.182)
Net Book Value									
Opening Balance as at 1 January 2023	3.809.976.050	31.989.383	821.964.935	493.928.181	11.350.288	7.156.867	17.258	29.395.983	5.205.778.945
Closing Balance as at 31 December 2023	4.475.308.882	30.096.929	1.021.738.406	705.475.451	24.701.155	11.933.762	11.881	153.746.292	6.423.012.758

TRY 85.712.163 of the depreciation expenses has been charged to cost of sales and TRY 2.330.383 to research and development expenses and TRY 5.562.566 to marketing expenses, TRY 10.463.344 to general administrative expenses and TRY 5.813.190 to development capitalization as of 31 December 2023.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 11- PROPERTY, PLANT AND EQUIPMENT (cont'd)

31 December 2022

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2022	2.527.852.079	149.240.536	846.505.769	2.497.348.835	40.216.598	38.392.826	10.695.208	6.339.476	6.116.591.327
Additions	-	8.463.047	1.618.252	93.060.279	5.789.553	3.945.241	-	131.661.519	244.537.891
Transfers from Construction in Progress	-	-	-	108.605.012	-	-	-	(108.605.012)	-
Disposals	-	-	-	(1.783.506)	(417.196)	-	-	-	(2.200.702)
Revaluation Increases	1.282.123.971	-	181.699.160	-	-	-	-	-	1.463.823.131
Closing Balance as at 31 December 2022	3.809.976.050	157.703.583	1.029.823.181	2.697.230.620	45.588.955	42.338.067	10.695.208	29.395.983	7.822.751.647
Accumulated Depreciation									
Opening Balance as at 1 January 2022	-	(122.074.995)	(190.438.588)	(2.124.714.798)	(31.926.629)	(33.377.121)	(10.672.507)	-	(2.513.204.638)
Charge for the year	-	(3.639.205)	(17.419.658)	(79.945.526)	(2.728.170)	(1.804.079)	(5.443)	-	(105.542.081)
Disposals	-	-	-	1.357.885	416.132	-	-	-	1.774.017
Closing Balance as at 31 December 2022	-	(125.714.200)	(207.858.246)	(2.203.302.439)	(34.238.667)	(35.181.200)	(10.677.950)	-	(2.616.972.702)
Net Book Value									
Opening Balance as at 1 January 2022	2.527.852.079	27.165.541	656.067.181	372.634.037	8.289.969	5.015.705	22.701	6.339.476	3.603.386.689
Closing Balance as at 31 December 2022	3.809.976.050	31.989.383	821.964.935	493.928.181	11.350.288	7.156.867	17.258	29.395.983	5.205.778.945

TRY 81.795.131 of the depreciation expenses has been charged to cost of sales and TRY 1.030.033 to research and development expenses and TRY 3.738.622 to marketing expenses, TRY 10.168.615 to general administrative expenses and TRY 8.809.680 to development capitalization as of 31 December 2022.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 11- PROPERTY, PLANT AND EQUIPMENT (cont'd)

An independent valuation on the Group's land and buildings was done as at 31 December 2023. Fair values of the Group's land and buildings were estimated based on valuation techniques which take into account comparable fair market value of land and buildings that share similar characteristics to the Group's assets. The gains/(loss) on revaluation of land and buildings in the amount of TRY 766.531.712, net of taxes of TRY 674.698.709 has been included as a component of other comprehensive income. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income. There are no restrictions on the distribution of the revaluation surplus to the equity holders of the Group.

NOTE 12 - INTANGIBLE ASSETS

31 December 2023

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2023	6.863.479	1.591.229.680	266.188.656	306.412.123	2.170.693.938
Additions	-	-	28.569.375	490.083.011	518.652.386
Transfer from Construction in Progress	178.123	74.734.791	9.694.816	(84.607.730)	-
Closing balance as at 31 December 2023	7.041.602	1.665.964.471	304.452.847	711.887.404	2.689.346.324
Accumulated Amortization					
Opening Balance as at 1 January 2023	(2.951.611)	(899.331.745)	(208.248.069)	-	(1.110.531.425)
Charge for the period	(485.283)	(203.199.227)	(33.643.995)	-	(237.328.505)
Closing balance as at 31 December 2023	(3.436.894)	(1.102.530.972)	(241.892.064)	-	(1.347.859.930)
Net Book Value					
Opening Balance as at 1 January 2023	3.911.868	691.897.935	57.940.587	306.412.123	1.060.162.513
Closing balance as at 31 December 2023	3.604.708	563.433.499	62.560.783	711.887.404	1.341.486.394

TRY 201.259.149 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY 3.438.690 to research and development expenses and TRY 4.782.275 to marketing expenses, TRY 19.096.424 to general administrative expenses and TRY 8.751.967 to development capitalization as of 31 December 2023.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 12 - INTANGIBLE ASSETS (cont'd)

31 December 2022

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2022	6.100.075	1.267.736.993	227.096.298	331.584.266	1.832.517.632
Additions	-	-	33.242.940	304.933.366	338.176.306
Transfer from Construction in Progress	763.404	323.492.687	5.849.418	(330.105.509)	-
Closing balance as at 31 December 2022	6.863.479	1.591.229.680	266.188.656	306.412.123	2.170.693.938
Accumulated Amortization					
	(2.512.638)	(741.987.483)	(180.120.070)	-	(924.620.191)
Opening Balance as at 1 January 2022	(438.973)	(157.344.262)	(28.127.999)	-	(185.911.234)
Charge for the period	(2.951.611)	(899.331.745)	(208.248.069)	-	(1.110.531.425)
Closing balance as at 31 December 2022					
Net Book Value					
Opening Balance as at 1 January 2022	3.587.437	525.749.510	46.976.228	331.584.266	907.897.441
Closing balance as at 31 December 2022	3.911.868	691.897.935	57.940.587	306.412.123	1.060.162.513

TRY 155.716.117 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY 166.523 to research and development expenses and TRY 3.919.266 to marketing expenses, TRY 16.537.762 to general administrative expenses and TRY 9.571.566 to development capitalization as of 31 December 2022.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 13 - RIGHT OF USE ASSETS

As of 31 December 2023 and 31 December 2022, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

Cost Value	Total
Opening Balance as at 1 January 2023	53.164.915
Additions	83.992.135
Disposals	(3.715.439)
Closing balance as at 31 December 2023	133.441.611

Accumulated Amortization

Opening Balance as at 1 January 2023	(21.063.402)
Charge for the Period	(33.403.571)
Disposals	3.715.438
Closing balance as at 31 December 2023	(50.751.535)

Net Book Value

Opening Balance as at 1 January 2023	32.101.513
Closing balance as at 31 December 2023	82.690.076

TRY 17.133.202 of depreciation expenses has been charged to cost of sales, and TRY 16.270.370 to general administration expenses as of 31 December 2023.

Cost Value	Total
Opening Balance as at 1 January 2022	55.133.819
Additions	28.549.256
Disposals	(30.518.160)
Closing balance as at 31 December 2022	53.164.915

Accumulated Amortization

Opening Balance as at 1 January 2022	(32.377.481)
Charge for the Period	(19.204.081)
Disposals	30.518.160
Closing balance as at 31 December 2022	(21.063.402)

Net Book Value

Opening Balance as at 1 January 2022	22.756.338
Closing balance as at 31 December 2022	32.101.513

TRY 4.863.934 of depreciation expenses has been charged to cost of sales, and TRY 14.340.147 to general administration expenses as of 31 December 2022.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 14 - GOODWILL

A transfer agreement was signed between the Group and FZK Mühendislik ve Sınai Yatırımlar A.Ş. (FZK) on 03.02.2023 regarding the acquisition of FZK's automotive operations by the Group through partial transfer. The total transfer price to be paid to FZK is USD 6.500.000 + VAT and the payments are planned to be completed in 2024.

