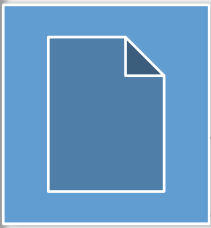




**Our Power
is Our Difference**

**2019
Annual Report**



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Information

<i>Company Title</i>	VERUSA HOLDING A.Ş.
<i>Date of Foundation</i>	2006, ISTANBUL
<i>Trade Registry Number</i>	ISTANBUL - 602793
<i>Central Registry Number</i>	0925038958000010
<i>Tax Office</i>	Maslak
<i>Tax Number</i>	925 038 9850
<i>Issued Capital</i>	TL 70,000,000 (Seventy Million Turkish Lira)
<i>Registered Capital</i>	TL 300,000,000 (Three Hundred Million Turkish Lira)
<i>Equity Market</i>	Borsa Istanbul Stock Exchange (BIST)
<i>Equity Market Segment</i>	BIST Main - GROUP 1
<i>Indices Including Company Shares</i>	FTSE Total Cap / BIST /BIST-IST / BIST-50/ BIST -100 / BIST DIVIDEND / BIST MAIN / BIST FINANCIAL
<i>Company Ticker</i>	VERUS - VERUS.IS - VERUS.TI
<i>Adress</i>	Maslak Mahallesi Eski Buyukdere Cad. No:9 Iz Plaza Giz K:14 D:51 Maslak, Sarıyer / Istanbul - Turkey
<i>Telephone</i>	0212 290 74 90
<i>Fax</i>	0212 290 74 91
<i>E-Mail</i>	info@verusa.com.tr
<i>Web Site</i>	www.verusa.com.tr
<i>Field of Activity</i>	Conglomerate Company



VERUSA
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Enda Enerji , Eğlence I HPP, Adana

Verusa Group Companies



INNOTED

INNOVATIVE TECHNOLOGY
DEVELOPMENT



Verusa Holding in Brief



“Founded in 2006, Verusa Holding is a publicly traded corporate group consisting of 10 established subsidiary companies conducting operations in venture capital, renewable energy, mining, chemicals, software technologies and steel business lines.

Continuing its significant investments oriented toward profitability and sustainable growth, Verusa Holding evaluates new opportunities beyond its current business lines and aims to further increase the value it creates for all stakeholders.

While striving to expand its strength and business scale for the future, Verusa Group always focuses on the value of absolute commitment to human, society, environment, ethical and corporate values as a priority. ”

Milestones



2006
Verusa Holding founded.



2011
"Ata Elektrik Enerjisi Toptan Satış" acquired.



2012
**"Verusaturk Girişim Sermayesi Yatırım Ortaklığı (Venture Capital Trust)" founded.*

**"Aciselsan Acıpayam Selüloz Sanayi ve Ticaret" acquired.*



2013
Verusa Holding IPO'ed.



2014
"Standard Enerji" founded.

Milestones



2015

**"Verusaturk Venture Capital" IPO'ed.*

**"Pamukova Elektrik Üretim" founded for renewable energy investments.*

**"Tortum Elektrik Üretim" acquired Havva HPP located in Erzurum province Tortum region with 7.49 MW installed capacity.*

**Investments in Enda Enerji Holding with 182.55 MW installed capacity completed.*

**"Standard Enerji" received approval for 3 mining prospecting licence (Bauxite and Iron).*



2016

**Verusa Holding shares included in MSCI Global Small Cap Index.*

**"Ata Elektrik" became the 3rd largest partner in EPIAS (Turkey Energy Exchange Management) following the purchase of 4% equity stake in EPIAS.*

Milestones



2017

Verusa Holding shares included in BIST Dividend Index (XTMTU).

2018

** Verusaturk Investment "Kafein Yazılım" IPO'ed and bought 51% stake of "Smartiks Yazılım".*

** Purchased %47.3 stake of "Aciselsan Acipayam Selüloz Sanayi ve Ticaret" from Verusaturk Venture Capital.*

2019

** Verusaturk Investment "Smartiks Yazılım" IPO'ed.*

** Verusa Holding shares included in FTSE Global Total Cap Index.*

** Verusa Holding's 26.82% investment "Enda Enerji Holding" applied to CMB for its IPO.*

Milestones

2019

** The number of "Standard Boksit İşletmeleri" prospecting licences for bauxite mining through tender process held by Directorate General of Turkey's Mining and Oil Affairs (MAPEG) increased to 19 in 7 regions. The following of total 22 mining sites also include 2 copper and 1 iron ore.*



- 1 prospecting & 1 operating licence for bauxite mining in Adana province, Tufanbeyli region,*
- 7 prospecting licences for bauxite mining in Antalya province, Akseki region,*
- 5 prospecting licences for bauxite mining in Antalya province, Alanya region,*
- 2 prospecting licence for bauxite mining in Kahramanmaraş province, Goksun region,*
- 1 prospecting licence for bauxite mining in Muğla province, Yatagan region,*
- 1 prospecting licence for bauxite mining in Eskişehir province, Mihaliççik region,*
- 1 prospecting licence for bauxite mining in Konya province, Seydisehir region,*
- 1 prospecting licence for bauxite mining in Karaman province, Cukurbag region ,*
- 1 prospecting licence for copper mining in Erzincan province, Otlukbeli region,*
- 1 prospecting licence for copper mining in Tokat province, Erbaa region,*
- 1 prospecting licence for iron mining in Sivas province Divriği region.*

Investments Across Turkey



Wind
Power
Plants

Hydro
Power
Plants

Geothermal
Power
Plants

Mining

Chemicals

Electricity
Wholesale

Venture
Capital

Steel

Software
Technologies





Consolidated Indicators

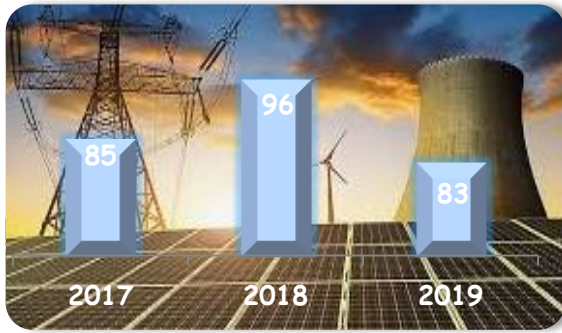
Summary of Income Statement

(TL '000)	2019	2018	2017
Revenues	82,493	95,706	85,515
Gross Profit	11,946	10,313	-806
Net Profit	75,658	54,237	20,313
Gross Profit Margin	14.48%	10.8%	-0.94%
Net Profit Margin	91.71%	56.67%	23.75%

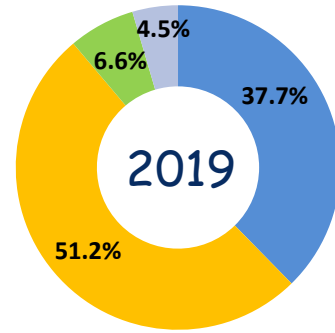
Summary of Balance Sheet

(TL '000)	2019	2018	2017
Cash and Cash Equivalents	39,121	8,049	2,598
Total Assets	490,693	402,686	340,432
Current Assets	366,396	296,472	275,839
Non Current Assets	124,296	106,214	64,592
Total Liabilities	85,008	77,326	74,705
ST Liabilities	16,072	27,743	49,352
LT Liabilities	68,936	49,583	25,353
Total Debt	18,150	24,757	35,240
ST Debt	8,303	10,773	18,634
LT Debt	9,847	13,984	16,606
Net Debt	-20,971	16,708	32,642
Shareholders' Equity	405,685	325,360	265,726

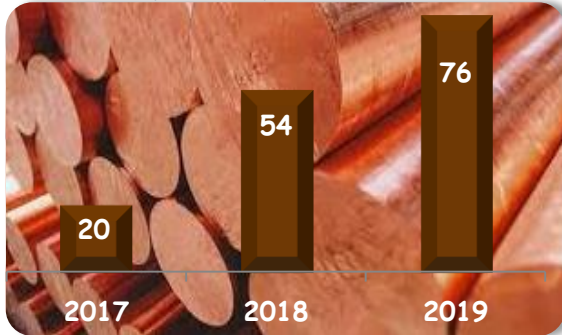
Revenues (Mn TL)



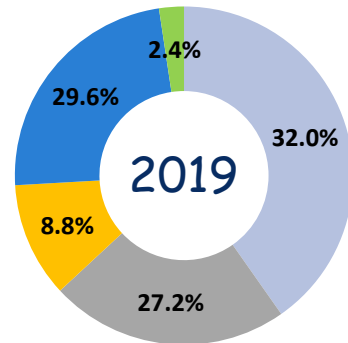
Revenue Breakdown (%)



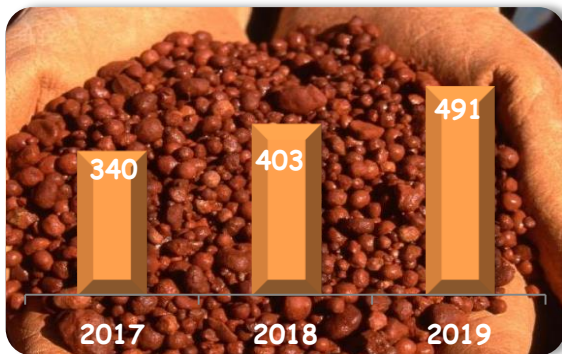
Net Profit (Mn TL)



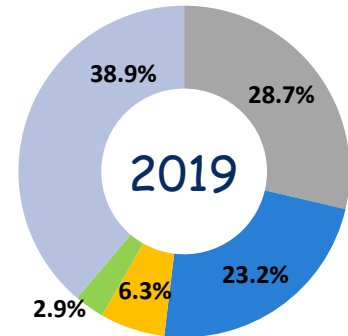
Net Profit Breakdown (%)



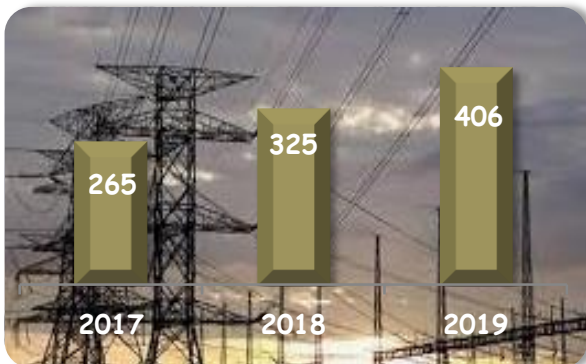
Assets (Mn TL)



Assets Breakdown(%)



Equity (Mn TL)





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Enda Enerji, Akcay HPP, Aydin

Board of Directors



Mustafa ÜNAL Chairman

Having completed his bachelor's degree in Electrical Engineering from Boğazici University, and his MBA from Bilkent University, Mr. Ünal thereafter, took on a carrier in Garanti Bank and Ak Securities as a manager. Currently he serves as the Chairman of the Board of Directors of the Company and continues to serve as a board member in Investco Holding , Verusa Holding, Ata Elektrik Enerjisi Toptan Satış, Innoted Teknoloji , Aldem Çelik Endüstri Sanayi ve Ticaret, Standard Boksit İşletmeleri, Aciselsan Acıpayam Selüloz Sanayi, Pamukova Elektrik Üretim, Enda Enerji Holding and Tortum Elektrik Üretim.



Reha ÇIRAK Deputy Chairman

Having graduated from Izmir American High School and Bilkent University's department of Business Administration, Mr. Çırak entered his business life in a finance company in New York, followed by a career in multi international finance companies in Istanbul for 7 years. He earned his graduate degree in Accounting and Finance at Marmara University and he has published papers in finance in reputed journals. Reha Çırak also serves as a board member in Verusa Holding, Investco Holding, Verusaturk Girişim Sermayesi Yatırım Ortaklığı, Aciselsan Acıpayam Selüloz Sanayi, Pamukova Elektrik Üretim, Enda Enerji Holding.



Ömer ÖZBAY (CEO) Board Member

Mr.Ömer Özbay, born in Ankara,Turkey in 1952, serves as the CEO of Verusa Holding, received his bachelor degree from Sociology Department of Middle East Technical University. He held vice president position in Borsa Istanbul Stock Exchange and worked as a consultant in TakasBank (Istanbul Stock Exchange Clearing House) from 2003 to 2011. Prior to joining Verusa Group Mr.Özbay held position as the consultant to the Prime Minister of Turkey from 2011 to 2017.

Board of Directors



Mustafa Necip ULUDAĞ, PhD
Board Member

Having graduated from Istanbul Technical University's Mechanical Engineering Department, Mr. Necip Uludağ earned his masters degree from Harvard and Istanbul University, and earned his PhD from Milan and Istanbul University joint graduate programmes in Business Administration. He began his career at Boyner Holding, where he worked as the Coordinator of Alboy A.S. and followed by the Group Coordinator of Benetton Shoes. Between 2001 and 2003, he worked as the General Manager of NafNaf and Chevignon. Dr. Uludağ also served as the Executive Board Member of Alfa Investment Fund, based in Azerbaijan, IPF international & CANAM Investment Fund in USA Texas. He has been the Vice President of GYIAD from 2004 to 2007 and now he is serving as board member in Verusa Holding, Verusaturk Girişim Sermayesi Yatırım Ortaklığı, Aciselsan Acıpayam Selüloz Sanayi, Innoted Teknoloji, Pamukova Elektrik Üretim.



M. Ege YAZGAN, PhD
Independent Board Member

Mr. Ege Yazgan, who is currently the acting Rector of Istanbul Bilgi University, graduated from the Faculty of Economics of Istanbul University in 1991. He earned his master degree in Economics both in Bogazici and Istanbul University and completed his PhD in the UK from the University of Sussex in 2000. where he worked as an instructor. Yazgan also worked in the University of Cambridge, UK, as a visiting researcher between 2008-2009 and in the Kadir Has University, Istanbul, as the director of the Center of Turkish Studies between 2014-2015. He has initiated and contributed to several academic organizations to take place in Turkey and has several articles published in international academic journals.



