

ABOUT ENKA

SINCE 1957, ENKA İNŞAAT VE SANAYİ A.Ş. HAS PROVIDED COMPREHENSIVE SERVICES IN DESIGN AND ENGINEERING, PROCUREMENT, CONSTRUCTION, COMMISSIONING, OPERATION, MAINTENANCE AND PROJECT MANAGEMENT PHASES OF ALL SORTS OF CONSTRUCTION PROJECTS, INITIALLY IN TURKEY AND LATER WITH A GREATER FOCUS ABROAD. ENKA IS A PUBLICLY TRADED (11.83%) COMPANY AND BASED IN İSTANBUL, TURKEY.

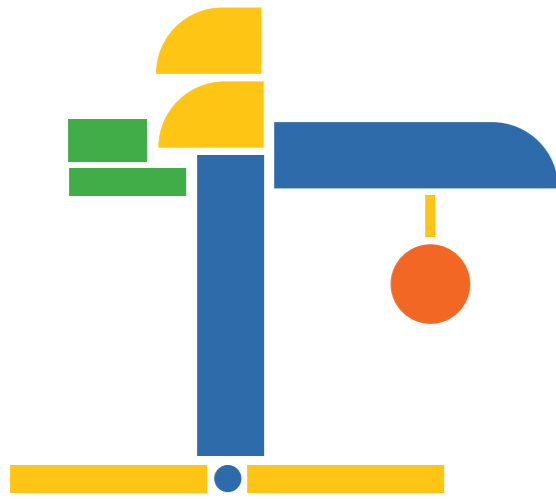
ENKA with its affiliated companies, foreign enterprise branches and jointly controlled entities provides services in four main areas:

► www.enka.com/what-we-do/

ENKA together with its group of companies, has the collective experience they have gained from managing projects in 46 countries to date and successfully provides services every location around the world with human resources of more than 20,000 and a machinery and equipment park of 3,700 items. Through the services it has delivered in various fields, ENKA has carried out 125 projects worth a total contract value of USD 7 billion in Turkey and 411 projects worth a total contract value of USD 42.8 billion around the world.

► www.enka.com/about-us/

ENKA has been listed in the Engineering News-Record (ENR) Best International Contractors list since 1981 and was ranked 92nd in the current list published in 2019¹.



ENGINEERING & CONSTRUCTION

60.6% OF REVENUE

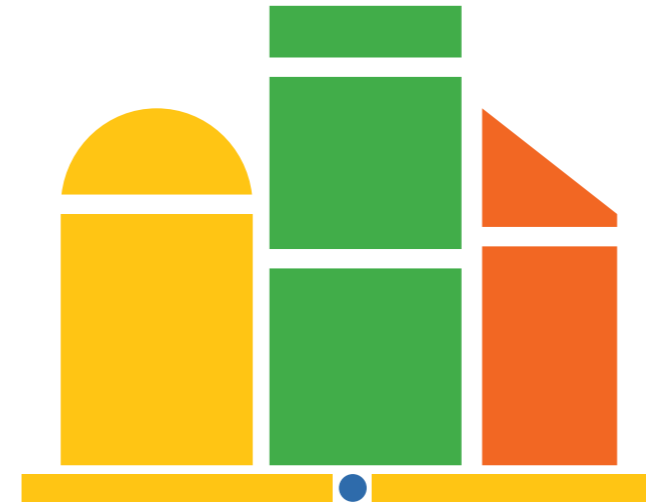
ENKA İNŞAAT
(TURKEY)
ÇİMTAŞ
(TURKEY)
KASKTAŞ
(TURKEY)



POWER GENERATION

17.1% OF REVENUE

GEBZE ELEKTRİK ÜRETİM LTD. ŞTİ.
(TURKEY)
ADAPAZARI ELEKTRİK ÜRETİM LTD. ŞTİ.
(TURKEY)
İZMİR ELEKTRİK ÜRETİM LTD. ŞTİ.
(TURKEY)



REAL ESTATE

18.3% OF REVENUE

MOSENKA
(RUSSIA)
MOSKVA KRASNYYE HOLMY
(RUSSIA)
ENKA TC
(RUSSIA)
CITY CENTER INVESTMENT B.V.
(RUSSIA)
ENKA INVEST
(RUSSIA) (RUSYA)