As of 31 December 2023, there is goodwill amounting to TL 106.248.200 related to the acquisition of FZK (31 December 2022: None). The Group has calculated the recoverable amount of goodwill and there is no impairment in the amount of goodwill. In this calculation, a discount rate of 20% per annum (2021: 20% per annum) has been used with 5-year cash flows prepared based on budgets approved by the management.

NOTE 15- GOVERNMENT GRANTS AND INCENTIVES

As of December 31, 2023, the Group does not have any R&D deduction amount that can be used in tax calculation due to the expenditures related to R&D activities (December 31, 2022: TL 484.005.500). In accordance with the amendment made in Article 35 of the Law No. 5746 on Supporting R&D Activities, which entered into force on April 1, 2008, the R&D discount rate to be used for R&D expenditures has been increased from 40% to 100%.

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group applied to the Ministry of Industry and Commerce to become an R&D centre. On 3 June 2009, the Group was entitled to become an R&D centre.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, total TRY 51.670.512 was spent.(31 December 2022: TRY 51.670.512) The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 129788, total TRY 87.538.897 was spent. (31 December 2022: TRY 87.538.897) The contribution rate to the investment is 45%.

Within the scope of the incentive certificate numbered 535509, total TRY 56.662.570 was spent. (31 December 2022: 56.662.570) The contribution rate to the investment is 30%.

Within the scope of the incentive certificate numbered 541650, incentive certificate's amount is total TRY 284.144.979 and no expenditure was spent. (31 December 2022: None) The contribution rate to the investment is 55%.

Within the scope of the incentive certificate numbered 55760, incentive certificate's amount is total TRY 19.160.475 and no expenditure was spent. (31 December 2022: None) The contribution rate to the investment is 30%.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other Short-term Provisions

	31 December 2023	31 December 2022
Warranty Provisions	91.948.704	74.114.450
Provision for Lawsuits	63.889.061	60.530.583
Provision for Premium and Commission	75.362.948	96.442.950
Total	231.200.713	231.087.983

Movements of provisions during the period are as follows:

	Warranty Provisions	Provision for Lawsuits	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2023	74.114.450	60.530.583	96.442.950	231.087.983
Additions During The Period	131.998.637	27.153.320	90.579.202	249.731.159
Paid During The Period (-)	(104.151.552)	-	(72.402.278)	(176.553.830)
Inflation Effect	(10.012.831)	(23.794.842)	(39.256.926)	(73.064.599)
Closing Balance as at 31 December 2023	91.948.704	63.889.061	75.362.948	231.200.713

	Warranty Provisions	Provision for Lawsuits	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2022	57.973.424	23.124.292	94.011.081	175.108.797
Additions During The Period	90.361.605	46.453.546	80.063.127	216.878.278
Paid During The Period (-)	(68.944.537)	-	(54.898.271)	(123.842.808)
IAS 29 Adjustment	(5.276.042)	(9.047.255)	(22.732.987)	(37.056.284)
Closing Balance as at 31 December 2022	74.114.450	60.530.583	96.442.950	231.087.983

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Mortgages and guarantees on assets:

There are not any mortgages and guarantees on assets.

Contingent liabilities which are not shown in liabilities listed are as follows:

	31 December 2023			
	Total TRY Provisions	Original Currency TRY	Original Currency EUR	Original Currency USD
A. CPMs given in the name of its own legal personality	2.264.269.549	1.830.675.020	11.485.100	1.994.007
i. Letter of Guarantee	2.264.269.549	1.830.675.020	11.485.100	1.994.007
B. CPMs given on behalf of fully consolidated companies				
total amount of given CPMs	-	-	-	-
C. CPMs given in the normal course of business activities				
on behalf of third parties	-	-	-	-
D. Total amount of other CPMs	-	-	-	-
Total	2.264.269.549	1.830.675.020	11.485.100	1.994.007

	31 Aralık 2022			
	Total TRY Provisions	Original Currency TRY	Original Currency EUR	Original Currency USD
A. CPMs given in the name of its own legal personality	1.070.326.451	633.038.394	12.237.804	1.146.028
i. Letter of Guarantee	1.070.326.451	633.038.394	12.237.804	1.146.028
B. CPMs given on behalf of fully consolidated companies				
total amount of given CPMs	-	-	-	-
C. CPMs given in the normal course of business activities				
on behalf of third parties	-	-	-	-
D. Total amount of other CPMs	-	-	-	-
Total	1.070.326.451	633.038.394	12.237.804	1.146.028

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 31 December 2023 (0% as of 31 December 2022).

The Group is exposed to foreign currency risk since its foreign currency denominated assets and liabilities are formed of different currencies. In order to hedge its foreign currency position due to the fluctuations in the foreign exchange parities, the Group enters into forward contracts.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 17 - EMPLOYEE BENEFITS

a) Short-Term Provisions for Employee Benefits

	31 December 2023	31 December 2022
Provision for Employee Rights and Salaries	107.173.800	455.180
Provision for Unused Vacation	11.239.569	8.501.066
Total	118.413.369	8.956.246

Short-term provisions for employee benefits consist of provisions that were calculated and unpaid as of the end of period.

Movements of the provision for unused vacation during the period are as follows:

	31 December 2023	31 December 2022
Opening Balance	8.501.066	9.015.850
Recognized provision during the period	26.219.615	21.274.992
Paid During The Period	(21.074.551)	(17.104.306)
Inflation Effect	(2.406.561)	(4.685.470)
Total	11.239.569	8.501.066

b) Long-Term Provisions for Employee Benefits

	31 December 2023	31 December 2022
Provision for Severance Payments to Employees	47.809.516	207.234.068
Total	47.809.516	207.234.068

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men). Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements.

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared

of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TRY 35.058,58 (1 January 2023: TRY 19.982,83) applicable as of 1 January 2024 has been regarded for the calculation of the Group's provision of severance pay.

Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered.

Considering the Liability of Severance Pay are related to the next periods as per TAS 19, current values of the severance payments which will be made as of the balance sheet date are calculated to determine an approximate inflation expectation whose net difference refers a real discount rate and find an appropriate discount rate.

The actuarial assumptions considered in the calculation of the provision for employment termination benefits are as follows:

	31 December 2023	31 December 2022
Annual Net Discount Rate (%)	1,72	0,44
Turnover Rate to Estimate the Probability of Retirement (%)	11,92	8,99

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 17 - EMPLOYEE BENEFITS (cont'd)

Movements of the provision for employee termination benefit during the period are as follows:

	31 December 2023	31 December 2022
Opening Balance	207.234.068	127.852.006
Interest Cost	2.290.652	817.401
Gain/(Loss) on Remeasurement of Defined Benefit Plans	(15.649.955)	88.176.650
Paid Within the Period	(106.104.771)	(12.995.864)
Service Cost	11.331.779	58.838.898
Inflation Effect	(51.292.257)	(55.455.023)
Closing Balance	47.809.516	207.234.068