Sezai Bekgöz, PhD
Independent Board Member

Mr. Bekgöz received B.A. from Faculty of Political Sciences Ankara University and M.A. in Economics from Istanbul University. Mr. Bekgöz holds PhD from Marmara University, Institute of Banking and Insurance. He worked in the CMB of Turkey from 1983 to 1992, and in Borsa Istanbul from 1992 to 1998 as an Inspector and as Chairman of the Inspection Committee at Borsa Istanbul. Thereafter, he served as an Assistant General Manager of Takasbank until 2016. Mr. Sezai Bekgöz serves as Independent Member of Verusa Holding.

Declaration of Interest by Independent Board Members

To: Chairman of the Board of Directors of **VERUSA HOLDİNG A.Ş.**

Owing to my candidacy for a seat as an Independent Board Member at your Company's ("the Company") General Assembly Meeting, I hereby declare:

- Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, collectively or individually held more than 5% of the capital or voting rights or privileged shares in, or established any commercial interest of a significant nature, with the Company, or with any companies in which the Company has management control or material influence, and with any shareholders having management control or material influence over the Company, or with any corporate entity which are controlled by these shareholders;
- Within the most recent five years, I have neither been a shareholder controlling 5% or higher share, or an employee in an executive position involving major duties and responsibilities nor a board member, in any company from/to which the Company purchases/sells significant amount of services or products under the agreements made during such time when services or products were purchased or sold, and particularly in companies involved in the Company's auditing, rating, or consulting;
- I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member;
- If elected, I shall not work on fulltime basis at any public institution or organization during my term of office, apart from serving as a faculty member, provided that the same does not contradict with the legislation governing such institution;
- I am capable of devoting sufficient amount of time to follow-up the conduct of the Company's activities and to fully satisfy the requirements of the duties I will be undertaking;
- I am a resident of Turkey for the purposes of the Income Tax Law;
- I possess the ethical standards and professional repute and experience sufficient to enable me to make a positive contribution to the Company's affairs, to maintain my impartiality in any conflicts of interest that may arise between the Company and its shareholders, and to come to decisions freely taking into consideration all stakeholders' rights;
- I have not served as a member on the Company's Board of Directors for more than six years within the most recent ten years;
- I am not serving as an independent board member in more than three of the companies in which the Company, or shareholders having management control over the Company, have management control, or in more than five companies, in the aggregate, traded on the stock exchange;
- I have not been registered and promulgated on behalf of the corporate entity elected as a member of the Board of Directors.

Vision

With the support of diversified investments and established group companies, to create high sustainable growth and profitability for our stakeholders

Mision

In the light of our extense corporate know-how, to become a leading company that continuously expands its business scale by taking social and environmental concerns into account

Goals

Sustainable future growth backed by value creating and high return diversified investments





Highlights of 2019





The total number of prospecting licences acquired by "Standard Boksit İşletmeleri" has been reached to 22...

Standard Boksit İşletmeleri, is one of the leading mining business lines of Verusa Holding. Standard became a significant growing company in mining sector of Turkey with ownership of 22 prospecting licence which have been granted by Directorate General of Turkey's Mining and Oil Affairs (MAPEG). Verusa Holding is a leading solution partner of Standard with its business model based on its priority in occupation health and safety, quality and environmental policies.

Company Profile

Standard was founded in 2014 to conduct mining and oil exploring business in Turkey. Its commercial name has been changed to "Standard Boksit İşletmeleri" from "Standard Enerji Üretim" in 2018.

100% of the company with paid-in capital of TL 20,000,000 is owned by Verusa Holding.

Standard has total of 22 mine sites including 19 bauxite ore, 2 copper ore and 1 steel ore and prospecting and operating licences for mining in various regions across Turkey.

The research activities conducted with regards to Bauxite Mining since 2017 revealed the existence a source of over 30 million metric tons of high-grade bauxite reserves in Standard mine sites.

Bauxite ore is the raw material of the aluminum element and its area of usage is expanding day by day as a result of the developing technology and consumption habits in the world.

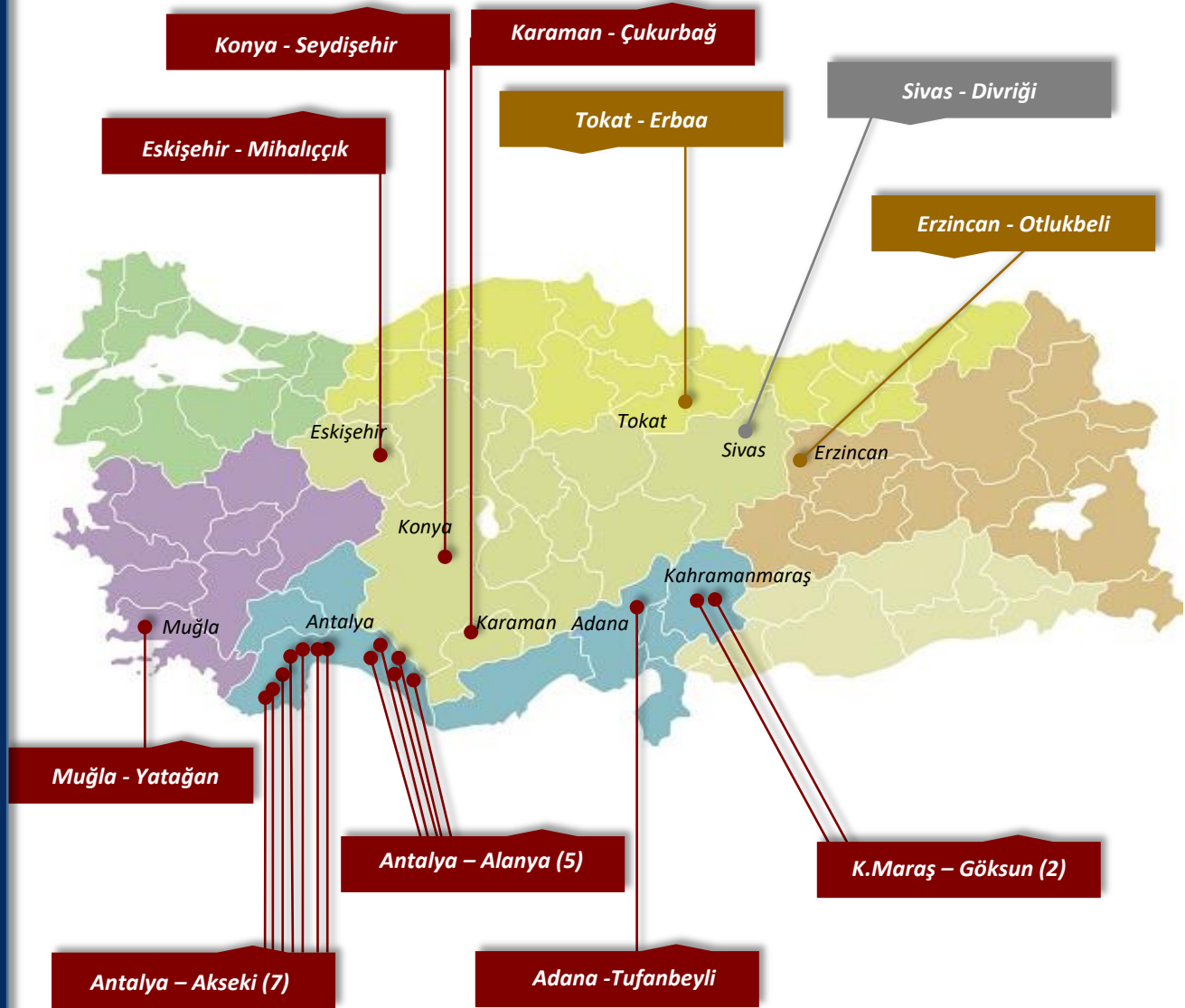
With strategic metal group including bauxite, copper and steel, Standard has become one of the large-scale bauxite mining companies active in Turkey.

> 30 Mn Tons of
Bauxite
Reserves



19 Bauxite, 2 Copper and 1 Steel prospecting licence

STANDARD OPERATIONAL MAP



Total of 22 Mine Sites



Bauxite



Copper



Iron

Adana Tufanbeyli Bauxite Mine Site

Adana Tufanbeyli bauxite mining site is the most significant project of Standard and the company holds 2 mining licenses for the region; 1 for operating and 1 for prospecting. The prospecting and operating licences have been delivered by Directorate General of Turkey's Mining and Oil Affairs (MAPEG) in 2018.

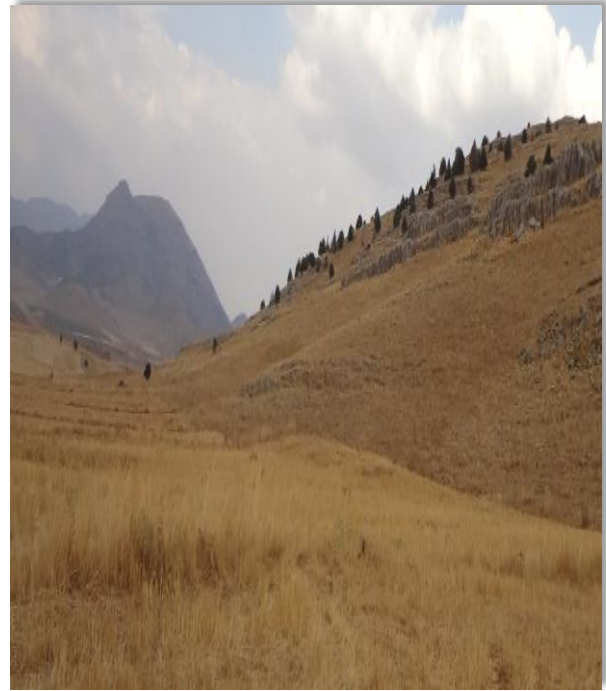
In the region the the Mineral Research and Exploration (MTA) activities conducted with regards to bauxite mining revealed the existence of 5.42 million metric tons as a result of 16 drilling operations in the years between 2016 and 2018.

Prior to bauxite production planning, the Environmental Impact Assessment (EIA) Report was approved as final in 2017 and Standard bought a 19,242 m² size land with a decision for investing in the construction of a new bauxite enrichment plant.

The planned bauxite enrichment project is expected to utilize and produce an average of annual 500,000 metric tons.

The Environmental Impact Assessment (EIA) Report of Standard permits all bauxite mining operations in the region and confirms that activities would not have any negative or adverse environmental impact on the the flora and fauna, and on immediate surroundings.

Standard also holds "EIA may may not be required" official document in line with its environment sensitive approach in its all mining activities.



Other Mining Projects

Antalya Province, Akseki Region (7 Bauxite Mine Sites)

Standard acquired 7 prospecting licence for bauxite mining in Antalya province, Akseki region (Akseki-1, Akseki-2, Akseki-3, Akseki-4, Akseki-5, Akseki-6, Akseki-7) through the tender offer held by Directorate General of Turkey's Mining and Oil Affairs (MAPEG) in 2018 and in 2019.

Exploring licences for bauxite mining in Akseki-1, Akseki-2, Akseki-3 sites have been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.



Antalya Province, Alanya Region (5 Bauxite Mine Sites)

Standard acquired 5 prospecting licences for bauxite mining in Antalya province, Alanya region mining sites (Alanya-1, Alanya -2, Alanya -3, Alanya-4, Alanya-5) through the tender offer held by Directorate General of Turkey's Mining and Oil Affairs (MAPEG).

Exploring licences for bauxite mining in Alanya-1, Alanya -2, Alanya -3 sites have been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.



Karaman Province, Cukurbag Region (1 Bauxite Mine Site)

Standard acquired 1 prospecting licence for bauxite mining in Karaman province, Cukurbag region through the tender offer held by Directorate General of Turkey's Mining and Oil Affairs (MAPEG).

Exploring licence for bauxite mining in the region has been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.

**Some bauxite samples from our mine sites*

Other Mining Projects

Kahramanmaras Province, Goksun Region (2 Bauxite Mine Sites)

Standard acquired 2 prospecting licence for bauxite mining in Kahramanmaras province, Goksun region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG). Exploring licence for bauxite mining in the region has been already achieved. The exploration and drilling operations have been commenced in the regions for 2020.



Muğla Province, Yatagan Region (1 Bauxite Mine Site)

Standard acquired 1 prospecting licence for bauxite mining in Mugla province, Yatagan region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG). Exploring licence for bauxite mining in the region has been already achieved. The exploration and drilling operations have been commenced in the regions for 2020.



Konya Province, Seydisehir Region (1 Bauxite Mine Site)

Standard acquired 1 prospecting licence for bauxite mining in Konya province, Seydisehir region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG). Exploring licence for bauxite mining in the region has been already achieved. The exploration and drilling operations have been commenced in the regions for 2020.

Other Mining Projects

Eskişehir Province, Mihaliççık Region (1 Bauxite Mine Site)

Standard acquired 1 prospecting licence for bauxite mining in Eskişehir province, Mihaliççık region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG).

Exploring licence for bauxite mining in the region has been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.



Tokat Province, Erbaa Region (1 Copper Mine Site)

Standard acquired 1 prospecting licence for copper mining in Tokat province, Erbaa region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG).

Exploring licence for copper mining in the region has been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.

Erzincan Province, Otlukbeli Region (1 Copper Mining Site)

Standard acquired 1 prospecting licence for copper mining in Erzincan province, Otlukbeli region from Directorate General of Turkey's Mining and Oil Affairs (MAPEG).

Exploring licence for copper mining in the region has been already achieved.

The exploration and drilling operations have been commenced in the regions for 2020.

Environmental Management

Standard conducts its mining exploration business with awareness of environment and nature conservation and acts in compliance with legal principles.

In all projects, the location of the drilling machine and the sludge pool are neatly prepared before the operations.

Water and pure bentonite clay are used in the content of the drilling mud and the sludges in the mud pool are left to dry after the drilling operations are completed.

In the operation area the irrigation water is taken from the water well.

The necessary permissions to launch the water well and to collect the water in the region are obtained from State Hydraulic Works.

Explosive materials to be used in the field are not capable of adversely affecting the streams and spring waters feeding groundwater in the region and are transported and collected in comply with the regulations.

Since blasting will take place underground, there is no dusting effect and all safety measures inside and outside the hearth are taken to avoid from possible risks during blasting.

During the transportation of the bauxite ore in the activity field of the Project, the necessary cautions are taken for not harming agricultural areas and not leaving any residual waste .