TRADE

6.3% OF REVENUE

ENKA PAZARLAMA İTHALAT İHRACAT A.Ş.
(TURKEY)
ENTAŞ NAKLİYAT VE TURİZM A.Ş.
(TURKEY)
AIRENKA HAVA TAŞIMACILIĞI A.Ş.
(TURKEY)
ENKA SYSTEMS YAZILIM A.Ş.
(TURKEY)

¹ ► www.enr.com/toplists/2019-Top-250-International-Contractors-1

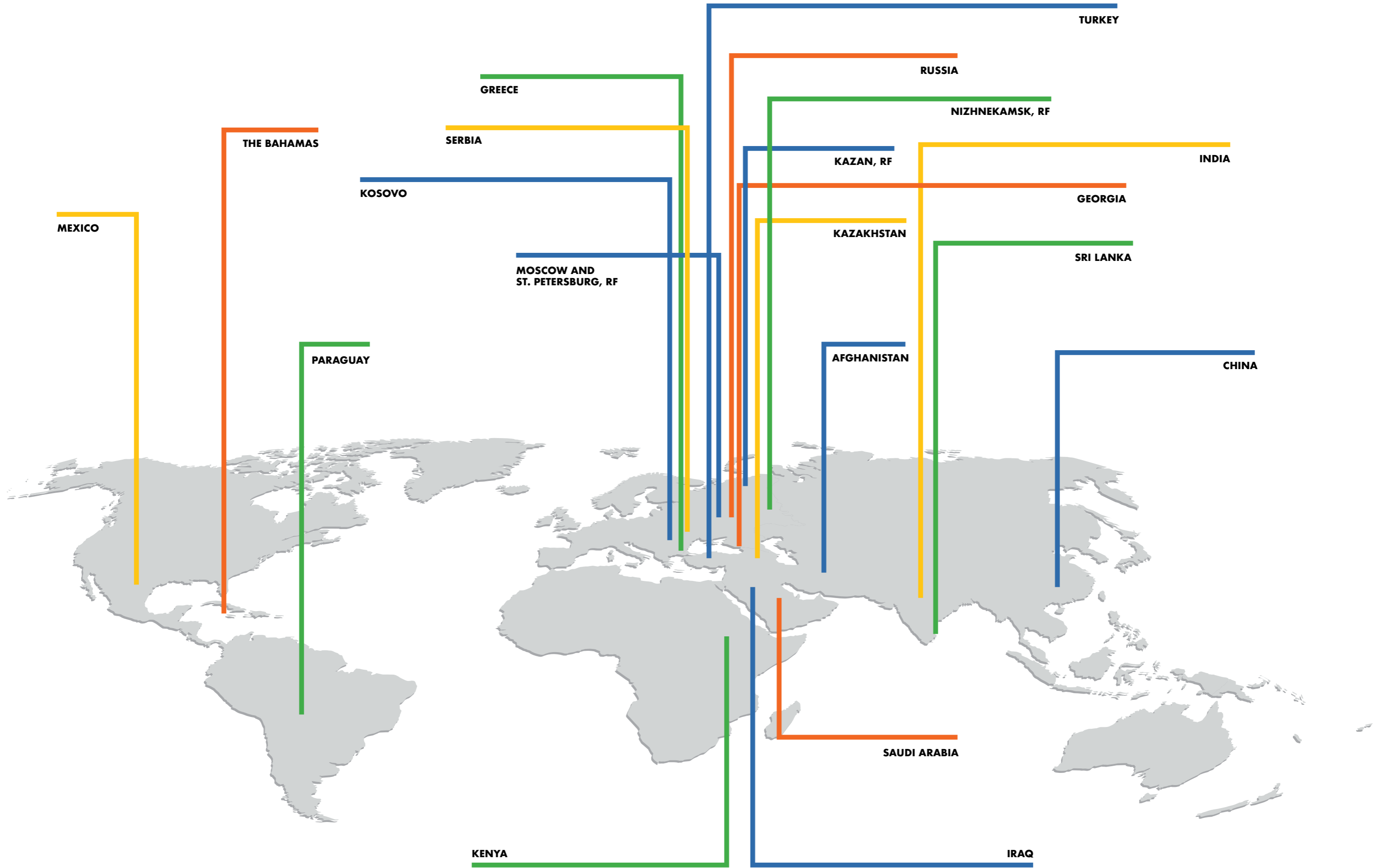
In 2019, ENKA continued to undertake the Basra Umm Qasr Port quay wall and marine works and Dhi Qar and Samawa combined cycle power plants in Iraq, the combined cycle power plant in Nizhnekamsk, Tatarstan/Russia, the TAIF Business Centre in Kazan, Russia, construction and mechanical works on oil field in Kazakhstan and the mechanical, electrical and instrumentation installation works for FGP, 3GP also in Kazakhstan. In addition, work continued on the construction of US embassy building projects in various locations in Asia, Europe, Africa and North and South America.