NOTE 18- OTHER ASSETS AND LIABILITIES

a) Prepaid Expenses

	31 December 2023	31 December 2022
Advances Given For Inventory Purchase	593.428.815	695.725.009
Prepaid Extended Warranty Expenses	72.915	6.524.367
Prepaid Insurance Expenses	945.229	490.020
Prepaid Subscription Expenses	583.723	624.253
Prepaid Maintenance Expenses	1.889.496	384.755
Prepaid Other Expenses	3.318.714	18.877.005
Total	600.238.892	722.625.409

b) Other Current Assets

	31 December 2023	31 December 2022
Deferred VAT	25.484.238	164.252.105
Other Current Assets	33.668.468	14.648.418
Total	59.152.706	178.900.523

c) Prepaid Expenses (Long-Term)

	31 December 2023	31 December 2022
Prepaid Extended Warranty Expenses	-	3.243.401
Prepaid Expenses	989.555	2.463.586
Total	989.555	5.706.987

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 18- OTHER ASSETS AND LIABILITIES (cont'd)

d) Deferred Income (Short-Term)

	31 December 2023	31 December 2022
Order Advances Received	462.698.580	322.379.422
Deferred Income ^(*)	35.789.942	23.394.344
Total	498.488.522	345.773.766

(*) The amount of cash incentives received for the company's R&D activities and which should be transferred to the income statement for upcoming months as of 31 December 2023 is TRY 2.106.585 (31 December 2022: TRY 1.190.973).

e) Liabilities Arising from Contracts with Customers (Short-Term)

	31 December 2023	31 December 2022
Deferred Maintenance and Repair Income	18.041.558	12.180.404
Total	18.041.558	12.180.404

f) Deferred Income (Long-Term)

	31 December 2023	31 December 2022
Order Advances Received	-	-
Deferred Income ^(*)	71.573.252	4.064.844
Total	71.573.252	4.064.844

(*) The amount of cash incentives received for the company's R&D activities and which should be transferred to the income statement for upcoming months as of 31 December 2023 is TRY 4.572.380 (31 December 2022: TRY 2.466.936).

f) Liabilities Arising from Customer Contracts (Long-Term)

	31 December 2023	31 December 2022
Deferred Maintenance and Repair Income	193.488.305	172.049.343
Total	193.488.305	172.049.343

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 19- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital/Elimination Adjustments

As of 31 December 2023, the share capital of the Company is TRY 252.000.000 (31 December 2022: TRY 84.000.000).

This share capital is divided into 25.200.000.000 in total, including 13.545.943.533 A Group registered shares, 7.494.613.119 B Group registered shares, 4.159.443.348 C Group bearer's shares, each with nominal value of 1 (one) Kr. The distribution of this share capital on the basis of share group is as follows:

31 December 2023

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	134.534.317	-	5.071.886	139.606.203	55,40
Isuzu Motors Ltd.	-	42.826.526	-	42.826.526	16,99
Itochu Corporation Tokyo	-	23.844.967	-	23.844.967	9,46
Itochu Corporation İstanbul	-	8.274.638	-	8.274.638	3,28
Other	925.118	-	36.522.548	37.447.666	14,87
Total	135.459.435	74.946.131	41.594.434	252.000.000	100

31 December 2022

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	55,40
Isuzu Motors Ltd.	-	14.275.510	-	14.275.509	16,99
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	9,46
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	3,28
Other	308.373	-	12.174.182	12.482.556	14,87
Total	45.153.145	24.982.044	13.864.811	84.000.000	100,00

b) Privileges Granted to the Share Groups

The Company is directed by the 15 members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

2 members of the Board of Directors are elected from the candidates nominated by the shareholders of Group B, the eight members of the Board of Directors are elected from the candidates nominated by the shareholders of Group A and 5 members are elected by the General Assembly from among the candidates to be nominated as independent board members.

Equity	31 December 2023	31 December 2022
Paid-in Capital	252.000.000	84.000.000
Capital Inflation Adjustment Difference	1.761.199.852	1.761.199.852
Restricted Reserves Appropriated from profit	318.248.329	274.542.226
Previous Year Profits	2.402.379.743	2.115.827.522
Gain/(Loss) on Revaluation and Measurement	1.964.884.654	1.290.185.946
(Losses) on Remeasurement of Defined Benefit Plans	(58.803.854)	(70.541.321)
Net Profit/(Loss) for The Period	1.614.217.374	784.307.983
Shareholders' Equity Attributable to Equity Holders of the Group	8.254.126.098	6.239.522.208
Total Shareholders' Equity	8.254.126.098	6.239.522.208

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 19- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

c) Restricted Reserves Appropriated from Profit

Restricted reserves appropriated from profit are comprised of legal reserves and other reserves.

Restricted Reserves Appropriated from Profit	31 December 2023	31 December 2022
Legal Reserves	318.248.329	274.542.226
Total	318.248.329	274.542.226

According to the provisions of the Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The first legal reserves are allocated at the rate of 5% of the legal period profit until it reaches 20% of the historical or registered Company capital. Secondary legal reserves are allocated at the rate of 10% of all dividend distributions exceeding 5% of the Company's capital. According to the Turkish Commercial Code, first and second legal reserves cannot be distributed unless they exceed 50% of the total capital. They can only be used to compensate the losses in case the voluntary reserves are exhausted.

Legal Reserves appropriated in accordance with the relevant article of the Turkish Commercial Code are carried at their statutory amounts. In this context, differences arising from inflation adjustments in the valuations made within the framework of TAS 29 and TFRS principles and not subject to profit distribution or capital increase as of the report date are associated with retained earnings/losses.

As of December 31, 2023, the fund items included in equity in the Group's financial statements prepared in accordance with the Tax Procedure Law are as follows:

	PPI Indexed Legal Records	CPI Indexed Amounts	Difference Recognized Profit/ Loss in Retained Earnings
Inflation Adjustment to Share Capital	748.932.484	1.761.199.852	(1.012.267.368)
Restricted Reserves	465.813.665	318.248.329	147.565.336

d) Retained Earnings/Losses

The Group's prior years' income details as of period ends are as follows:

Retained Earnings/Losses	31 December 2023	31 December 2022
Extraordinary Reserves	129.274.233	198.679.317
Legal Reserves Inflation Difference	67.182.099	67.182.099
Retained Earnings/(Losses)	2.205.923.411	1.849.966.106
Total	2.402.379.743	2.115.827.522

As of December 31, 2022, the Group's retained earnings/losses before and after inflation accounting are as follows:

	1 January 2022 Amount Before Inflation Accounting	1 January 2022 Amount After Inflation Accounting	31 December 2022 Amount Before Inflation Accounting (Excluding 2022 Net Profit/Loss for the Period)	31 December 2022 Amount After Inflation Accounting
Prior Year Profit/Loss	244.459.551	2.178.573.785	211.459.551	2.900.135.506

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 19- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Quoted companies make profit distributions as follows:

If the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit should be distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period. In accordance with the CMB's decision dated 27 January 2010, it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for publicly owned companies.

Inflation adjustment on Equity; the carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses. However, equity inflation adjustment differences will be liable to corporate tax if it is used in cash profit distribution.

Group's retained earnings is TRY 2.402.379.743 based on the financial statements prepared in according with TAS/IFRS Financial Reporting Standard for the period ended 31 December 2023 (31 December 2022: TRY 2.115.827.522).