The trucks are covered with tarpaulin, watering will be made on stabilized roads, speed limits are observed and maximum measures are taken.

Within the scope of occupational safety and regulations, measures are taken against possible risks and the health and safety of the employees are protected with the target of zero accident and occupational disease.

Within the scope of sustainability principles, Verusa Holding tracks the Standard's operations and effectively manage the environmental performance.

The goal of Verusa Holding and its 100% subsidiary Standard is to carry out effective environmental management in all activities in line with the principles of legislation and sustainability.



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*Upcoming IPO of
Enda Enerji Holding...*

Enda Enerji, Eglence II HPP, Adana

The Verusa Group's leader investment arm **Enda Enerji Holding**, is an established company working relentlessly for more than 25 years in Turkey's green energy sector with the same degree of trust, respect and compassion in scope of its global vision.

While striving to continuously increase its added value for all its stakeholders in renewable energy sector, **Enda** is planning to share its sustainable growing profit with new investors in its IPO expected in 2020

Company Profile

Founded in 1993, Enda's fields of activity and interests as an investor include developing green energy projects that use renewable resources.

Verusa Holding has a total of 26.82% stake (directly 7.32% and indirectly 19.50%) in Enda's capital of TL 300 million.

Enda supplies clean energy produced at its plants to YEKDEM (Renewable Energy Support Mechanism) and to Energy Markets as per bilateral agreements based on an environmentally friendly and professional administrative approach.

As of 31.12.2019 the company owns and operates a total of 10 power plants with 182.55 MW installed capacity including 102.5 MW installed capacity of 4 hydroelectric, 7.5 MW installed capacity of 1 geothermal and 73 MW installed capacity of 5 wind power plants.

In the future, Enda is expected to reach 249.5 MW installed capacity with 56.4MW potential capacity increase.

The distribution of the total energy production of **570.2** mn MWh in 2019 is 54.09% from hydroelectric, 37.46% from wind and 8.45% from geothermal power plants.

Enda's share in Turkey's overall 2019 energy production has become 0.2%.



570.2

Mn MWh Energy Production



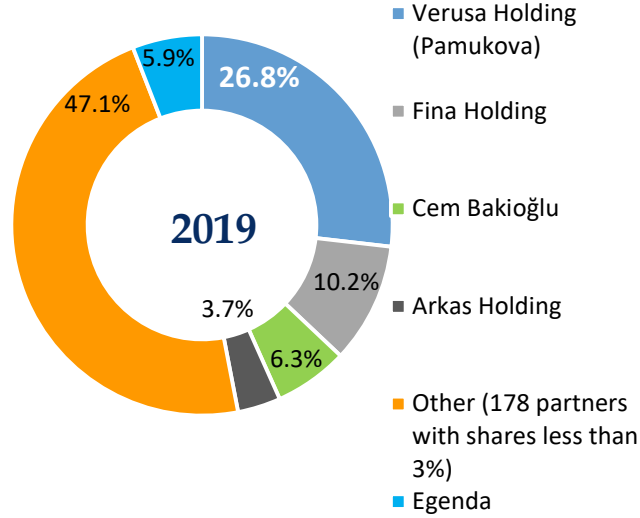
Enda's upcoming IPO in 2020...

As of 31.12.2019 Enda Holding's paid-in capital is TL 300,000,000.

Verusa Group is the second largest stake holder in Enda's capital.

In board of directors meeting held on 24/12/2019, Enda Enerji Holding has decided to go public and to apply to the Capital Market Board for pre-authorization in order to amend the Articles of Association of the Company in comply with the provisions of the Capital Markets Law and relevant legislations.

Shareholder Structure



Direct Subsidiaries

Akçay Hes Elektrik Üretim

Egenda Ege Enerji Üretim

Gönen Hes Elektrik Üretim

İzmir Teknoloji Geliştirme

Su Enerji Elektrik Üretim

Yaylaköy Res Elektrik Üretim

Indirect Subsidiaries

Akçay Hes Elektrik Üretim

Enerji Piyasaları İşletme (EXIST)

Ensat Elektrik Enerjisi Tedarik Ticaret

Res İyte Elektrik Üretim

Su Enerji Elektrik Üretim

Tuzla Jeotermal Enerji

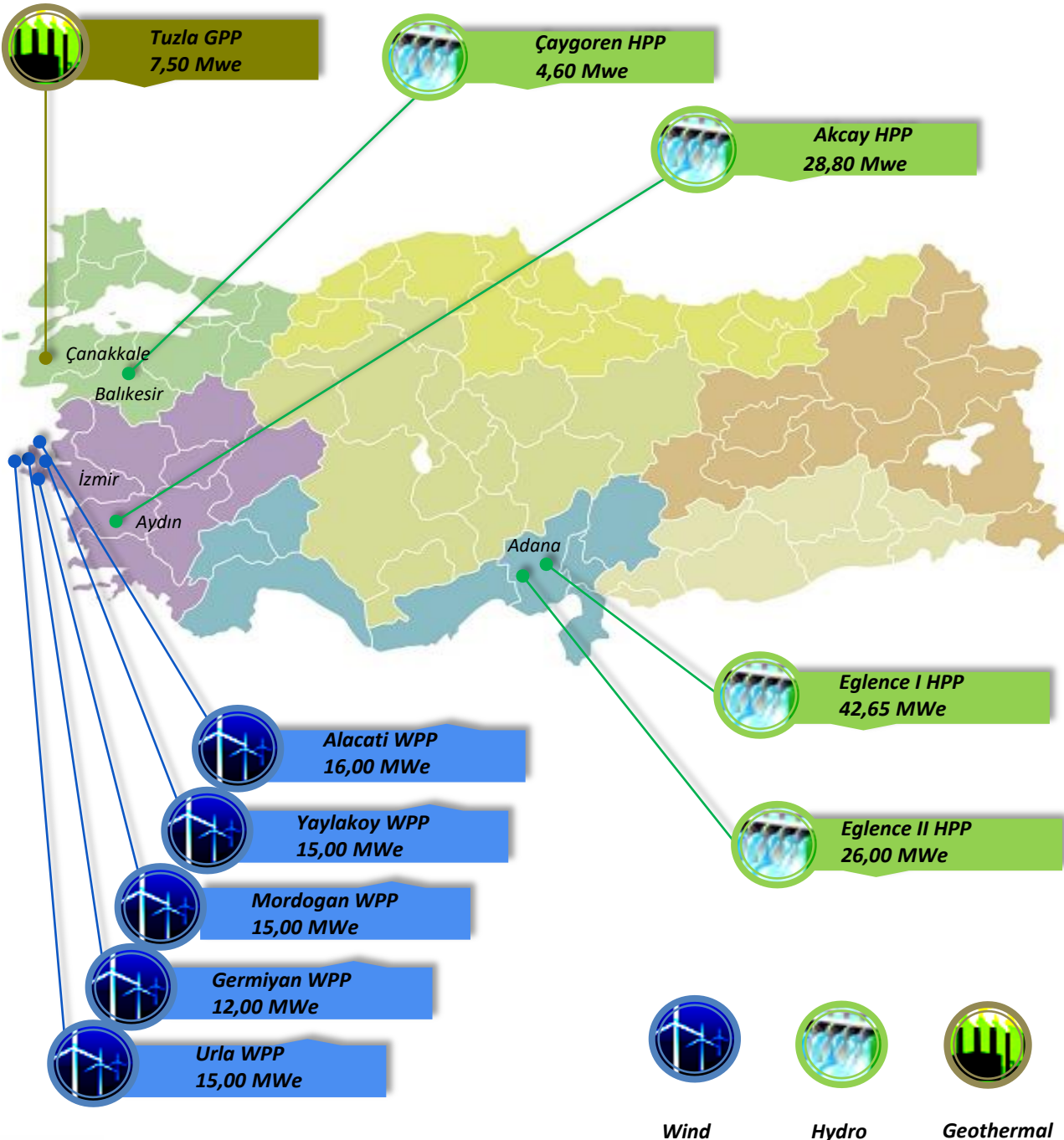
Project Finance

Group investments are partially made with equity capital but more so with long term bank loans. In seeking loans, Enda initially share feasibility studies about the project with banks. Following the project evaluation stage, an agreement is made with the banks providing the best offer. External resource deals are based on a no-payback principal until the respective facility enters operational stage. This approach allows for the investment to make a self-funded payback to the lender and intends to minimize investment risk. The Group tries to ensure continuity in capital management while aiming at maximizing profit by using debt and equity capital balance as efficiently as possible.

182.55MW Total Installed Capacity

10 Energy Power Plants including

5 WPP, 4 HPP and 1 GPP



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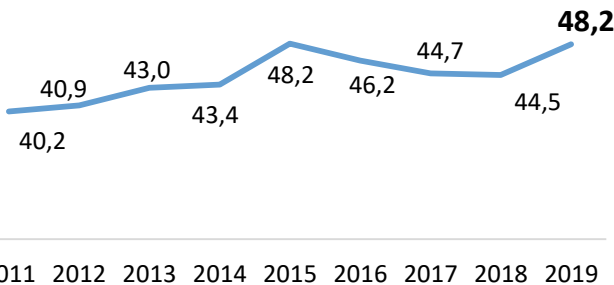
POWER PLANTS – GEOTHERMAL POWER PLANT



TUZLA GPP 7,50 MW

Legal Entity	Tuzla JES EAŞ
Location	Çanakkale / Ayvacık
Launched	14.03.2003
Date of Start	13.01.2010
Sales Contract	YEKDEM (01.01. 2011)
Duration	40 yrs (Since 2004)
Production Capacity	52.4 GWh / year
Installed Capacity	7.5 Mw
Number of Units	1 x 7.5 Mwe

Production (GWh)



In an attempt to reduce carbon emissions, ENDA has applied for Voluntary Carbon Market certificates for all its renewable energy plants and projects.

Awarded a Gold Standard Certificate, ENDA's geothermal power plant has achieved a Voluntary Carbon Emission Offset certificate for a value of 79,735 tons since 2010.

Tuzla GPP Investments

► Opening of additional well

A feasibility study has been completed at Tuzla Geothermal Power Plant with the aim of increasing inadequate steam volume and opening an additional well for back-up purposes.

The plan is to increase net production at mean 25 C from 5.2 MW to 5.6 MW.

► Substituting formic acid with CO₂ in the system

Formic acid has been used to prevent silicate crustation forming in the brine line following steam separation and lowering pH.

There are plans to carry out trials aiming at preventing crustation by feeding the system with carbon dioxide (carbonic acid) extracted together with steam into the brine line.

The aim is to minimise cost of chemicals, one of the major expense items for the power plant.

2011 2012 2013 2014 2015 2016 2017 2018 2019

POWER PLANTS – HYDRO POWER PLANTS



EĞLENCE I HPP

42,65 MW

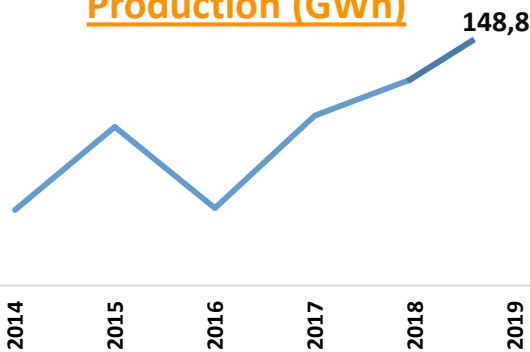
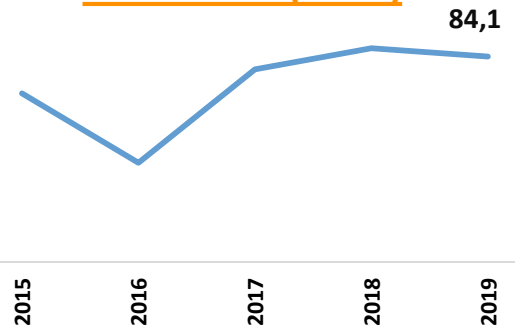
Legal Entity	Egenda Ege EÜAŞ
Location	Adana / Karaisalı
Launched	14.03.1997
Date of Start	13.06.2013
Sales Contract	YEKDEM (01.01. 2014)
Duration	49 yrs (Since 2007)
Production	127.3 GWh / year
Capacity	
Installed Capacity	42.65 Mwe
Number of Units	8.25 Mwe X 1 + 17.20 Mwe x 2



EĞLENCE II HPP

26,00 MW

Legal Entity	Egenda Ege EÜAŞ
Location	Adana / Karaisalı
Launched	14.03.1997
Date of Start	4.10.2013
Sales Contract	YEKDEM (01.01.2014)
Duration	49 yrs (Since 2007)
Production	78 Gwh / year
Capacity	
Installed Capacity	26 Mwe
Number of Units	5 Mwe X 1 + 10.5 Mwe x 2

Production (GWh)**Production (GWh)**

POWER PLANTS – HYDRO POWER PLANTS



AKÇAY HPP

28,80 MW

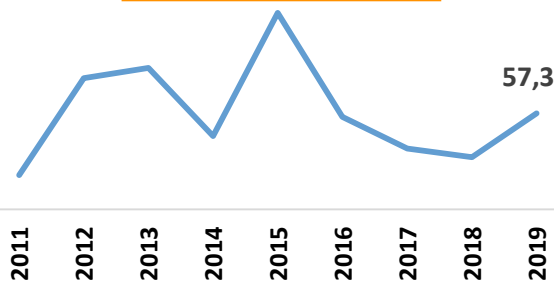
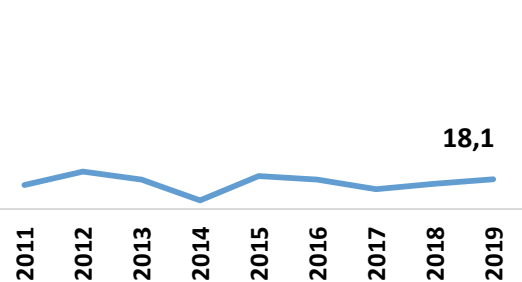
Legal Entity	Akçay HES EÜAŞ
Location	Aydın / Nazilli
Launched	01.10.2002
Date of Start	14.08.2009
Sales Contract	YEKDEM (01.01.2010)
Duration	49 yrs (Since 2009)
Production	76.91 Gwh / year
Capacity	
Installed Capacity	28.8 Mwe
Number of Units	11.6 Mwe X 2 + 5.6 Mwe x 1