The South Caucasus Pipeline Expansion Project in Georgia and the Crude Shipment Capacity Project in Tengiz, Kazakhstan were completed. Design, procurement, fabrication, construction and commissioning of the West Qurna 1 Initial Oil Train Project in Iraq has been completed and the mechanical completion of the 3rd Generation Injection Plant (3GI) Project in Tengiz has been achieved. The works were completed according to the original contract of the Pristina – Hani Elezit Motorway project in Kosovo but the contract was extended until December 1, 2020 upon client's request with the construction of additional two intersections and one overpass.

In 2019, ENKA added to its current projects the construction of the 112 km Morava Corridor Motorway Project between Pojate to Preljina in Serbia, the construction of a 250 MW capacity natural gas combined cycle power plant in Kazan, Tatarstan, the initial phase of high-technological multifunctional medical complex in St. Petersburg, Russia and the construction of a produced water treatment facility in Iraq.

Çimtaş continued its manufacturing activities in Turkey and China. In the field of power generation, ENKA's Electricity Sales Contract with the Electricity Generation Company (EÜAŞ) for the sale of power generated at the Gebze, Adapazarı and İzmir natural gas combined cycle plants that are wholly owned by ENKA and are operated within the framework of the Build-Operate model with a total installed capacity of 4,100 MW, ended in 2019. Following that, power generation has been suspended until further notice at the Gebze and Adapazarı plants in February 2019 and at the İzmir plant in August 2019.





MISSION, VISION AND VALUES

OUR VISION

To be one of the best and innovative engineering and construction companies serving globally.

OUR MISSION

To design, build and deliver safe, high-quality and cost-effective construction projects on schedule for our customers while providing quality employment and career growth opportunities for ENKA employees.

OUR VALUES

Behind every activity and project undertaken by ENKA, there are its corporate values which determine the way of doing business, support the business culture and vision and are adopted by all ENKA employees. As part of sustainability management, the published values were reviewed by considering the views of employees about the current ENKA values through the surveys carried out during the Materiality Analysis and the values were updated. The updated values became official upon the approval of ENKA's senior management.

- ▮ **Trust:** An open relationship with our employees based on mutual trust, respect and success.
- ▮ **Commitment:** Uncompromising commitment to quality, health, safety and environment.
- ▮ **Solidarity:** Sharing success and standing together in the face of failure.
- ▮ **Inclusivity:** Involving stakeholders in our processes and decision-making mechanisms, not excluding any stakeholders on the grounds of discrimination or prejudice.
- ▮ **Integrity:** Acting in compliance with relevant laws, regulations and internationally accepted ethical values in all of our operations without exception.
- ▮ **Innovative Acumen:** Excellence, innovation and improvement are our priorities.
- ▮ **Stewardship:** Being aware of our responsibility throughout the management of all the stages of our activities and fulfilling the all requirements of this responsibility through the life span, including social, environmental and economic aspects.
- ▮ **Sustainability:** A corporate sustainability approach that imparts awareness of economic, environmental and social responsibilities towards internal and external stakeholders.
- ▮ **Transparency:** Adopting an explicit attitude regarding our decisions and activities that affect the environment, society and economy and ensuring honest and clear communication with stakeholders.