In accordance with the Communiqué No:XI-29 and related announcements of TAS/IFRS, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amount. The valuation differences (such as differences from inflation adjustment) shall be classified as follows:

- "the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Capital Adjustment to Share Capital";

- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

NOTE 20- REVENUE AND COST OF SALES

	1 January- 31 December 2023	1 January- 31 December 2022
Domestic Sales	11.471.916.914	8.046.545.669
Foreign Sales	4.813.379.158	4.134.640.640
Other Income	47.796.019	56.190.096
Sales Total (Gross)	16.333.092.091	12.237.376.405
Sales Discounts (-)	(1.158.350.025)	(551.111.070)
Sales (Net)	15.174.742.066	11.686.265.335
Cost of Sales	(12.499.506.711)	(10.345.205.482)
Gross Operating Profit	2.675.235.355	1.341.059.853

Cost of sales are summarised as follows;

	1 January- 31 December 2023	1 January- 31 December 2022
Cost of Sales		
Raw Materials and Supplies Expenses	(9.128.932.261)	(7.867.646.420)
Direct Labor Expenses	(621.319.289)	(371.832.670)
Depreciation and Amortization Expenses	(304.104.514)	(242.375.182)
Other Production Costs	(172.374.780)	(165.105.471)
Total Cost of Production	(10.226.730.844)	(8.646.959.743)
Change in Goods Inventory	24.018.030	82.639.977
Cost of Trade Goods Sold	(2.289.538.492)	(1.765.633.821)
Cost of Other Sales	(7.255.405)	(15.251.895)
Cost of Sales	(12.499.506.711)	(10.345.205.482)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 21- ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

a) Research and Development Expenses

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel Expenses	(89.064.868)	(34.878.743)
Outsourced Benefits and Services	(8.254.198)	(3.463.349)
Depreciation Expenses	(5.769.073)	(1.196.556)
Other	(12.900.476)	(5.799.276)
Total Research and Development Expenses	(115.988.615)	(45.337.924)

b)Marketing Expenses

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel Expenses	(209.039.203)	(138.083.262)
Export Expense	(177.413.773)	(30.910.019)
Royalty Expenses	(173.595.842)	(97.537.616)
Transportation, Freight Expenses	(114.254.032)	(97.293.113)
Business and Service Expenses	(70.273.293)	(32.567.612)
Warranty Expense Provision	(46.968.974)	(38.822.817)
Travel Expenses	(25.528.521)	(35.556.909)
Insurance Expenses	(20.973.605)	(7.982.278)
Domestic Sales Expense	(12.769.582)	(70.380.128)
Advertisement Expenses	(12.687.562)	(13.945.360)
Depreciation Expenses	(10.344.841)	(7.657.888)
Maintenance and Repair Expenses	(8.304.176)	(2.183.506)
Representation-Hospitality Expenses	(3.837.219)	(4.525.230)
Consulting, Audit Expenses	(953.798)	(2.664.851)
Tax, Duties and Fee Expenses	(844.465)	(634.603)
Other	(58.972.682)	(42.353.161)
Total Marketing Expenses	(946.761.568)	(623.098.353)

c) General Administrative Expenses

	1 January- 31 December 2023	1 January- 31 December 2022
Personnel Expenses	(265.934.488)	(125.840.711)
Business and Service Expenses	(92.773.505)	(63.268.624)
Consulting, Audit Expenses	(55.603.563)	(42.666.349)
Depreciation Expenses	(45.830.138)	(41.046.524)
Insurance Expenses	(23.036.769)	(13.931.369)
Tax, Duties and Fee Expenses	(20.172.553)	(11.928.832)
Representation-Hospitality Expenses	(3.848.889)	(2.125.415)
Travel Expenses	(3.263.167)	(2.427.653)
Maintenance and Repair Expenses	(1.916.575)	(2.185.340)
Rent Expenses	-	(3.897.404)
Other	(42.343.257)	(31.025.372)
Total General Administrative Expenses	(554.722.904)	(340.343.593)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 22- EXPENSES BY NATURE

	1 January- 31 December 2023	1 January- 31 December 2022
Direct Raw Material and Supplies Costs	(9.128.932.261)	(7.867.646.420)
Cost of Trade Goods Sold	(2.289.538.492)	(1.765.633.821)
Personnel Expenses	(1.185.357.848)	(670.635.386)
Depreciation And Amortisation Expenses	(366.048.566)	(292.276.150)
Change in Finished Goods and Semi-Finished Goods	24.018.030	82.639.977
Other	(1.171.120.661)	(840.433.552)
Total Expenses	(14.116.979.798)	(11.353.985.352)

Expenses by nature include cost of goods sold, marketing, selling and distribution expenses, general administration expenses and research and development expenses.

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the KGK's letter dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	2023	2022
Independent audit fee for the reporting period	1.236.637	257.556
Fee for other assurance services	852.318	207.005
Total	2.088.955	464.562

NOTE 23- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	1 January- 31 December 2023	1 January- 31 December 2022
Foreign Exchange Income on Trade Receivables and Payables	999.788.523	150.142.128
Discount Income on Trade Payables	6.186.322	6.764.485
Export D.F.I.F Support	6.147.020	3.553.485
Tubitak R&D Incentive	6.075.408	2.385.003
Sale Support Income	5.629.670	17.078.636
Service Income	4.171.758	6.098.549
Incentive Income	2.251.603	2.244.548
Delay Interest Income	753.767	597.880
Rent Income	735.989	1.307.172
Other Income	60.194.319	29.902.541
Total	1.091.934.379	220.074.427

Other Expense from Operating Activities:	1 January- 31 December 2023	1 January- 31 December 2022
Foreign Exchange Expense on Trade Receivables and Payables	(1.254.698.164)	(527.244.692)
Donations and Contributions	(38.941.210)	(18.850.985)
Lawsuit Provisions	(27.505.754)	(46.453.546)
Other Expenses	(12.551.925)	(6.783.993)
Total	(1.333.697.053)	(599.333.216)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 24- INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income From Investing Activities	1 January- 31 December 2023	1 January- 31 December 2022
Gain on Sale of Machinery and Equipment	41.628.397	260.931
Currency Protected Deposit Fair Value Changes	5.660.476	33.207.184
Total	47.288.873	33.468.115

NOTE 25- FINANCE INCOME AND EXPENSES

Finance Income:	1 January- 31 December 2023	1 January- 31 December 2022
Foreign Exchange Gain	807.958.296	761.119.797
Interest Income	439.989.094	112.046.807
Total	1.247.947.390	873.166.604

Finance Expenses:	1 January- 31 December 2023	1 January- 31 December 2022
Foreign Exchange Losses	(1.016.922.890)	(716.352.106)
Interest Expense	(835.189.958)	(372.498.855)
Forward Purchase Expense	(24.589.774)	(10.730.278)
Letter of Guarantee Expenses	(7.824.676)	(8.874.971)
Expense from Derivative Transactions	(5.936.096)	(23.825.052)
Other Finance Expenses	(162.051.654)	(115.789.909)
Total	(2.052.515.048)	(1.248.071.171)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 26- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The Group's tax expense (or income) is comprised of current period corporate tax expense and deferred tax expense (or income).

Account	1 January- 31 December 2023	1 January- 31 December 2022
Current Income Tax Provision (-)	(73.041.163)	(2.327.562)
Deferred Tax Income/(Expense) (Income Statement)	(17.696.463)	51.121.535
Tax Income/(Expense) - Income Statement	(90.737.626)	48.793.973
Tax Income/(Expense) (Comprehensive Income Statement)	(95.745.492)	(156.001.857)
Total Tax Income/(Expense)	(186.483.118)	(107.207.884)
	31 December 2023	31 December 2022
Current Corporate Tax Provision	73.041.163	2.327.562
Less: Prepaid Taxes	(72.776.823)	(3.265.190)
Tax Payable	264.340	(937.628)

As of 31 December 2023, There is no amount of prepaid corporate tax exceeding the amount of corporate tax payable. (31 December 2022: TRY 937.628).

i) Provision for Current Period Tax

The Group is subjected to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit; deducting investment and research and development allowances, income that is not subjected to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Consolidation principle is not utilized to prepare financial statements related to tax that is effective in Turkey.