ÇAYGÖREN HPP

4,60 MW

Legal Entity	Su Enerji EÜAŞ
Location	Balıkesir
Launched	03.09.1998
Date of Start	27.06.2006
Sales Contract	Electricity Market
Duration	49 yrs (Since 2003)
Production	20.7 Gwh / year
Capacity	
Installed Capacity	4.6 Mwe
Number of Units	1 x 3 Mwe + 1 x 1.6 Mwe

Production (GWh)**Production (GWh)**

POWER PLANTS – WIND POWER PLANTS



URLA WPP

15,00 MW

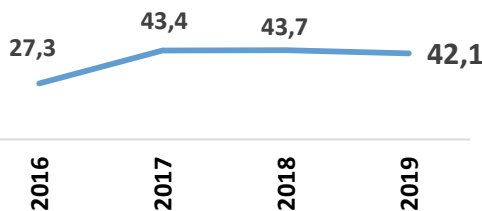
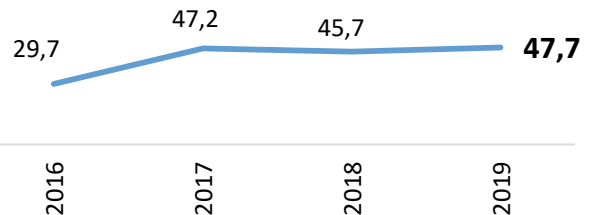
Legal Entity	Egenda Ege EÜAŞ
Location	İzmir / Çeşme
Launched	14.03.1997
Date of Start	27.5.2016
Sales Contract	YEKDEM (01.01. 2017)
Duration	49 yrs (Since 2008)
Production	45.5 Gwh / year
Capacity	
Installed Capacity	15 Mwe
Number of Units	5



ALAÇATI WPP

16,00 MW

Legal Entity	Egenda Ege EÜAŞ
Location	İzmir / Çeşme
Launched	14.03.1997
Date of Start	6.03.2016
Sales Contract	YEKDEM (01.01. 2017)
Duration	49 yrs (Since 2008)
Production	49.9 Gwh / year
Capacity	
Installed Capacity	16 Mwe
Number of Units	8

Production (GWh)**Production (GWh)**

POWER PLANTS – WIND POWER PLANTS



GERMİYAN WPP

12,00 MW

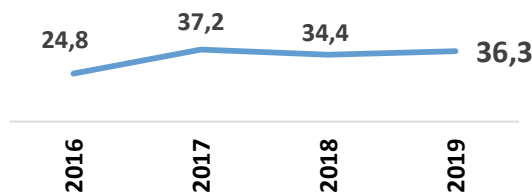
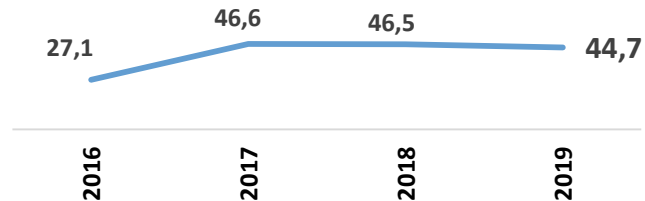
Legal Entity	Egenda Ege EÜAŞ
Location	İzmir / Çeşme
Launched	14.03.1997
Date of Start	5.06.2016
Sales Contract	YEKDEM (01.01. 2017)
Duration	49 yrs (Since 2008)
Production Capacity	37.8 Gwh / year
Installed Capacity	12 Mwe
Number of Units	6



YAYLAKÖY WPP

15,00 MW

Legal Entity	Egenda Ege EÜAŞ
Location	İzmir / Karaburun
Launched	20.11.1980
Date of Start	25.03.2016
Sales Contract	YEKDEM (01.01. 2017)
Duration	49 yrs (Since 2008)
Production Capacity	48.3 Gwh / year
Installed Capacity	15 Mwe
Number of Units	5

Production (GWh)**Production (GWh)**

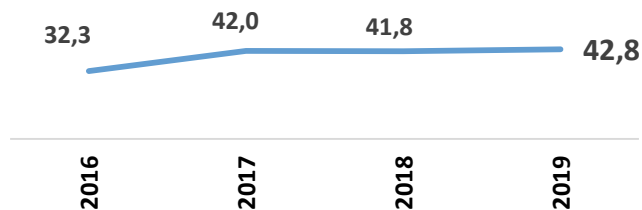
POWER PLANTS – WIND POWER PLANTS



MORDOĞAN WPP

15,00 MW

Legal Entity	Egenda Ege EÜAŞ
Location	İzmir / Karaburun
Launched	14.03.1997
Date of Start	6.03.2016
Sales Contract	YEKDEM (01.01.2017)
Duration	49 yrs (Since 2008)
Production	48.3 Gwh / year
Capacity	
Installed Capacity	15 Mwe
Number of Units	5

Production (GWh)

Environmental Management

ENDA, conducts all its operations with awareness of the potential impact on the environment and uses renewable resources in energy production to minimize the possible adverse impact on the environment and the society, considering it as an important duty for sustainable growth.

ENDA pays regard to the environment in all its facilities and implements tree planting programmes.

ENDA also practices waste management in order to reduce pollution and preserve natural resources. In scope of the regulation issued by the Ministry of Environment and Urban Development, Enda executes its waste management through a licensed service provider to correctly recycle and dispose waste material.

In an attempt to reduce carbon emissions, ENDA has applied for Voluntary Carbon Market certificates for all its renewable energy plants and projects. Awarded a Gold Standard Certificate, ENDA's geothermal power plant has achieved a Voluntary Carbon Emission Offset certificate for a value of 79,735 tons since 2010.

ENDA holds,
 ISO-9001 Quality Management System,
 ISO-14001 Environmental Management System,
 ISO-5001 Energy Management System
 ISO-45001 Occupational Health and Safety Management System licences.



Social Responsibility Management

In an attempt to address the social needs of the country, particularly schools and municipalities near our power plants, Enda Holding takes initiatives within the limits of its own resources through a socially responsible approach.

Student scholarships and donations to various foundations approved by the Chairman of the Board of Executives continued in 2019.

Employee Trainings

In 2019, training for personal and vocational development was provided for personnel at headquarters and power plant facilities.

During 2019, EKAT (High Voltage Facilities) and advanced driving techniques training was provided for power plant employees. Headquarters personnel attended occupational health and safety training while directors attended courses on time management and activities for change courses.



*Aciselsan in
TPAO tenders...*

Chemicals

Aciselsan has one of the longest and most established track records in cellulose-producing sector investing under Verusa Holding. Having half a century of experience, Aciselsan is a preferred company not only in Turkey but all over the world with reliable and long-term customer satisfaction.

Aciselsan is continuously making progress with the major focus of environmentally friendly production and the support of extense corporate know-how of Verusa Holding.

Company Profile

Verusa Holding holds 47.3% stake of Aciselsan's capital.

Founded in 1973 by locals, Aciselsan carries out production, trading and recycling the production waste of sodium carboxymethyl cellulose (CMC) in line with its "Sustainable Development" mission.

CMC is widely used in powder and cream detergents, paint, wallpaper adhesives, textile, oil drilling, ceramics, food and cosmetics.

Aciselsan uses German Wolf-Walsrode patent in manufacturing pure CMC with annual 12,000 metric tons production capacity. Its high quality products which have been developed nearly in half a century are demanded by customers not only in Turkey but all over the world.

Aciselsan exports most of its production to more than 30 countries in 5 continents, especially in Eastern Europe, North Africa and Middle East Countries.

While striving to develop Aciselsan technology and efficiency in production as a priority, it makes significant progress in all projects that serve "Aciselsan Quality" in supply chains and customer satisfactions.



12,000

Metric Tons of Annual Production



Acıselsan in 2019



TPAO Tenders

Acıselsan's production capacity expanded to 12,000 metric tons followed by the new Polyanionic Cellulose pipeline investments.

Polyanionic Cellulose short for PAC, is a high quality water soluble cellulose derivative. Usually the sodium salt of Polyanionic Cellulose is in application and widely used in petroleum drilling, especially in salt well and offshore oil drilling.

ASEL LV-2 and ASEL HV-7 Polyanionic Cellulose products of Acıselsan are used in drilling muds which are flown into the drilling pipes to give suitable flow properties, to carry the drill chippings to the surface, to improve water retention of muds and to prevent excessive penetration of drilling liquids into the surrounding. ASEL oil drilling types conforms with OCMA and API standarts.

In August 2019, Acıselsan applied for 2 tenders of Turkiye Petrolleri A.O. (TPAO) Carboxymethyl Cellulose - PAC products purchase for oil drilling operations and won the tenders of total TL 4.281.284. The delivery process of the products has been accomplished in the same year.



The Transformation Permit of Land Use

Acıselsan transformed the status of its urban land use of size 128,320m² to industrial land use by the state approval of Denizli Municipality.

The company currently holds 25,450m² industrial land and after the trasformation permit, the total size of industrial land area under fixed assets of the company balance sheet reached to 153,770m².

Board of directors has decided to authorize the company management to sell 110,000m² portion of the 153,770m² industrial land in October 2019 meeting.

Environmental Management

As being an established company in CMC production sector, Aciselsan pays regard to the environment in all its facilities and focuses on effective waste management in line with the sustainability principles of its parent company Verusa Holding.

Within the frame of zero waste approach to reduce pollution and preserve natural resources, Aciselsan monitors the production waste generated at the plant and continues to work on best recycling efforts.

In scope of the regulations issued by the Ministry of Environment and Urban Development, Aciselsan executes its waste management through a licensed service provider to recycle and dispose waste materials.

Aciselsan considers the reduction of emissions and more effective energy consumption among its priorities to be pursued.

In accordance with the environmental permit and license regulations by the Ministry of Environment and Urbanization, Aciselsan holds "Air Emission and Non-Hazardous Waste Recycling" license for 5 years, in addition, until the end of 2022, it has a Non-Hazardous Waste Collection - Separation Certificate issued by Denizli Provincial Directorate of Environment and Urbanization.

Throughout the year, the total of 42,951 kg of production waste of paper, cardboard, plastic, packages containing residues of hazardous substances or contaminated with dangerous substances, mixed metals and oils



have been disposed by waste management and recycling companies.

In February 2019, Aciselsan underwent private and public environmental investigations carried out by the Ministry of Environment and Urbanization and there hasn't been detected non-compliance with the related law and principles.

In April 2019 the company emission measurement process has been finalized and the results were compatible with environmental standards.



*Exits from
Verusaturk Venture Capital
Investments...*

Verusaturk Venture Capital Investment Trust contributes to profitability of high growth potential companies by supporting their capital needs during various phases of institutionalization with its effective and strong management skills.

Since founded in 2012, Verusaturk aims to be a leader venture capital company by creating value and high returns for its stakeholders with its successful strategic investment and exit strategies. »

Company Profile

Verusaturk Venture Capital, 68.22% subsidiary of parent company Verusa Holding, was founded in 2012 with a major focus of seeking opportunities in long-term investments.

Verusaturk has undertaken many investment projects and accomplished successful portfolio exits. Its current portfolio consists of renewable energy and electricity production companies and Verusaturk is closely monitoring various sectors and markets for new investments chasing high returns.

Kafein Yazılım

In 2019 Verusaturk successfully finalized the exit of "Kafein Yazılım" software company following its IPO and M&A activity of "Kafein Yazılım" and "Smartiks Yazılım".

Kafein had its IPO on May 16, 2018 and acquired 40% stake of "Smartiks Yazılım" software company from Verusaturk VC. Kafein - Smartiks merger has been a successful partnership for both companies' future growth targets.

Verusaturk finalized the exit by selling the residual 4,106,667 shares of Kafein on Borsa Istanbul at TL 7.25 price per share on June 20, 2019 and on July 2, 2019 and 183,333 B Group registered (privileged) shares of Kafein at TL 10 price per share on June 27, 2019.

1 Exit &
1 IPO



Smartiks Yazılım

Kafein completed the acquisition of a 51% stake in software company Smartiks in May this year for TL 25.4m, financed by cash inflow from its IPO (which generated TL39m).

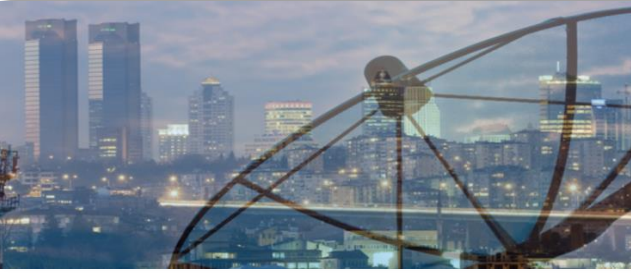
Smartiks had its IPO on May 9, 2019 and the company shares have been sold at TL 2.42 price per share in BIST Main Market.

Verusa Group
Companies



GROUP COMPANIES

Verusaturk VC



As pursuant to the Capital Markets Board (CMB) Communiques, Verusaturk is a venture capital investment trust company which was founded by Verusa Holding in 09.01.2012.

Verusaturk GSYO is a 68.22% subsidiary of Verusa Holding.

The company paid-in capital is TL 52,000, 000 and its registered capital ceiling is TL 75,000,000.

Verusaturk VC has a portfolio management licence issued by the CMB on 12 June 2012. Its venture capital investment portfolio consists of established companies (Pamukova Elektrik Üretim, Enda Enerji Holding and Tortum Elektrik Üretim) operating in renewable energy and electricity production sectors.

Standard Boksit İşletmeleri



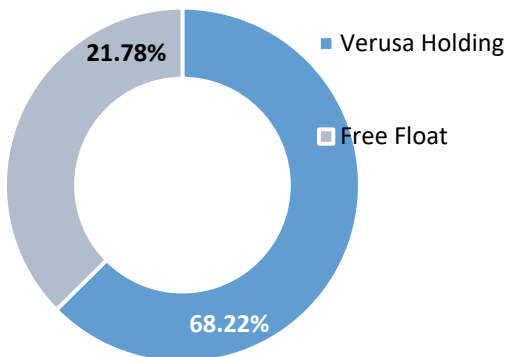
Standard, founded in 2014, conducts its operations in energy, oil and mining exploration sectors. 100% of the company with paid-in capital of TL 20,000,000 is owned by Verusa Holding.