GOVERNANCE

IN FULL COMPLIANCE WITH ALL RELEVANT LAWS AND REGULATIONS, ENKA PURSUES ETHICAL, TRANSPARENT, FAIR AND ACCOUNTABLE GOVERNANCE IN ALL OF ITS ACTIVITIES. TO THIS END, ENKA STRUCTURES ITS CORPORATE MANAGEMENT MODEL IN ACCORDANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES OF THE CAPITAL MARKETS BOARD OF TURKEY.

Through its annual Corporate Governance Principles Compliance Reports, ENKA informs its stakeholders of its corporate governance practices which are based on inclusive stakeholder participation and effective regulation mechanisms.

As of December 31, 2019, 11.83% of ENKA İnşaat shares were in active circulation on Borsa İstanbul. The details of the shareholding structure are shown in the table below.

ENKA Shareholding Structure

NAME-SURNAME/ BUSINESS NAME OF THE PARTNER	SHARE OF CAPITAL (TL)	SHARE OF CAPITAL (%)
Tara Holding Anonim Şirketi	2,485,824,311	49.72
Vildan Gülçelik	399,280,300	7.99
Sevda Gülçelik	321,329,986	6.43
ENKA Spor Eğitim ve Sosyal Yardım Vakfı	293,419,074	5.87
Other	1,500,146,329	29.99
Total	5,000,000,000	100.00

For more information, please visit: www.enka.com/investor-relations/shareholding-structure/

BOARD OF DIRECTORS

The Board of Directors of ENKA İnşaat ve Sanayi A.Ş. is made up of a total of five members comprising two executive members and three non-executive members of whom two are independent members. According to the articles of incorporation, the Board of Directors is responsible for the administration and external representation of ENKA İnşaat ve Sanayi A.Ş. Members of the Board of Directors were approved to serve for a year by a resolution of the Ordinary General Assembly held on March 27, 2020. The members of the Board of Directors are listed in the ENKA Board of Directors' Annual Report*.

EXECUTIVE COMMITTEE

The duties of the Chairman of the Board and President and Chairman of the Executive Committee which head ENKA's executive organs, are undertaken by different individuals. There are no time limits to the period for which the Executive Committee of ENKA İnşaat ve Sanayi A.Ş. may serve. The members of the Executive Committee are listed in the ENKA Board of Directors' Annual Report.*

For more information, please visit:

► www.enka.com/about-us/leadership/

CORPORATE GOVERNANCE STRUCTURE AND COMMITTEES

There are three committees that serve under the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. In addition, there are four committees and a work group under the Executive Committee which are active at various stages. Information regarding these units of governance at ENKA İnşaat ve Sanayi A.Ş. which are responsible for making decisions on economic, environmental and social impacts is given below.