The effective tax rate in 2023 is 25% (2022: 23%).

Tax losses can be carried forward to offset against future taxable income for up to five years. However, tax losses cannot be carried back to offset profits from previous periods.

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years and may issue re-assessment based on their findings.

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed. The rate of income tax withholding is 15%.

ii) Deferred Tax

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to TAS/IFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/IFRS standards and tax purposes.

Timing differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Timing differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and liabilities, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 26- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

ii) Deferred Tax (cont'd)

The Group applied for an R&D center in order to benefit from the incentives and exemptions provided within the framework of Law No. 5746 and as a result of the examination made by the Ministry of Industry and Trade, the Group was granted an R&D center certificate effective from June 3, 2009.

The Group realizes its fixed asset investments with incentives within the scope of "Decrees of the Council of Ministers on State Aids in Investments" numbered 2009/15199 and 2012/3305 which regulate the investment legislation.

The investment projects that the Group continues to benefit from the investment contribution amounts are explained in Note 13.

	31 December 2023		31 December 2022	
	Cumulative Temporary Differences	Deferred Tax Assets/ (Liabilities)	Cumulative Temporary Differences	Deferred Tax Assets/ (Liabilities)
Inventories	(256.941.618)	(64.235.405)	(230.833.832)	(53.115.435)
Fixed Assets (Net)	(5.587.341.101)	(725.733.061)	(5.504.276.603)	(739.160.182)
Provision for Employment Termination Benefits	64.791.917	16.197.979	207.234.068	41.446.814
Guarantee Provisions	91.948.704	22.987.176	74.114.451	14.822.890
R&D Discount and Investment Incentive	499.177.434	293.468.657	1.122.517.018	347.933.242
Derivative Instruments	(53.627.867)	(13.406.967)	58.377.228	13.426.763
Rediscount Expenses/Income (Net)	(10.298.785)	(2.574.696)	(6.776.232)	(1.558.533)
TFRS 15 Revenue from Contracts with Customers	(218.632.018)	(54.658.004)	(118.180.011)	(27.181.402)
Employee Benefits	46.239.548	11.559.887	8.956.246	2.059.936
Extended Warranty Income	94.315.879	23.578.970	103.681.514	20.736.303
Dealer Premium Provisions	45.757.575	11.439.394	96.562.093	22.209.281
Lawsuit Provisions	63.889.061	15.972.265	60.530.583	12.106.116
Adjustments Related to Borrowings	(260.591.308)	(65.147.827)	(58.280.377)	(13.404.486)
Adjustments Related to Leases	136.486.624	34.121.656	3.322.677	664.536
Other (Net)	96.926.939	24.231.735	1.121.179	257.871
Total		(472.198.241)		(358.756.286)
Movement of Deferred Tax Assets/(Liabilities):			1 January-31 December 2023	1 January-31 December 2022
Opening Balance			(358.756.286)	(253.875.964)
Deferred Tax (Expense)/Income Charged to Profit or Loss			(17.696.463)	51.121.535
Deferred Tax Income Charged to Comprehensive Income			(95.745.492)	(156.001.857)
Closing Balance		(472.198.241)	(472.198.241)	(358.756.286)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 26- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

The reconciliation of the current tax expense with the period profit/loss is as follows:

Reconciliation of Tax Provision:	1 January- 31 December 2023	1 January- 31 December 2022
Income/(Loss) from Continuing Operations	1.704.954.999	735.514.010
Corporate Tax Rate 25%	(426.238.750)	(169.168.223)
Tax Effects of:		
Impact of change in tax rate on deferred tax amount	-	32.355.698
-R&D Incentive	195.270.990	230.718.931
-R&D Support Income	1.248.663	111.978
-Incentive Support	179.110.622	163.703.561
-Non-deductible expenses	(91.445.571)	(24.519.323)
-Income Not Subject to Tax	29.057.421	13.022.722
-Earthquake Tax	(70.518.815)	-
-Donations and Aids	(8.784.968)	(1.923.123)
-Other	(30.636.281)	204.284
-Monetary Gain (Loss)	132.199.063	(195.712.532)
Income/(Expense) on Tax Provision Recognised in Profit or Loss	(90.737.626)	48.793.973

NOTE 27 - EARNINGS/(LOSS) PER SHARE

	1 January- 31 December 2023	1 January- 31 December 2022
Net Profit/(Loss) for The Period	1.614.217.374	784.307.983
Weighted Average Number of Shares with Nominal Value of 1 Piaster	25.200.000.000	8.400.000.000
Income Per 100 Share with Nominal Value of TRY 1 Each	6,4056	9,3370

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 28- RELATED PARTY DISCLOSURES

a) Related Party Payable and Receivable Balances:

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

The Group does not charge interest on its trade receivables from related parties.

31 December 2023	Receivables		Payables	
	Trade	Non-Trade	Trade	Non-Trade
Balances with Related Parties				
Itochu Corporation Tokyo ⁽²⁾	-	-	2.007.122.680	-
Isuzu Motors Ltd. Tokyo ⁽²⁾	6.948	-	63.078.932	-
Çelik Motor Ticaret A.Ş. ⁽¹⁾	10.302.837	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	8.800.929	-	-	-
Isuzu Motors Europe NV ⁽¹⁾	168.284	-	-	-
AEH Sigorta Acenteliği A.Ş. ⁽¹⁾	-	-	763.001	-
Oyex-Handels GmbH (1)	83.231.787	-	-	-
AG Anadolu Grubu Holding A.Ş. ⁽²⁾	-	-	12.514.526	-
Adel Kalemcilik Tic. ve San. A.Ş. ⁽¹⁾	-	-	402.044	-
Ortaklara Borçlar ^(*)	-	-	-	9.109
Isuzu Motors International Operation Thailand ⁽¹⁾	813.192	-	-	-
Anadolu Efes Biraçılık ve Malt Sanayi A.Ş. ⁽¹⁾	-	-	21.672	-
Garenta Ulaşım Çözümleri A.Ş. ⁽¹⁾	-	-	245	-
Total	103.323.977	-	2.083.903.100	9.109
31 December 2022	Receivables		Payables	
Balances with Related Parties	Trade	Non-Trade	Trade	Non-Trade
Itochu Corporation Tokyo ⁽²⁾	67.936	-	1.864.969.088	-
Isuzu Motors Ltd. Tokyo ⁽²⁾	19.789.241	-	55.200.168	-
Çelik Motor Ticaret A.Ş. ⁽¹⁾	3.945.384	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	3.623.867	-	-	-
Isuzu Motors Europe NV ⁽¹⁾	126.074	-	-	-
AEH Sigorta Acenteliği A.Ş. ⁽¹⁾	-	-	429.293	-
Oyex-Handels GmbH ⁽¹⁾	161.487.656	-	-	-
AG Anadolu Grubu Holding A.Ş. ⁽²⁾	-	-	1.027.995	-
Migros Ticaret A.Ş. ⁽¹⁾	-	-	4.829.093	-
Adel Kalemcilik Tic. ve San. A.Ş. ⁽¹⁾	-	-	139.261	-
Payables to Shareholders ^(*)	-	-	-	15.007
Isuzu Motors International Operation Thailand ⁽¹⁾	409.352	-	-	-
Total	189.449.510	-	1.926.594.898	15.007

(*) Non-Trade Payables to Shareholders balance is classified under other payables in balance sheet.