Its commercial name has been changed to "Standard Boksit İşletmeleri" from "Standard Enerji Üretim" in 2018.

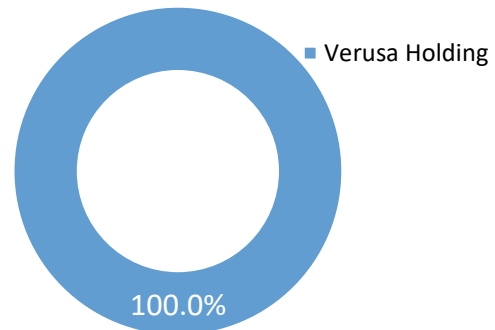
Standard has total of 22 mine sites including 19 bauxite ore, 2 copper ore and 1 steel ore and prospecting licences for mining in various regions across Turkey.

According to the research results with regards to bauxite mining, Standard is one of the most significant company having over 30 million metric tons of bauxite reserves in Turkey.

Shareholder Structure



Shareholder Structure



GROUP COMPANIES

Enda Enerji Holding



ENDA was founded on 7 January 1993 by more than 100 dedicated industrialists and businesspersons from Turkey's Aegean Region in order to meet Turkey's growing energy demand and with consideration to rising energy prices.

Enda Holding is a leader investment arm of Verusa Group which has a total of 26.82% stake (directly 7.32% and indirectly 19.50%) in Enda's capital of TL 300,000,000.

The company owns and operates a total of 10 power plants with 182.55 MW installed capacity including 102.5 MW installed capacity of 4 hydroelectric, 7.5 MW installed capacity of 1 geothermal and 73 MW installed capacity of 5 wind power plants.

Pamukova Elektrik Üretim

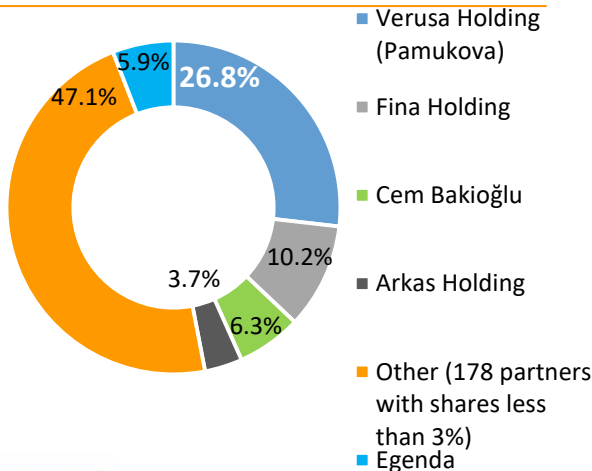


Pamukova, 51% subsidiary of Verusaturk, founded in 2015 with paid-in capital of TL 95,000,000 and operates in renewable energy industry.

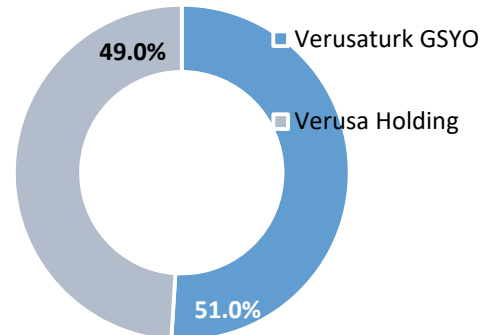
Pamukova invested in 19.50% stake of Enda Enerji Holding which is a major player in electricity generation from renewable resources in Turkey.

At the same time, Pamukova owns 94.40% stake of Tortum Elektrik Uretim A.Ş. which has a hydroelectric power generation plant in Erzurum. The HPP has 7.49 MW installed capacity and 21.14 GWh annual production capacity.

Shareholder Structure



Shareholder Structure



GROUP COMPANIES

Tortum Elektrik Üretim



Pamukova owns 94.40% stake in Tortum Elektrik Üretim's TL 43,000,000 paid-in capital.

Tortum's main field of operations is developing renewable energy projects.

The company owns a hydroelectric power generation plant located in Erzurum province, Senyurt region, on Tortum river. The hydroelectric power plant called Havva HPP has 7.49 MW installed capacity and 21.14 GWh annual production capacity.

HAVVA HPP has been selling the produced energy to energy market (TEIAS) since February 2014.

Ata Elektrik Enerjisi Toptan Satış

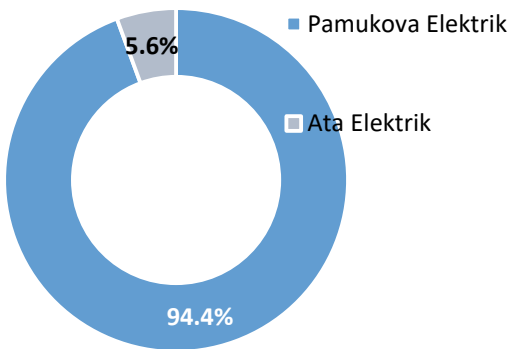


100% Verusa Holding subsidiary Ata Elektrik Enerjisi Toptan Satış A.Ş. founded in 20018 is a holder of electricity wholesale licence and sells electricity with a discount to eligible institutional and individual consumers throughout Turkey.

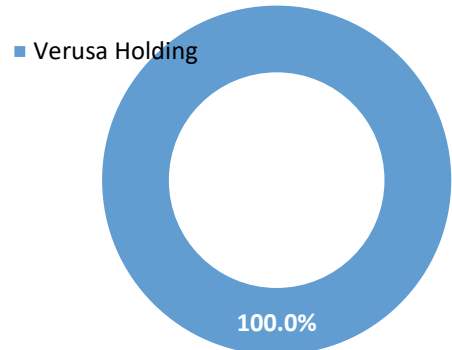
Ata Elektrik has a 5.6% stake in paid-in capital of Tortum Elektrik Üretim and it is the 3rd largest partner of EXIST (Turkey Energy Exchange Management). Ata Elektrik has 4% stake in EXIST's 61,572,770 paid-in capital.

Fortune 500 Turkey ranked Ata Elektrik at the 2nd place on its 2018 list with a net sales of TL 63.8 billion following TUPRAŞ net sales figures.

Shareholder Structure



Shareholder Structure



GROUP COMPANIES

Enerji Piyasaları İşletme (EXIST)



Energy Exchange Istanbul (EXIST) was officially established in 2015 upon the registration processes completed subject to the provisions of the Electricity Market Law of Turkish Trade Law.

Main objective and principal of the business activity is to plan, establish, develop and manage energy market within the market operation license in an effective, transparent, reliable manner.

Our 100% subsidiary Ata Elektrik Enerjisi Toptan Satış A.Ş. is the 3rd largest partner of EXIST which has TL 61,572,770 paid-in-capital. Fortune 500 Turkey ranked Ata Elektrik at the 2nd place on its 2018 list with a net sales of TL 63.8 billion following TUPRAS net sales figures.

Aciselsan Acıpayam Selüloz

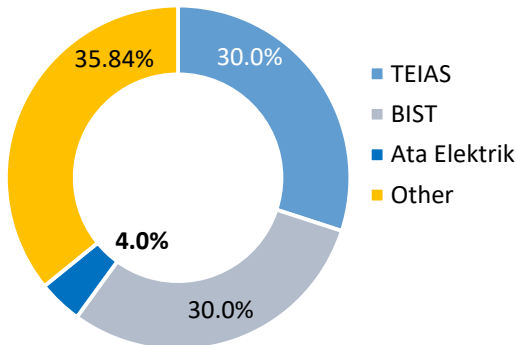


Aciselsan, founded in 1973 by the local residents of Denizli, produces sodium carboxymethylcellulose (Na CMC) and conducts its operations on a 153,770 m² land area. CMC is widely used in powder and cream detergents, paint, wallpaper adhesives, textile, oil drilling, ceramics, food and cosmetics. The total production of the company is 12,000 metric tons per year.

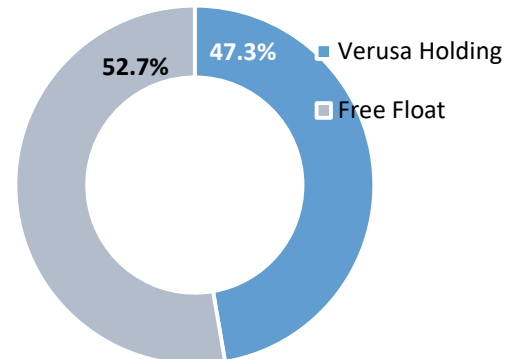
In January 2012, Verusaturk Venture Capital has acquired 76.8% of Aciselsan's shares from Privatization Administration and 15.2% of the remaining shares from Vakıflar Bankası T.A.O.

Verusa Holding has purchased 47.3% of Aciselsan's stake from Verusaturk VC in 2018.

Shareholder Structure



Shareholder Structure



GROUP COMPANIES

Aldem Çelik Sanayi ve Ticaret



Aldem, established in 1984, is manufacturing high quality welded or seamless steel, aluminum and stainless steel products to international companies in energy and construction sectors within the global standards.

The company operates on a 20,000 m² area with 180 employees and undertakes international projects mainly in Europe and MENA Region. It has been awarded by Turkish-French Association Production in consequence of product and production development quality.

Marmaray tube project, Libya GMRA Abu Ziyyan water pipes projects, Georgia Marine Hangar project, ETD Paris office building project, Istanbul Heliport Hangar are some of the important projects of Aldem.

Aldem has ISO 9001, ISO 3834-2 , EN 1090-2 EXC 4, ISO 14001, OHSAS 18001, EN ISO 15085 international quality management and production certificates.

Innoted Teknoloji



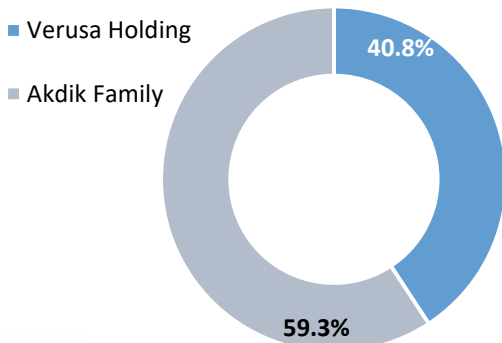
Innoted Technology, founded in 2011 is an advanced technology products and systems manufacturer.

It serves hardware and software solutions and is an inventor of the prototype of Turkey's first POS machine.

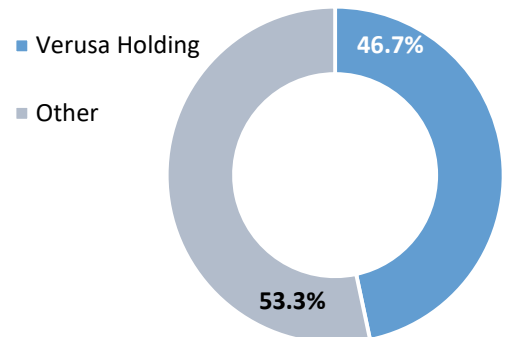
Innoted also supports all types of credit card billing facilities in Turkey and has a variety of clients operating in defense and telecommunication sectors.

Headoffice is located in Teknopark Istanbul AR-GE buildings region.

Shareholder Structure



Shareholder Structure



SUSTAINABILITY

“With its extensive corporate experience and commitment to business ethics, equality, transparency, environmental and social responsibility principles, Verusa Holding aims to create long term sustainable value for all stakeholders.”

Our Sustainability Approach

Verusa Holding and all of its group companies are aware of the fact that our natural resources are not unlimited. In accordance with our sustainability approach, we aim to develop creative and efficient business models in order to protect society and environment and to minimize our impact on the environment through our operations and projects.

Since foundation, we believe that we can only accomplish this objective through a sustainable business model coupled with transparent and accountable communication with stakeholders.

The Verusa Group strives to improve waste management and recycling methods and gives the utmost importance to conduct all its operations in compliance with environmental legislations. With this regard we attach the particular importance to enhance the level of knowledge and awareness of our employees, as well.

With the values and vision formed over the course of a long term corporate approach, Verusa Holding became one of the companies to be assessed for listing on the Borsa Istanbul Sustainability Index (XUSRD), where companies are evaluated based on their public disclosures on sustainability issues.



Companies listed on Borsa Istanbul are evaluated according to the BIST Sustainability Index's inclusion criteria based on the disclosures and performances of companies in the environmental, social and governance (ESG) areas. Moreover the index is a platform for institutional investors to demonstrate their commitment to companies managing environmental, social and governance issues with high performance and provides listed companies reputational and competitive advantages.

In 20019, Verusa Holding adopted sustainability and related policies and established sustainability committee regarding to assessment period for BIST Corporate Sustainability Index membership next year.

Environmental Management

Adopting sustainability as the focal point of its activities, Verusa Holding and the group companies act in a socially responsible manner to environment, stakeholders, customers, suppliers and employees for sustainable development.

The Verusa Group conduct its business with awareness of the potential impact of overall performance on the environment. Within the scope of corporate principles, our priorities of human rights, social and environmental responsibility and viewing it as an important duty for continued growth, we believe in minimizing our impact on the environment and contributing to the solution of issues in every step of our operations.

Verusa Holding closely monitors its operations and environmental performance of the subsidiaries in order to fulfill its obligations to environment in eliminating the pressure of climate change, population rise, and the erosion of natural resources.

In an attempt to protect environment, Verusa Holding commits the following measures specified in its environmental and sustainability policies;

- To apply the current legislation and standards in health, safety and quality issues of technology, materials and raw materials used in all our activities in order to protect the environment and nature,

- To reduce the negative and adverse impacts on the environment as a result of our operations and to carry out activities to prevent pollution at its source as much as possible,

- To support activities that improves sustainability performance by using the most suitable products in energy efficiency,

- To implement recycling techniques and to provide necessary human resource, technology and financing for waste (solid, liquid, gas) disposal in order to use natural resources economically and to increase energy efficiency.

In the frame of our sustainability and environmental policies and principles to which all our subsidiaries are required to conform, our key priorities for effective environmental management are water and waste management and energy efficiency.