(1) Related Parties of Shareholders

(2) Shareholders

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 28- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-31 December 2023

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/Sales
Isuzu Motors Ltd. Tokyo ⁽²⁾	128.884.622	-	-	128.884.622
Çelik Motor Ticaret A.Ş. ⁽¹⁾	17.619.009	-	-	17.619.009
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	16.120.564	-	-	16.120.564
Isuzu Motors International Operation Thailand ⁽¹⁾	9.060.023	-	-	9.060.023
AEH Sigorta Acenteliği A.Ş. ⁽¹⁾	732.184	-	-	732.184
Isuzu Motors Europe NV ⁽¹⁾	3.149.165	-	-	3.149.165
AG Anadolu Grubu Holding A.Ş. ⁽²⁾	32.174	-	-	32.174
Oyex-Handels GmbH ⁽¹⁾	54.104.910	-	-	54.104.910
Garenta Ulaşım Çözümleri A.Ş. ⁽¹⁾	1.472.693	-	-	1.472.693
Türkiye'nin Otomobil Girişimi Grubu ⁽¹⁾	279.890	-	-	279.890
Anadolu Efes Spor Kulübü ⁽¹⁾	370.798	-	-	370.798
Total	231.826.032	-	-	231.826.032

(1) Grup hissedarının ilişkili tarafları

(2) Grup hissedarları

1 January-31 December 2022

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/Sales
Isuzu Motors Ltd. Tokyo ⁽²⁾	174.892.074	-	-	174.892.074
Itochu Corporation Tokyo ⁽²⁾	36.685.316	-	-	36.685.316
Çelik Motor Ticaret A.Ş. ⁽¹⁾	10.731.013	-	-	10.731.013
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	9.171.023	-	-	9.171.023
Isuzu Motors International Operation Thailand ⁽¹⁾	5.067.959	-	-	5.067.959
Türkiye'nin Otomobil Girişimi Grubu ⁽¹⁾	1.309.224	-	-	1.309.224
Isuzu Motors Europe NV ⁽¹⁾	1.245.761	-	-	1.245.761
Oyex-Handels GmbH ⁽¹⁾	239.358.277	-	-	239.358.277
Total	478.460.647	-	-	478.460.647

(1) Related Parties of Shareholders

(2) Shareholders

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 28- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions: (cont'd)

1 January-31 December 2023

Purchases from Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/Sales
Itochu Corporation Tokyo ⁽²⁾	2.811.712.636	-	-	2.811.712.636
Isuzu Motors International Operation Thailand ⁽¹⁾	1.437.859.923	-	-	1.437.859.923
AG Anadolu Grubu Holding A.Ş. ⁽²⁾	57.062.796	-	-	57.062.796
Isuzu Motors Ltd. Tokyo ⁽²⁾	209.175.360	-	-	209.175.360
Isuzu Motors Europe NV ⁽¹⁾	207.656	-	-	207.656
Çelik Motor Ticaret A.Ş. ⁽¹⁾	1.300.182	-	-	1.300.182
Garenta Ulaşım Çözümleri A.Ş. ⁽¹⁾	834.352	-	-	834.352
Adel Kalemcilik Tic. ve San. A.Ş. ⁽¹⁾	694.098	-	-	694.098
Anadolu Bilişim Hizmetleri A.Ş. ⁽¹⁾	77.234	-	-	77.234
Migros Ticaret A.Ş. ⁽¹⁾	3.521.307	-	-	3.521.307
Anadolu Efes Spor Kulübü ⁽¹⁾	59.119.949	-	-	59.119.949
Oyex-Handels GmbH ⁽¹⁾	35.628.726	-	-	35.628.726
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	89.786	-	-	89.786
Anadolu Eğitim Sosyal Yardım Vakfı ⁽¹⁾	31.732.952	-	-	31.732.952
Anadolu Efes Bıracılık ve Malt Sanayi A.Ş. ⁽¹⁾	67.051	-	-	67.051
Total	4.649.084.008	-	-	4.649.084.008

(1) Related Parties of Shareholders

(2) Shareholders

1 January-31 December 2022

Purchases from Related Parties	Goods and Services Purchases	Fixed Assets Purchases	Other Expenses	Total Expense/Purchases
Itochu Corporation Tokyo ⁽²⁾	2.537.865.058	-	-	2.537.865.058
Isuzu Motors International Operation Thailand ⁽¹⁾	1.257.877.252	-	-	1.257.877.252
AG Anadolu Grubu Holding A.Ş. ⁽²⁾	34.557.640	-	-	34.557.640
Isuzu Motors Ltd. Tokyo ⁽²⁾	114.214	-	119.321.592	119.435.806
Anadolu Efes Spor Kulübü ⁽¹⁾	18.323.001	-	-	18.323.001
Çelik Motor Ticaret A.Ş. ⁽¹⁾	847.227	-	-	847.227
Anadolu Efes Bıracılık ve Malt Sanayi A.Ş. ⁽¹⁾	75.842	-	-	75.842
Adel Kalemcilik Tic. ve San. A.Ş. ⁽¹⁾	225.551	-	-	225.551
Anadolu Bilişim Hizmetleri A.Ş. ⁽¹⁾	81.231	-	-	81.231
Migros Ticaret A.Ş. ⁽¹⁾	4.413.010	-	-	4.413.010
Oyex-Handels GmbH ⁽¹⁾	20.849.217	-	-	20.849.217
Anadolu Motor Üretim ve Paz. A.Ş. ⁽¹⁾	43.802	-	-	43.802
Anadolu Eğitim Sosyal Yardım Vakfı ⁽¹⁾	18.830.426	-	-	18.830.426
Total	3.894.103.471	-	119.321.592	4.013.425.063

(1) Related Parties of Shareholders

(2) Shareholders

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 28- RELATED PARTY DISCLOSURES (cont'd)

c) Donations to Anadolu Eğitim ve Sosyal Yardım Vakfı:

As per the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. 31.732.952 TRY of donation made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2022 (31.12.2022: TRY 18,830,426).

d) Dividend Expense

	1 January-31 December 2023	1 January-31 December 2022
Dividend Expense		
AG Anadolu Grubu Holding A.Ş. (1)	152.712.283	18.481.689
Isuzu Motors Ltd. Tokyo (1)	43.751.829	5.294.975
Itochu Corporation Tokyo (1)	24.360.161	2.948.138
Itochu Corporation İstanbul (1)	9.392.688	1.136.731
Total	230.216.961	27.861.533

(1) Shareholders

e) Benefits to Top Management:

	1 January- 31 December 2023	1 January- 31 December 2022
Salaries and Other Short-Term Liabilities	146.660.883	50.394.282
Total	146.660.883	50.394.282

The benefits provided to top management (General managers and Directors) include salaries, bonuses, premiums, and the employer's share of social security. As of 31 December 2023, the Group has not provided any post-employment benefits to top management due to leaving the job. (December 31, 2022: Not available.)

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents in Note 4 and equity items in Note 19.

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet).

	31 December 2023	31 December 2022
Net Debt	5.332.741.322	4.100.911.101
Total Equity	8.254.126.098	6.239.522.208
Net Debt/Total Equity	0,65	0,66

General strategy of the Group based on shareholders' equity is not different from previous periods.

The Group conducts hedging contracts (including derivative financial instruments) for the purpose of diversifying foreign currency fluctuation risks.

(b) Price risk

The Group has no financial assets that will expose it to price risk.