Water, Waste and Energy Management

Verusa Holding aims to improve the most effective methods of resource management, responsible consumption of water and energy and waste disposal and recycling rate in all its operation areas. The framework of our approach on the subjects of environmental management, energy, water and waste management is set out in our Environmental Policy.

In 2019, the total of 42,951 kg of production waste of our group company Aciselsan, including paper, cardboard, plastic, packages containing residues of hazardous substances or contaminated with dangerous substances, mixed metals and oils have been disposed by waste management and recycling companies.

In accordance with the environmental permit and license regulations by the Ministry of Environment and Urbanization, Aciselsan holds "Air Emission and Non-Hazardous Waste Recycling" license for 5 years, in addition, until the end of 2022, it has a Non-Hazardous Waste Collection - Separation Certificate issued by Denizli Provincial Directorate of Environment and Urbanization.

Enda Enerji, representing our leading renewable energy business line, conducts all its energy projects from renewable resources. Environmental and social impacts are a consideration for all Enda activities and all efforts are made to minimise risks.

ENDA pays regard to the environment in all its facilities and implements tree planting programmes. Enda also practices waste management in order to reduce pollution and preserve natural resources. In scope of the regulation issued by the Ministry of Environment and Urban Development, Enda executes its waste management through a licensed service provider to correctly recycle and dispose waste material.

In an attempt to reduce carbon emissions, ENDA has applied for Voluntary Carbon Market certificates for all its renewable energy plants and projects. Awarded a Gold Standard Certificate, ENDA's geothermal power plant has achieved a Voluntary Carbon Emission Offset certificate for a value of 79,735 tons since 2010.



Water, Waste and Energy Management



Standard Boksit İşletmeleri, Adana, Tufanbeyli Bauxite Region

Standard Boksit İşletmeleri, 100% subsidiary of Verusa Holding, represents our mining business line and holds 22 mining licenses in various regions located in Turkey.

Standard conducts its projects with awareness of the potential negative impact of its performance on the environment, flora and fauna, natural resources, biodiversity and climate.

Since 2017, mining operations of Standard have been conducted in parallel with the sustainable development goals and the Environmental Impact Assessment (EIA) Report under regulations by the Ministry of Environment and Urbanization.

Standard ensures that there will be no waste water discharge to external environment during the drilling, construction and exploration activities and waste water will be kept in closed containers to protect the environmental health in comply with the "Water Pollution Control Regulation" law published in the Official Gazette .

Standard works in line with the predetermined sustainability targets and takes the necessary measures for the purposes of preventing pollution and improving the effective environmental management.

In terms of effective environmental management, Standard has an important advantage of the absence of areas to be protected in accordance with the legislation of our country and international agreements to which our country is a party .

Verusa Holding's direct and indirect subsidiaries, Enda Enerji Holding, Aciselsan and Aldem Çelik hold ISO-9001 Quality Management System, ISO-14001 Environmental Management System, ISO-5001 Energy Management System and ISO-45001 Occupational Health and Safety Management System licences.

In 2019, Verusa Holding initiated efforts to obtain ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO-45001 Occupational Health and Safety Management System certifications.



Human Rights, Occupational Health and Safety Management

Verusa Holding and its group companies provide an honest, fair, non-discriminatory, safe and healthy working environment while offering equal employment opportunities with the belief that our human resources are the most valuable asset of our sustainable growth and act respectfully to all stakeholders with whom they communicate.

As Verusa Holding, we refrain from discrimination based on age, gender, origins, religion, language, ethnical origins, religious beliefs, marital, social or economic status, disability, political views, participation and membership in union activities, pregnancy or performance of military service in hiring people or providing them with career opportunities. Fair and competitive compensation policies, effective performance assessment methods and practices are applied to reward the success of employees across the company.

In order to improve the level of employee retention and motivation Verusa Holding provides equal training opportunities for employees' professional and personal development without any discrimination.

We prioritize respect for human rights and work towards fostering a work environment where employees and related stakeholders can work under healthy and safe conditions. Moreover, we are committed to ensure full compliance with laws, regulations and legislations related to working hours, social benefits, overtime work and wages, age limits and legal rights and are absolutely against discrimination, child labor and forced labor. Thereunder, we also expect our suppliers to act according to the principles based on respect for human rights.

On the basis of the importance we place on environment, human rights, society and our employees and stake holders we take necessary measures in order to reduce occupational health and safety risks in the most effective manner

possible, and ensure active participation of all our employees in this practice.

Occupational health and safety measures in different sectors are analyzed and classified based on their risk levels, accordingly mining, energy and production companies are classified among higher risk firms, while finance companies are classified as lowest risk ventures.

Pursuant to the Occupational Health and Safety Law Nr. 6331, Labour Law Nr. 4857 and related regulations, higher risk firms meet its responsibilities in,

- ▶ Performing risk assessment analysis,
- ▶ Preparing Emergency action plans,
- ▶ Implementing basic occupational health and safety trainings,
- ▶ Employing occupational health and safety officer, Workplace Physician and other healthcare personnel.

Having introduced effective policies and practices in occupational health and safety, they are also attentive in acquiring certificates and preparing respective reports.

Verusa Holding gives the utmost importance to the updating and improving of our Occupational Health and Safety Policy and related Human Resources Policy and Ethical Codes.

Our board of directors and established committees are responsible for the policies supervision and sanctioning mechanisms if violation of the rules and regulations occurs.





VERUSA
H O L D I N G

*Corporate Governance
Compliance Report*

Verusa Holding Shareholder Structure

Shareholder Structure

Verusa Holding's issued capital amounts to TL 70,000,000, 62.28% of which is held by Investco Holding and the rest 37.72% is the free float.

The Company's issued capital consists of 70,000,000 shares each with a nominal value of TL 1.

Verusa Holding shares are publically traded on Borsa Istanbul since 19.11.2013.

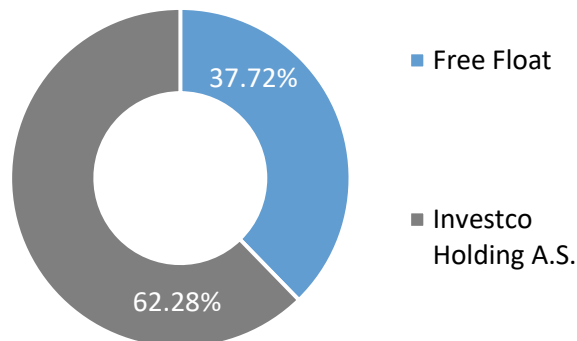
As per the approval of the Capital Market Board of Turkey dated 17 October 2012 and as per the Board of Directors' decision dated on 19 October 2012, the company has adopted the registered capital system. The ceiling of the Company's registered capital is TL 300,000,000.

Verusa Holding regularly engages in related-party transactions with its majority principal shareholder Investco Holding.

Currently applicable law prevents a controlling principal shareholder company from making decisions or engaging in acts which are detrimental to the interests of a controlled company. For this reason, no other measures or actions were deemed to be necessary in order to prevent the Company from suffering a loss.

Information About Privileged Shares and Voting Rights

As per the Company's Articles of Association article 6, out of the issued capital TL 70,000,000 shares, the portion corresponding to TL 14,000,000 make up Group (A) shares and the portion corresponding to TL 56,000,000 make up Group (B) shares.



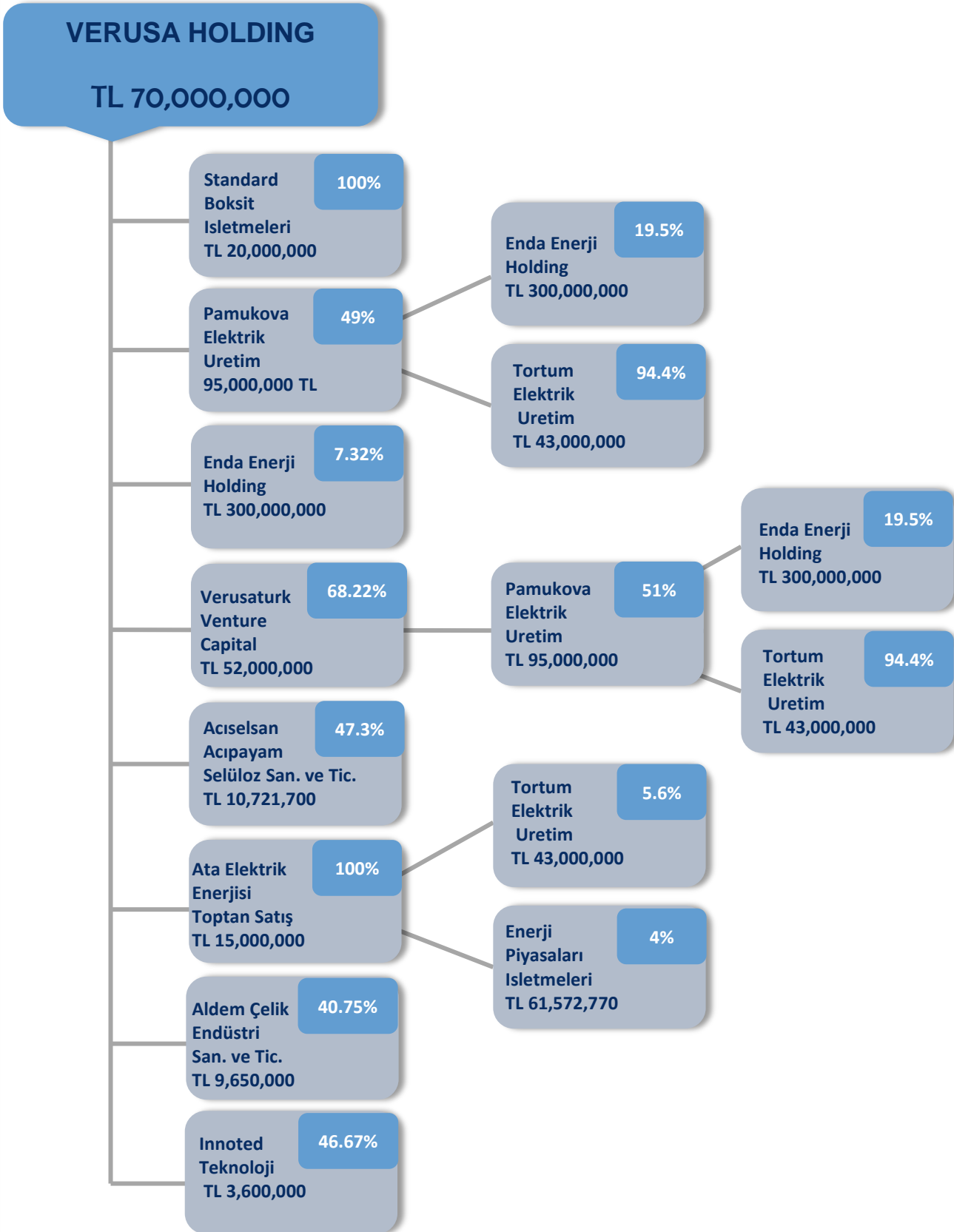
Share Holders	Capital (TL)	Share in Capital (%)
Investco Holding A.Ş.	43,599,000.5	62.28
Free Float	28,400,999.50	37.72
Total	70,000,000.0	100.00

Group (A) shares are entitled to specific preferential rights with respect to their representation on the Company's Board of Directors and General Assembly.

Pursuant to the Company's Articles of Association title "Board of Directors", half of the candidates in Board of Directors will be appointed among Group (A) shareholders or their candidates designated by them.

Article 12 of the Company's Articles of Association on the principles regarding preferential voting rights, in General Assembly Group (A) shareholders are accorded 15 votes for each share, while Group (B) shareholders are accorded 1 vote for each share.

Verusa Group Companies and % Share in Capital



Corporate Governance Compliance Report

PART I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Corporate Governance Principles Compliance Report for the 2019 period evaluated by the Corporate Governance Committee is included in this declaration.

Verusa Holding (the Company) adopts the principles of equality, transparency, accountability and responsibility of the Corporate Governance Principles in compliance with the Capital Markets Board ("CMB") while proceeding towards its objectives.

The Company complied completely with the mandatory principles under Communiqué No. II-17.1 on the Identification and Application of Corporate Governance Principles, and did its best to comply with the optional principles in 2019.

Our Company exercises the necessary sensitivity for compliance with Corporate Governance Principles, and regarding this issue established committees continued to operate effectively.

News and prepared documents concerning General Assembly such as privileged shares, voting rights and organizational changes that are required to be disclosed are presented to the information of our investors 3 weeks in advance to the General Assembly Meetings. Policies and the working principles of the committees under the Corporate Governance Principles are available on our website.

Although our Company fully complies with the compulsory principles within the scope of the Corporate Governance and it has also widely implemented most of the non-mandatory principles since 2014, Verusa Holding has not yet achieved full compliance to such principles in a proper manner.

While striving to provide the corporate governance principles that are not implemented yet, we work towards accomplishing necessary administrative, legal and technical infrastructure to finalize the effective corporate governance compliency across the company.

PART II - SHAREHOLDERS

2.1. Investor Relations

The Investor Relations Department is responsible for ensuring the communication between the Board of Directors and potential shareholders and carrying out the necessary transactions in accordance with the CMB Corporate Governance Principles, in order to exercise shareholding rights within the Company.

Investor Relations Department consistently and effectively manages matters related to the conduct of General Assembly Meetings, and particularly those related to the exercise of shareholders' rights, public disclosures and provision of company-related information, as well as annual reports and publishing them on the Company web site.

During the year, the Investor Relations Department responded to nearly 46 queries from local and foreign investors or investment companies, most of which were received by e-mail and provided a picture of the firm's existing operations and investments, with reference to actual financial and operational data.

The department reports to the Corporate Governance Committee, as well as to the Board of Directors and the Chief Executive Officer.

Corporate Governance Compliance Report

The relevant information about the Investor Relations Department which is responsible for liaising in the relations between Verusa Holding and its shareholders is the following:

Mr. Mustafa Arslan

Head of Investor Relations Department

Phone Number : +90 212 290 74 90

Fax Number: +90 212 290 74 91

E-Mail: mustafa.arslan@verusa.com.tr

Mr. Arslan holds the following CMB Licences ;

-Capital Market Activities Level 3

-Derivative Instruments

-Coroparte Governance and Rating

-Credit Rating

Mrs. Sema Gocmen

Associate of Investor Relations Department

& Head of Budgeting and Reporting

Phone Number : +90 212 290 74 90

Fax Number : +9 0 212 290 74 91

E-Mail : sema.gocmen@verusa.com.tr

Mrs. Gocmen holds the following CMB Licences ;

-Capital Market Activities Level 3

Responsibilities of the Investor Relations

In compliance with the CMB Corporate Governance Principles, the Investor Relations Department is responsible for;

- Ensuring the records of communications between the investors and the Company as well as other information and documents are kept secure and up-to-date.
- Responding to questions about the company received from shareholders, local and foreign investors and analysts.
- Preparing and updating the list of people with access to insider information, within the framework of the Material Cases Communiqué.
- Preparing documents that shareholders can use as a reference for General Assembly meetings and ensuring that General Assembly meetings are carried out in accordance with the Articles of Incorporation and other internal regulations of the Company.
- Ensuring compliance with, referral to, and monitoring of obligations arising from any CMB Regulations applicable to the shareholders of public corporations, along with the obligations regarding financial reporting, corporate governance, and public disclosure.
- Regularly reviewing the contents of the "Investor Relations" section of the website, applying updates where required.
- Informing shareholders and investors on a proactive and regular basis through conferences and investor meetings, about the developments concerning the Company.
- Supervising and monitoring all kinds of issues related to public disclosure legislation and preparing and sending material disclosures that should be made in the Public Disclosure Platform.
- Preparing presentations on and summaries of the Company's operations and finances for the relevant operating quarters.
- Management and monitoring all procedures with the CMB, Borsa Istanbul A.Ş., Merkezi Kayıt Kuruluşu A.Ş., and any other capital markets agencies.

Corporate Governance Compliance Report

2.2. Exercise of the Shareholders' Right to Information

Any information requests submitted to the Investor Relations Department are responded to diligently in accordance with the principle of equality and without any discrimination between investors, provided that they do not concern confidential information or trade secrets currently withheld from the public.

Accordingly, in 2019, all information requests submitted by the shareholders on various issues were responded via telephone and e-mail on verbal and written basis.

Furthermore, the "Investor Relations" section of the Company's website (www.verusa.com.tr) makes complete, accurate, and up-to-date information available to investors.

In 2019, public disclosure of any development that may affect the exercise of shareholder rights was achieved through the material disclosures on the Public Disclosure Platform (KAP), as well as the firm's website.

As the shareholders' right to demand the appointment of a special auditor is subject to regulations, the Articles of Incorporation does not stipulate any arrangements regarding the appointment of a special auditor. During the year, no request regarding the appointment of a special auditor was received.

2.3. General Assembly Meetings

The General Assembly meetings are carried out in accordance with the Turkish Code of Commerce, the Capital Markets Law, and the Corporate Governance Principles, in a manner that provides adequate information to and the extensive participation by shareholders.

The Ordinary General Assembly of the firm convenes at least once a year, and discusses and decides on the matters on the agenda

drawn up by the Board of Directors in accordance with Article 413 of the Turkish Code of Commerce. The notices and announcements regarding the General Assembly meeting are published through any means of communication including electronic communications, so as to reach the highest number of shareholders, and according to the minimum time frames stipulated in the Turkish Code of Commerce, the Capital Markets Law, and other regulations concerned.

The firm's Ordinary General Assembly Meeting for the year 2018 was held on Wednesday, May 08, 2018, at 12pm, at the corporate headquarters located at the address of Eski Büyükdere Caddesi Ayazağa Yolu İz Plaza Giz No:9 Kat:14 Maslak, Sarıyer/İstanbul.

The agenda, minutes, and attendance sheet for the meeting are published on the firm's website.

In the meeting the following items in the agenda were discussed, voted and approved.

- The Board of Directors' Annual Report and the Auditor's Report on activities in 2018,
- The financial statements of the year 2018,
- The Board of Directors' proposal on the distribution of the 2018 profit ,
- The remuneration of the Board Members,
- Election of the Auditor "PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers),
- Authorization of the Board Members to conduct the transactions provided under the Articles 395 and 396 of the Turkish Commercial Law

The Board of Directors' resolution for the General Assembly meeting is followed immediately by necessary disclosures to inform the public, via KAP and the Electronic General Assembly Meeting System (EGKS).

The minutes of the 2018 General Assembly Meeting resolutions are presented at www.kap.org.tr.

Corporate Governance Compliance Report

Prior to the General Assembly meetings, financial statements and reports, dividend payment proposals, and independent audit reports including the audited annual report are announced to the public for shareholders to review in compliance with the legal procedures and regulations regarding all disclosures.

The General Assembly meetings are held simultaneously in physical and electronic form, at the corporate headquarters, and via the Electronic General Assembly Meeting System. The venue for General Assembly meetings is arranged to enable participation by all shareholders. The agenda of the General Assembly is set clearly to enable the consideration of each proposal under a separate item, so as to prevent different interpretations. At the General Assembly meeting, the agenda items are conveyed to the shareholders in an objective, detailed, clear and understandable way, and the shareholders are given the opportunity to explain their opinions and ask questions under equal conditions. The questions directed by the shareholders during the general assembly meeting are responded accordingly by the board members and the senior executives of the firm.

Templates for proxy appointment letters for those who are employing a proxy to represent them at the General Assembly meeting, are made available to shareholders via newspaper ads and the website.

Furthermore, the Investor Relations section of the corporate website presents the documents pertaining to the General Assembly meeting, for review by shareholders and all stakeholders. The controlling shareholders, members of the Board of Directors, executive directors.

2.4. Voting Rights and Minority Rights

As per the Company's Articles of Association (<http://verusa.com.tr>) within the framework of Article 6, out of the issued capital TL 70,000,000 shares, the portion corresponding to TL 14,000,000 make up Group (A) shares and the portion corresponding to TL 56,000,000 make up Group (B) shares. Group (A) shares corresponding the total issued capital are entitled to specific preferential rights with respect to their representation on the Company's Board of Directors and General Assembly.

At the Ordinary and Extraordinary General Assembly Meetings of the Company, Group (A) shareholders are accorded 15 votes for each share, while Group B shareholders are accorded 1 vote for each share.

The Company's articles of association contains no privileges in relation to voting regarding -amendment to the articles of association -opening a discharge and liability lawsuit .

At the Shareholders' General Assembly Meetings, the shareholders may appoint any other shareholder or any other agents as proxy who shall be appointed externally, to represent them. Any proxy, who is also a shareholder of the Company, shall be authorized to exercise the voting rights of the shareholder(s) they represent in addition to their own voting rights. The form of the powers of attorney shall be determined and announced by the Board of Directors provided that it shall comply with the capital market regulations.

Corporate Governance Compliance Report

2.5. Dividend Rights and Dividend Policy

As per the Company's Articles of Association (<http://verusa.com.tr>) within the framework of "Dividend Policy" Article 16 as well as the provisions of the Turkish Commercial Code (TCC), Capital Markets Legislation, Tax Regulations, the net profit of the Company remaining after the deduction of the financial obligations in the specified accounting period is dispatched as follows:

- 5% of the remaining amount is allocated to the first series of legal reserve fund,
- The remaining amount after the deduction of the first series of the legal reserve fund is allocated to the first level dividend ,
- The General Assembly is authorized to distribute the amount remaining from the net profit after the deduction of the first series of legal reserve fund and first level dividend to the Company's staff, to foundations established for various purposes and persons and institutions of similar nature,
- The General Assembly is authorized to distribute the amount remaining from the net profit after the deduction of the specified amounts mentioned in (a), (b) and (c) above as a second category dividend to shareholders or is authorized to keep it as an extraordinary reserve.

Unless all reserves required by provisions of the Turkish Commercial Code and the Capital Markets Law are set aside and the dividend determined for the shareholders as per the Company Articles of Association, it cannot be resolved to set aside other reserve funds, or to carry forward profit to the next year, or to distribute profit to the members of the Board of Directors, officers and other employees, foundations of various purposes and similar persons and/or entities.

Share groups do not have any privileges with respect to dividends.

2.6. Information About Annual Profit Distribution

Pursuant to the Company's Board of Directors' meeting regarding the distribution of profit, the proposal of dividend payment of TL 2,275,000 (gross) from distributable net profit for the period calculated in financial statements prepared in accordance with the Capital Markets Legislations has been submitted to the General Assembly for approval.

In our Ordinary General Assembly Meeting held on May 08,2019, it was resolved to approve the dividend distribution proposal of the Board of Directors and to start and finalize the dividend payments on 23 September 2019. The dividend to be paid for share with par value has been (gross) TL 0,0325.

2.7. Share Transfers

Group A shares can be transferred only with the approval of the Board of Directors in compliance with the Article 493 of the Turkish Commercial Law.

There are no provisions in the Articles of Association that complicate the transfer of Group B shares.

Our company's Articles of Association sets out the principles regarding transfer of shares and it is published on the Company website www.verusa.com.tr.

2.8. Repurchased Shares

The Company does not own repurchased shares as at December 31, 2019.

Corporate Governance Compliance Report

PART III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Disclosure Policy

The Corporate Disclosure Policy was established and is implemented under the authority of the Board of Directors.

In line with corporate governance principles The Corporate Disclosure Policy was launched within the scope of equality, transparency, accountability and responsibility to provide the public, shareholders and investors swiftly and on a real-time basis with access to accurate and complete information about the company's past and future operations and financial performance together with future potential expectations and strategies disregarding the information that includes confidential and trade secrets withheld from the public.

The disclosure policy and any revisions thereof shall be published on the Company's website, following the approval of the Board of Directors. The Investor Relations Department is responsible for overseeing and monitoring the Disclosure Policy.

3.2. Corporate Website and its Contents

The Company's website address is www.verusa.com.tr. The Investor Relations section of the website contains the issues addressed in the CMB's Corporate Governance Principles. The website is launched to provide open, clear, and simultaneous disclosure to shareholders, stakeholders and the entire public. The information provided on the website is updated continuously.

The information provided on the website is presented in Turkish and we are working on publishing the website of the company in English language as well.

3.3. Annual Report

The Company's annual report is prepared under the details required in the Turkish Code of Commerce and the Capital Markets Regulations, so as to provide the shareholders, the public, and all other stakeholders with access to complete and accurate information on the Company's operations.

PART IV- STAKEHOLDERS

4.1. Disclosure of Information and Protection of Stakeholders

Verusa Holding applies an active and transparent Disclosure Policy and acts in compliance with CMB and Borsa İstanbul (BIST) Regulations in matters relating to public disclosure and aims at implementing the most efficient disclosure policy. Any and all information concerning the Company is presented to stakeholders in line with the Corporate Governance Principles. Stakeholders, investors, and analysts can access the firm's financial reports, activity reports, and other information, using the Company's website.

Verusa Holding applies the utmost diligence in compliance with the Capital Markets Board's Corporate Governance Principles in its transactions and operations and protects the rights of all stakeholders regulated by the legislation and the mutual contracts within the frame of the Code of Ethics.

In case of detecting a violation of stakeholders' rights which are protected by legislation and contracts, Verusa Holding effectively and immediately takes corrective precautions in order to ensure their rights.

The Company offers the necessary convenience to stakeholders regarding the use of compensation mechanisms which are provided by legislation.

Corporate Governance Compliance Report

In cases where stakeholders' rights are not regulated by legislation, stakeholders' interests are protected within the context of goodwill by also taking the Company's rights, capabilities and reputation into consideration. The Company plays a leading role in the solution of disputes that may occur between Verusa Holding and the stakeholders.

If a conflict of interest occurs between the stakeholders, or a stakeholder is involved in more than one interest group, a fair policy is employed with respect to protection of rights and with the aim of protecting each right independently from others.

Stakeholders can convey any transactions deemed to contradict with the laws or the Company's ethical values to the Corporate Governance Committee or Audit Committee.

4.2. Participation of Stakeholders in Management

Although there is no formal model established for direct participation of other stakeholders in management, open and honest communication channels have been established and developed with Company employees and other stakeholders, with attention paid to ensure that all stakeholders are kept informed about issues that concern them.

The Company maintains constant communication with employees, pays due regard to their needs, and creates various platforms and mechanisms by which employees can convey their opinions and comments in order to improve the working environment

Internal meetings are held, which are attended by Company employees when necessary, and they play a significant role in the decision making process of senior management. Company employees can convey any transaction that contradicts with the legislation and are ethically inappropriate to the Corporate Governance Committee.

Keeping all lines of communication open and eliminating all possible encumbrances is a fundamental principle of Verusa Holding's Human Resources Policy. In this regard the Company aims an effective human resource management to increase the motivation and satisfaction of its employees.

4.3. Human Resources Policy

The main objective of Verusa Holding Human Resources Policy is to provide an honest, fair, non-discriminatory, safe and healthy work environment to all employees.

To achieve this goal, we are committed to improve our HR policy focusing on :

- Equal employment opportunity in recruitment,
- Equal employee treatment in performance assessments, promotions and rewards,
- Providing necessary development programs and corporate trainings to improve the level of employees' knowledge and skills,
- Increasing the employee retention and motivation,
- Establishing a corporate culture and open relations with employees based on ethical and corporate governance principles.

Verusa holding HR policy covers general categories based on hiring practices, onboarding, employee conduct, workplace safety, compensation, benefits and performance evaluations, talent management, training and career development for employees.

As part of policy emphasis of creating career development opportunities for employees and managers, job descriptions, assignments, personal targets, rewards and performance assesments help to determine their individual development plans. Personal employee performance across the company is monitored and feedback meetings are held annually with the employees.

Corporate Governance Compliance Report

Considering a small number of employees and open communication with senior management, the Company has not appointed employee representatives or a related department to conduct relations with employees.

All managers are responsible for managing effective and transparent relationships with employees and are obliged to treat them fairly and justly, without exerting any subordinate-superior pressure.

During the period, the Company Human Resources Department has not filed or received any negative employee feedback or complaints with respect to discrimination or unfair treatment.

4.4. Code of Conducts and Anti-Bribery & Corruption Policy

The Code of Ethics is defined, updated, and published by the Board of Directors and is made available to the employees.