(c) Market risk

The Group is subject to the financial risks related to the changes in the exchange rate (Please see (d) below) and interest rate (Please see (e) below) due to its operations and other (Please see (f) below). Also due to having financial instruments, the Group also bears the risk of other parties not meeting the requirements of agreements (Please see (g) below).

Market risks seen at the level of the Group are measured in accordance with sensitivity analyses.

The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are not different from the previous year.

(d) Foreign exchange risk management

Foreign currency transactions may result in foreign currency risk.

The Group maintains foreign currency time deposit accounts in banks as the Group has receivables and payables in foreign currencies. As a consequence, the Group is exposed to foreign currency exchange risk due to the changes in exchange rates used for converting assets and liabilities into TRY. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

Foreign Currency Position Sensitivity Analysis

31 December 2023

	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dollar increases/decreases in 10% against TRY;		
1- USD denominated net asset/(liability)	(17.465.934)	17.465.934
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(17.465.934)	17.465.934
In case of Euro increases/decreases in 10% against TRY;		
4- EURO denominated net asset/(liability)	57.175.682	(57.175.682)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	57.175.682	(57.175.682)
Increase/decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset/(liability)	(3.904.426)	3.904.426
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	(3.904.426)	3.904.426
TOTAL (3+6+9)	35.805.322	(35.805.322)

Statement of Foreign Exchange Rate Sensitivity Analysis

31 December 2022

	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dollar increases/decreases in 10% against TRY;		
1- USD denominated net asset/(liability)	(126.913)	126.913
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(126.913)	126.913
In case of Euro increases/decreases in 10% against TRY;		
4- EURO denominated net asset/(liability)	19.693.080	(19.693.080)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	19.693.080	(19.693.080)
Increase/decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset/(liability)	(21.243.931)	21.243.931
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	(21.243.931)	21.243.931
TOTAL (3+6+9)	(1.677.764)	1.677.764

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

	Statement of Foreign Currency Position				
	31 December 2023				
	TRY Amount	US Dollar	Euro	Yen	Other
1. Trade Receivables	1.696.856.992	39.137	51.938.616	-	593.059
2a. Monetary Financial Assets	252.301.695	104.120	7.548.557	9.833.799	35.000
2b. Non-monetary Financial Assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	1.949.158.687	143.257	59.487.173	9.833.799	628.059
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-current Assets (5+6+7)	-	-	-	-	-
9. Total Assets (4+8)	1.949.158.687	143.257	59.487.173	9.833.799	628.059
10. Trade Payables	2.071.254.285	492.749	61.046.589	309.391.144	-
11. Financial Liabilities	320.724.113	5.583.593	4.782.233	-	-
12a. Monetary Other Liabilities	708.039.769	-	21.697.314	-	-
12b. Non-Monetary Other Liabilities	498.267.169	-	15.269.000	-	-
13. Current Liabilities (10+11+12)	3.598.285.336	6.076.342	102.795.136	309.391.144	-
14. Trade Payable	-	-	-	-	-
15. Financial Liabilities	252.231.439	-	7.729.431	-	-
16a. Monetary Other Liabilities	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	252.231.439	-	7.729.431	-	-
18. Total Liabilities (13+17)	3.850.516.775	6.076.342	110.524.567	309.391.144	-
19. Off-balance Sheet Derivative Instruments Net Asset/(Liability) Position (19a-19b)	2.238.270.034	-	68.590.000	-	-
19.a. Total Amount of Hedged Assets	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(2.238.270.034)	-	(68.590.000)	-	-
20. Net Foreign Currency Assets/ (Liabilities) Position (9-18+19)	336.911.946	(5.933.085)	17.552.606	(299.557.345)	628.059
21. Monetary Items Net Foreign Currency Assets/(Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)	(1.403.090.919)	(5.933.085)	(35.768.394)	(299.557.345)	628.059
22. Fair Value of Financial Instruments Used for Currency Hedge	53.627.866	-	1.646.345	-	-
23. Hedged Foreign Currency Assets	(2.238.270.034)	-	(68.590.000)	-	-
24. Hedged Foreign Currency Liabilities	-	-	-	-	-
25. Export	4.813.379.158	-	-	-	-
26. Import	5.660.142.911	-	-	-	-

Derivative contracts that explained in Note 9.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

Statement of Foreign Currency Position

31 December 2022

TRY Amount	US Dollar	Euro	Yen	Other
485.378.844	344.461	23.328.107	81.093.010	608.059
143.543.759	2.019.682	3.581.552	242.626.628	4.352
-	-	-	-	-
-	-	-	-	-
628.922.603	2.364.143	26.909.659	323.719.638	612.411
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
628.922.603	2.364.143	26.909.659	323.719.638	612.411
1.466.507.524	4.932.017	55.803.103	1.825.504.968	1.505
224.101.194	-	11.221.443	-	-
12.800.041	-	11.586	88.364.203	-
58.708.640	-	2.939.724	-	-
1.762.117.399	4.932.017	69.975.856	1.913.869.171	1.505
-	-	-	-	-
172.666.998	-	8.645.973	-	-
-	-	-	-	-
-	-	-	-	-
172.666.998	-	8.645.973	-	-
1.934.784.397	4.932.017	78.621.829	1.913.869.171	1.505
1.276.386.072	2.500.000	61.590.865	-	-
256.978.112	-	12.890.865	-	-
(1.019.407.960)	(2.500.000)	(48.700.000)	-	-
(29.475.722)	(67.874)	9.878.695	(1.590.149.533)	610.906
(1.247.153.154)	(2.567.874)	(48.772.446)	(1.590.149.533)	610.906
(35.428.880)	-	(1.777.229)	-	-
(1.276.386.072)	(2.500.000)	(61.590.865)	-	-
-	-	-	-	-
4.134.640.640	-	-	-	-
4.741.403.178	-	-	-	-

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(e) Interest rate risk management

The Group is exposed to interest rate risk through floating and fixed interest rate financial instruments. The Group's fixed and floating interest rate financial liabilities are disclosed in Note 6 and fixed and floating interest rate assets (deposits etc.) are disclosed in Note 4.

	31 December 2023	31 December 2022
Financial Assets with Fixed Rates		
Financial Assets	3.529.419.771	1.743.299.139
Financial Liabilities	(4.308.665.665)	(1.997.182.829)
Financial Liabilities With Variable Rates		
Financial Liabilities	(626.755.053)	(1.296.575.930)

As of 31 December 2023, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TRY 6.267.551 (31 December 2022: higher/lower by TRY 12.965.759).

(f) Funding risk

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) Credit risk management

Holding financial instruments also carries the risk of the other party's not meeting the requirements of the agreement. The Group's collection risk is mainly derived from trade receivables. Trade receivables are evaluated by the management of the Group depending on their past experiences and current economic conditions and are presented in financial statements when necessary allowances for doubtful receivables are provided.

Most of trade receivables are comprised of receivables from costumers who has given an adequate amount of guarantees. An effective control system was established to collect the receivables. Credit risk arising from transactions is followed and these risks are taken into account when assessing each debtor. Because there are so many costumers. The Group's credit risk is dispersed and there is no important credit risk concentration. Receivables from foreign costumers as of 31 December 2023 are TRY 1.549.820.637 and there is no geographical concentration (31 December 2022: TRY 860.792.798).