Verusa Holding's the Code of Ethics is a set of the Company rules and policies, and all employees, including the Board of Directors and the executives are required to abide by the code. Corporate Governance Committee and Audit Committee are responsible for managing effective policies with respect to code of ethics together with all executive managers.

Employees across the Company are always obliged to comply with the laws and ethical principles regarding human rights, to fulfill their duties within the framework of fundamental moral and human values and to take maximum care in compliance with the rules, in otherwise, imposes sanctions on disciplinary action and termination of employment.

The Verusa Group employees are obliged to notify their supervisor or, where appropriate, the Audit Committee, in case of learning or developing suspicion about a violation of the

Code of Ethics and Business Conduct, or the laws and regulations to which the Company is subject.

Verusa Holding is committed to conducting business with integrity and in an ethical manner, and to complying with all applicable laws and regulations in every country where it operates. At this point the Company established its corruption and anti-bribery policy and principles.

This Policy prohibits Verusa personnel from soliciting or receiving any bribe, kickback, or other corrupt inducement.

The Anti-Corruption Policy applies to Verusa Holding, all Verusa Holding affiliates; all employees, officers, and directors of the Company and all persons or entities acting as a sales or service representative, partner, agent, intermediary, advisor, supplier, consultant, joint venture partner or otherwise on behalf of Verusa Holding or any affiliate and it is published on the Company website www.verusa.com.tr.

Corporate Governance Compliance Report

PART V - BOARD OF DIRECTORS

5.1. Structure and Formation of the BOD

The Company is managed and externally represented by the Board of Directors. The Board of Directors performs the duties assigned to it by the General Assembly in accordance with the Turkish Commercial Code, the Capital Market Law and other applicable legislation.

The Board of Directors is composed of six (6) members, two (2) of which are independent. Written statements of declarations of interest submitted by each independent board member, with respect to their independent status is on page 18.

There is no female member in the Board and the Company has not yet determined a targeted ratio and timing in relation to the women members on the Board of Director.

Board members shall serve terms of three years. Every year the Board of Directors shall appoint the chairman and the deputy chairman from among its members who shall represent the chairman in his absence. Board members whose term of office has expired may be re-elected as a board member unless he/she is dismissed.

As of 31.12.2019, the Board members are as follows ;

Board of Directors	
Mr. Mustafa Ünal	Chairman
Mr. Reha Çırak	Vice Chairman
Mr. Mustafa Necip Uludağ	Member
Mr. Ömer Özbay	Member
Mr. Sezai Bekgöz, PhD	Independent Member
Mr. M. Ege Yazgan, PhD	Independent Member

5.2. Operating Principles of the Board of Directors

The Board of Directors manages and represents the Company.

The independent members of the Board of Directors' duties, rights and powers are stipulated in the Corporate Governance Principles of the Capital Markets Board.

As required both by the CMB's Corporate Governance Principles and by the Company's Board of Directors Operating Principles, there are three committees within the Board: a Corporate Governance Committee, a Committee for Early Detection of Risk, and a Committee for Audit.

These committees are headed by Independent Board Members and are established in accordance with the CMB legislations.

The Board of Directors shall convene when deemed necessary for the Company's business affairs with a required quorum in compliance with the Turkish Commercial Code.

The remuneration to be paid to the members of the Board of Directors are determined in the General Assembly meetings in compliance with the CMB legislations. The frequency of the board meetings of the firm, as well as the quorum for meeting and resolution are established in the Articles of Incorporation.

The insurance necessary to indemnify the losses that Members of the Board of Directors may cause to the Company by reason of their faults in the performance of their duties has not been purchased so as to cover the Company and its subsidiaries.

In 2019, The Board of Directors convened 19 times and passed 19 resolutions. Approximately 95% of the Board Members attended the Board meetings.

Corporate Governance Compliance Report

5.3. Duties of the BOD in Group Companies

Full Name	Role at the Board	Role at Subsidiaries' Board
Mr. Mustafa ÜNAL	Chairman	Verusaturk GSYO A.Ş., Chairman/ Acıselsan Acıpayam Selüloz Sanayi ve Tic. A.Ş., Vice Chairman / Ata Elektrik Enerjisi Toptan Satış A.Ş., Cairman/ Investco Holding A.Ş., Chairman / Pamukova Elektrik Üretim A.Ş., Chairman / Standard Boksit İşletmeleri A.Ş., Chairman / Innoted Teknoloji A.Ş., Chairman / Aldem Çelik Endüstri Sanayi ve Ticaret A.Ş., Vice Chairman/ Enda Enerji Holding A.Ş., Board Member / Tortum Elektrik Üretim A.Ş., Board Member
Mr. Reha ÇIRAK	Vice Chairman	Verusaturk GSYO A.Ş., Vice Chairman / Investco Holding A.Ş., Vice Chairman / Pamukova Elektrik Üretim A.Ş., Vice Chairman / Standard Boksit İşletmeleri A.Ş., Board Member / Enda Enerji Holding A.Ş. Board Member
Mr.Mustafa Necip ULUDAĞ	Member	Verusaturk GSYO A.Ş., Board Member/ Investco Holding A.Ş., Board Member / Ata Elektrik Enerjisi Toptan Satış A.Ş., Board Member / Innoted Teknoloji A.Ş., Board Member / Pamukova Elektrik Üretim A.Ş., Board Member
Mr. Ömer ÖZBAY	Member	-
Mr. M. Ege YAZGAN, PhD	Independent Member	Verusaturk GSYO A.Ş., Independent Board Member
Mr. Sezai Bekgöz, PhD	Independent Member	-

Corporate Governance Compliance Report

5.4. The Committees Formed by the Board of Directors

As required both by the Capital Markets Board's Corporate Governance Principles and by the Company's Board of Directors Operating Principles, there are three committees established within the Board: a Corporate Governance Committee, a Committee for Early Detection of Risk and a Committee for Audit.

One independent member of the Board assumes tasks in more than one committee since there are two independent members.

Number, Structure and duties of the Committees Formed by the Board of Directors are presented on the company website.

Audit Committee

Full Name	Role
Mr. Sezai Bekgöz, PhD	Independent Board Member (Committee Chair)
Mr. M. Ege Yazgan, PhD	Independent Board Member (Committee Member)

Board of Directors is to assist the Board of Directors with respect to the Company's accounting system, public disclosure of financial data, independent audits, and overseeing the operation and effectiveness of the internal control system in line with the Capital Markets Regulations and the principles stipulated therein, as well as to consider and report to the Board of Directors any issues it observes during its assessments.

The Audit Committee is composed of at least two members elected by the Board of Directors from among independent board members.

The Audit Committee convenes at least five times in a year.

In 2019 it convened five times, and presented reports involving opinions and comments with respect to internal audit and independent audit to the Board of Directors.

Corporate Governance Committee

Full Name	Role
Mr. M. Ege Yazgan, PhD	Independent Board Member (Committee Chair)
Mr. Sezai Bekgöz, PhD	Independent Board Member (Committee Member)
Mr. Mustafa Arslan	Investor Relations (Committee Member)

The Corporate Governance Committee is tasked with monitoring the Company's compliance with Corporate Governance Principles, undertake improvement efforts and submit proposals to the Board of Directors on this matter, in conformity with the CMB Legislation and the Corporate Governance Principles of the Capital Markets Board.

It is composed of at least three members, including minimum two Board members and head of the Investor Relations Department.

Within the framework of above mentioned principles, the Committee convenes at least once a year.

Committee for Early Detection of Risk

Full Name	Role
Mr. Sezai Bekgöz, PhD	Independent Board Member (Committee Chair)
Mr. M. Ege Yazgan, PhD	Independent Board Member (Committee Member)

Corporate Governance Compliance Report

The Corporate Governance Committee is set up to support and assist the Board of Directors by working on monitoring the firm's compliance with the corporate governance principles in accordance with the Capital Markets Regulations, implementing the principles, identifying any failure of implementation, working to improve its efficiency, identifying the candidates to be elected to the Board of Directors, establishing the company's perspective, principles, and applications regarding remuneration, assessing the performance and career planning of the board members and executive staff, overseeing investor relations operations, and making applicable proposals to the Board of Directors.

The Early Detection of Risk Committee is composed of at least two members. . The majority of the Committee members are non-executive Board Members.

The committee convenes six times in a given year.

5.5. Risk Management and Internal Control Mechanism

The Company's risk management activities are being carried out by the Committee for Early Detection of Risk and Audit Committee under the ultimate responsibility of the Board of Directors.

Through its reports and activities during the reporting period, the Committee for Early Detection of Risk played an active role in the identification and analysis of important risks inherent in the Company's operations, ensured that necessary information was provided to the Board of Directors for monitoring risk systems.

The Committee for Audit, on the other hand, reviewed the operation of the Company's internal systems, contributed to the improvement of processes that effectively carried out audit activities.

The Board of Directors regularly oversees the efficiency of the Company's internal and external risk controlling systems during the year.

The operating principles of the Committee for Early Detection of Risk and Audit Committee are posted on the Company's website.

5.6. Board of Directors' Opinion on Risk Management

The negative course of the global and local uncertainties in economy is the only factor that draws the attention of Verusa Holding and its subsidiaries in future investments.

Diversifying its portfolio by investing in energy and mining projects, Verusa Holding's strategy is to maximize shareholder value by increasing its ongoing revenues and profitability.

The Company's cash and capital market instruments portfolio has a potential market risk arising from serious volatility in foreign exchange and interest rates. Thereof, making systematically sound strategic decisions under uncertainties, Verusa Holding capitalizes its investments through its shareholders' equity. Since the company has a lower leverage, no other measures or actions were deemed to be necessary in order to prevent the Company from potential market risks.

5.7. Information About the Auditor

As per the Board of Directors' decision and the approval of the decision by the General Assembly in 2019 regarding the Auditor in compliance with the the Corporate Governance Principles in particular, and the provisions of the applicable capital market legislation, "PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş."(a member of PricewaterhouseCoopers) was appointed to be an independent auditor firm for the preparation of consolidated financial statements of the Company.

Corporate Governance Compliance Report

5.8. Strategic Goals of the Company

The BOD represents and effectively manages the Company growth and profitability strategies with the most appropriate, rational and prudent risk approach by considering long-term opportunities and interests. Every year Verusa Holding prepares its strategic plans in line with the principles and methods defined by the Company objectives approved by the BoD.

In line with this aim the BOD of the Company pays utmost attention to the opinions and suggestions of the relevant internal units and senior management during the determination of the strategic goals.

Within the frame of the seeking long term opportunities, the top priority of Verusa Holding is to bring all of its ongoing investments to completion within the estimated timelines, to attain projected profitability, to capture the targeted sales figures, to sustain high cash dividend distribution.

Diversifying its portfolio by investing in projects in various sectors such as mining, renewable energy, chemicals, steel, technology and finance the Company adopts the strategy of generating maximum benefit for its shareholders by increasing its ongoing revenues and profitability.

The Board of Directors regularly monitors the actualizations within the frame of strategic goals, revises the targets as and when called for by new circumstances, and shapes investment and financing decisions accordingly.

5.9. Remuneration

Remunerations of the Members of the Board of Directors are proposed by the Corporate Governance Committee, and the remuneration is determined by the General Assembly according to the financial situation of the Company.

Total Amount of Benefits (TL)

31.12.2019	2,708,138
31.12.2018	2,481,873

The total payments made within the framework of the "Remuneration Policy for BoD Members and Executive Management" are published in our financial statements and company activity reports.

During the reporting period, the Company engaged in no transactions such as lending, granting loans, extending credit through a third person under the name personal loan or providing guarantees involving Board Members or senior managers.

PART VI - LEGAL INFORMATION

6.1. Information on Significant Lawsuits Filed Against the Company

There is no lawsuit filed against the Company which may materially affect its financial situation and activities in 2019.

6.2. Information on Amendments in the Legislation

There are no amendments in the legislation which may significantly affect the activities of the Company in 2019.

6.3. Information on Managerial and Operational Changes

There are no managerial or operational changes in our Company or our subsidiaries which may significantly affect the activities of our Company in 2019, or planned for the upcoming accounting periods.

Besides that, material event disclosures made by our Company in accordance with legal requirements are available at www.kap.gov.tr.

Corporate Governance Compliance Report

6.4. Information on the Conflicts of Interest of the Company Among the Institutions

There were no conflicts of interest between the Company and other institutions of investment advisory and rating agency and no measures taken by the Company in order to prevent conflicts of interest.

6.5. Information Regarding Demands of Shareholders for Placing an Article on the Agenda of Ordinary General Assembly

The Company has not been requested by any demand for placing an article on the agenda of Ordinary General Assembly in 2019.

PART VII - OTHER INFORMATION REGARDING THE COMPANY'S ACTIVITIES

7.1. R&D Activities

The Company indirectly carries out R&D activities through its subsidiaries Innoted Teknoloji A.Ş. and Aciselsan Acıpayam Selüloz Sanayi Tic. A.Ş. Attaching tremendous importance to technology, Innoted executes the projects on wire transfers, smart cashiers and billing systems across Turkey. Within the same scope, Aciselsan conducts advanced projects based on developing carboxymethylcellulose products and its derivatives.

7.2. Donations

The Company may make charitable donations that are in line with its sense of social responsibility and that comply with applicable principles and procedures of the Capital Markets Board.

During the specified period a corporate donation has not been made by the Company.

7.3. Repurchased Shares

The transactions arising from the the BOD decision dated 31 August, 2016 on "repurchased shares" have been finalized on December 26,2019.

7.4. Information on Private and Public Investigations

The Company did not undergo a private or public investigation in 2019.

7.5. Capital Increases from Subsidiaries

- Pamukova Elektrik Üretim A.Ş. increased its capital from TL 85 million to TL 95 million.
- Tortum Elektrik Üretim A.Ş. increased its capital from TL 38,3 million to TL 43 million.

7.6. Events After the Reporting Period

"Standard Boksit İşletmeleri", 100% subsidiary of Verusa Holding, has acquired 1 more prospecting licence for bauxite mining in Antalya province, Akseki region through the tender offer held by Directorate General of Turkey's Mining and Oil Affairs (MAPEG) on February 13,2020.

The total number of mining sites of the company has been reached to 23 consisting of 20 bauxite, 2 copper and 1 iron ore mines in various 7 region.