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

CURRENT PERIOD	Receivables						Deposit	Note
	Trade Receivables		Other Receivables		Note			
	Related Parties	Other Parties	Related Parties	Other Parties				
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	103.323.977	2.841.436.618	-	101.898.488	7-8	3.661.596.032	4	
- Secured portion of the maximum credit risk by guarantees etc.	-	2.809.334.626	-	-	-	-	-	
A. Net book value of financial assets which are undue or which is not impaired	103.323.977	2.785.892.833	-	101.898.488	7-8	3.661.596.032	4	
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired	-	-	-	-	-	-	-	
C. Net book value of assets, overdue but not impaired	-	55.543.785	-	-	-	-	-	
- Secured by Guarantee, etc.	-	32.101.992	-	-	-	-	-	
D. Net book value of assets decrease in value	-	-	-	-	-	-	-	
- Overdue (gross book value)	-	(189.907)	-	-	7-8	-	-	
- Impairment (-)	-	189.907	-	-	7-8	-	-	
E. Elements containing credit risk off the balance sheet	-	-	-	-	-	-	-	

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

PRIOR PERIOD	Receivables				Note	Deposit	Note
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
Maximum credit risk exposed as of balance sheet date (A+B+C+D+E)	189.449.510	1.616.382.848	-	142.503.875	7-8	2.429.753.598	
- Secured portion of the maximum credit risk by guarantees etc.	-	1.602.348.953	-	-		-	
A. Net book value of financial assets which are undue or which is not impaired	189.449.510	1.602.348.953	-	142.503.875	7-8	2.429.753.598	4
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired							
C. Net book value of assets, overdue but not impaired		14.033.895			7-8		
- Secured by Guarantee, etc.		14.033.895			7-8		
D. Net book value of assets decrease in value							
- Overdue (gross book value)		(790.976)			7-8		
- Impairment (-)		790.976			7-8		
- The part of net value secured by guarantee etc.							
- Undue (gross book value)							
- Impairment (-)							
- The part of net value secured by guarantee etc.							
E. Elements containing credit risk off the balance sheet							

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(g) Credit risk management (cont'd)

The aging of trade receivables, overdue but not impaired, is as follows:

	Receivables		Deposits at Banks	Derivatives	Other
	Trade Receivables	Other Receivables			
31 December 2023					
Past due up to 30 days	31.612.419	-	-	-	-
Past due 1 - 3 months	500	-	-	-	-
Past due 3 - 12 months	489.073	-	-	-	-
Past due 1 - 5 year	-	-	-	-	-
Past due over 5 years	-	-	-	-	-
Assets covered portion with guarantee letter etc.	32.101.992				

	Receivables		Deposits at Banks	Derivatives	Other
	Trade Receivables	Other Receivables			
31 December 2022					
Past due up to 30 days	13.364.835	-	-	-	-
Past due 1 - 3 months	669.060	-	-	-	-
Past due 3 - 12 months	-	-	-	-	-
Past due 1 - 5 year	-	-	-	-	-
Past due over 5 years	-	-	-	-	-
Assets covered portion with guarantee letter etc.	14.033.895				

Liquidity risk tables

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and having the availability and flexibility of funding through an adequate amount of (committed) credit facilities.

The risk of meeting existing and probable future liabilities is managed only by means of having access to sufficient number of trustable creditors.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk tables (cont'd)

The table below indicates derivative and non-derivative financial liabilities of the Group in terms of TRY and maturity term.

Non-Derivative Financial Liabilities

31 December 2023

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Bank Loans	4.935.420.718	5.636.014.510	2.464.472.435	2.536.176.984	606.665.131	28.699.960
Other Financial Liabilities	334.506.373	453.985.001	9.815.328	33.885.012	405.610.504	4.674.157
Trade Payables	3.727.714.393	3.772.229.371	3.287.252.417	484.976.954	-	-
Other Payables	40.809.924	40.809.924	40.809.924	-	-	-
Total	9.038.451.408	9.903.038.806	5.802.350.104	3.055.038.950	1.012.275.635	33.374.117

31 December 2022

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Bank Loans	3.293.758.759	4.066.276.867	1.663.715.645	1.694.783.919	600.189.689	107.587.614
Other Financial Liabilities	30.686.761	34.789.512	3.361.946	9.643.422	21.784.144	-
Trade Payables	3.623.701.184	3.633.635.466	3.078.388.430	555.247.036	-	-
Other Payables	18.844.480	18.844.480	18.844.480	-	-	-
Total	6.966.991.184	7.753.546.325	4.764.310.501	2.259.674.377	621.973.833	107.587.614

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk tables (cont'd)

Derivative Financial Liabilities

31 December 2023

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Derivative Cash Inflows	86.807.663	86.807.663	86.807.663	-	-	-
Derivative Cash Outflow	33.179.796	33.179.796	33.179.796	-	-	-
Total	119.987.459	119.987.459	119.987.459	-	-	-

31 December 2022

Contract Terms	Carrying Value	Total Contracted Cash Outflows	Less than 3 Months	3 to 12 Months	1 to 5 Years	5 Years +
Derivative Cash Inflows	7.975.949	7.975.950	5.951.384	2.024.566	-	-
Derivative Cash Outflow	66.353.178	66.353.178	10.288.729	56.064.449	-	-
Total	74.329.127	74.329.128	16.240.113	58.089.015	-	-

Fair Value and Hedging Disclosures

Determination of the fair value of financial assets and liabilities are explained below:

Level 1: Valuation of the financial assets and liabilities over the stock exchange prices of similar assets and liabilities resulting from the transactions in active markets.

Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is directly or indirectly observable in the market other than the stock exchange price of the relevant asset or liability determined on the first level.

Level 3: Valuation of the financial assets and liabilities carried out in the absence of observable data in the market for determining the fair value of the relevant asset or liability.

Derivative Financial Instruments

In order to hedge these risks, the Group enters into forward foreign currency transaction agreements as a financial instrument where necessary.

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of December 31,2023, unless otherwise stated)

NOTE 29- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Derivative Financial Instruments (cont'd)

As of 31 December 2023, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

31 December 2023

Financial assets carried at fair value	Level 1	Level 2	Level 3	Total
Derivative assets (Note 9)	-	86.807.663	-	86.807.663
Buildings (Note 11)	-	1.240.423.116	-	1.240.423.116
Land (Note 11)	-	4.475.308.882	-	4.475.308.882
Total	-	5.802.539.661	-	5.802.539.661

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 9)	-	33.179.796	-	33.179.796
Total	-	33.179.796	-	33.179.796

As of 31 December 2022, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

31 December 2022

Financial assets carried at fair value	Level 1	Level 2	Level 3	Total
Derivative assets (Note 9)	-	7.975.949	-	7.975.949
Buildings (Note 11)	-	1.029.823.181	-	1.029.823.181
Land (Note 11)	-	3.809.976.050	-	3.809.976.050
Total	-	4.847.775.180	-	4.847.775.180

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 9)	-	66.353.178	-	66.353.178
Total	-	66.353.178	-	66.353.178

NOTE 30- EVENTS AFTER REPORTING PERIOD

None.

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TAYBURN®

T: +90 212 227 0436

www.tayburnkurumsal.com
Brands & Reputations.



ANADOLU ISUZU

Headquarters Fatih Sultan Mehmet Mahallesi
Balkan Caddesi No: 58 Buyaka
E Blok 34771
Tepeüstü/Ümraniye/İstanbul

Factory Şekerpınar Mahallesi,
Otomotiv Caddesi No: 2 41435
ÇAYIROVA-KOCAELİ

Phone +90 850 200 19 00

E-mail 1 info@anadoluisuzu.com.tr
E-mail 2 custom@anadoluisuzu.com.tr
Web www.anadoluisuzu.com.tr