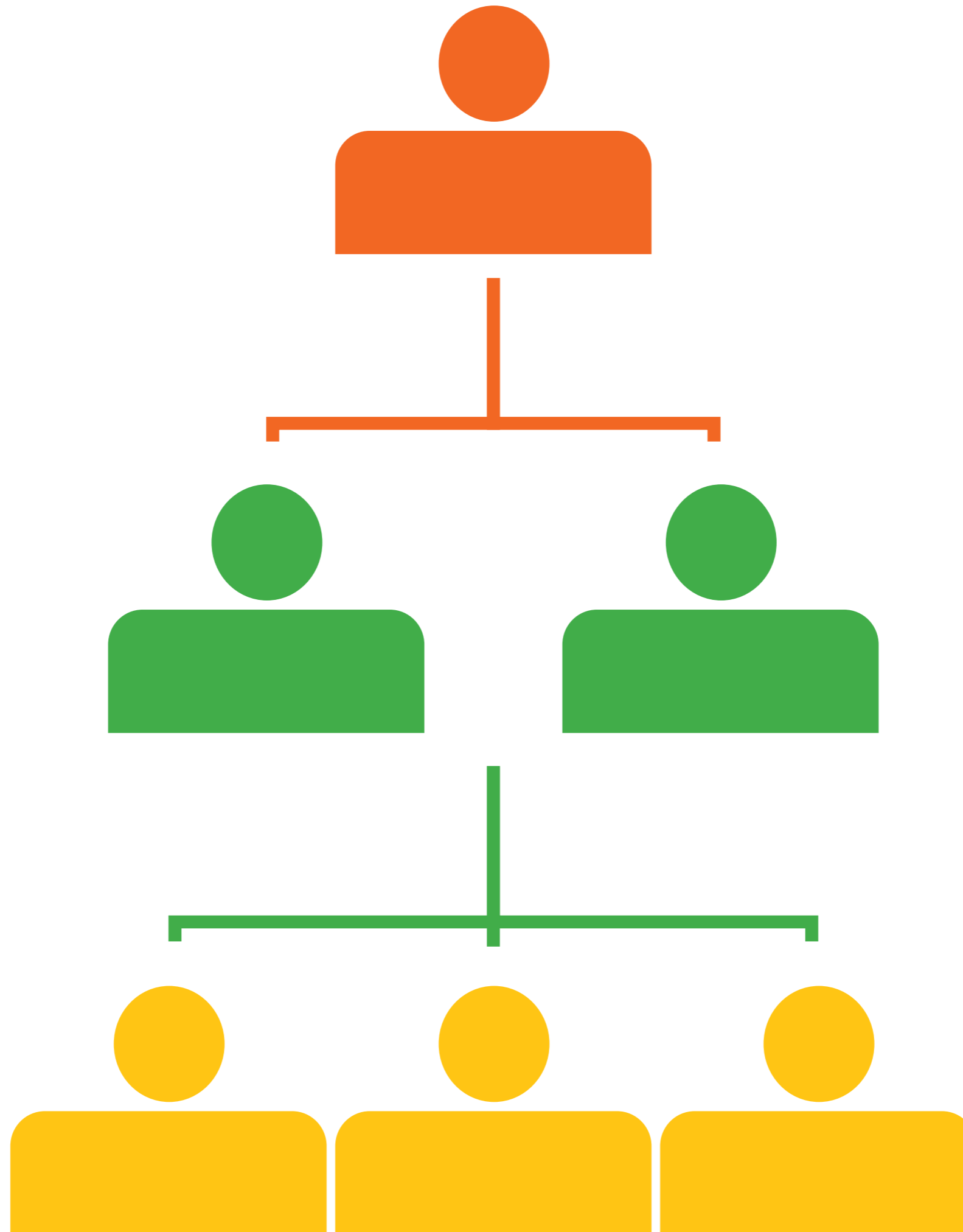
CORPORATE GOVERNANCE COMMITTEE

The purpose of the Corporate Governance Committee is to propose suggestions regarding the corporate governance of the company; to increase the quality of the corporate governance practices; to effectively monitor the regulations of the Capital Markets Board regarding corporate governance principles and any other corporate governance principles generally accepted on the international capital markets as well as to advise the Board of Directors on the implementation of any applicable ones thereof; to carry out necessary work for the nomination, assessment and training of suitable candidates for membership of the Board of Directors of the company, and for the determination of the principles of remuneration of the Members of the Board of Directors and top managers of the company and to propose suggestions to the Board on this issue.

EARLY IDENTIFICATION OF RISKS COMMITTEE

The purpose of the Committee that reports to the Board of Directors is the early identification of any potential risks that might jeopardise the existence, development and continuation of the company, the implementation of preventive actions concerning identified risks,

* ► www.enka.com/allfiles/pdf/ENKA_ ANNUAL_REPORT_31122019.pdf



undertaking work related to risk management and reviewing risk management systems in force. The committee convenes at least once every two months, at least six times a year and acts jointly with the Risk Management Work Group.

AUDIT COMMITTEE

The purpose of the Committee reporting to the Board of Directors is to ensure the due supervision of the independent audit of the accounting system and financial data of the company and the public disclosure of data, as well as the functioning and efficiency of the internal control system. The Audit Committee convenes at least once every 3 months and at least 4 times a year and reports the meeting results to the Board of Directors.

For more information about the duties and working principles of the committees for Corporate Governance, Early Identification of Risks and Audit, please visit:

► www.enka.com/allfiles/pdf/Duties-and-WorkingPrinciples-of-Committees-26-06-2014.pdf

EXECUTIVE ETHICS AND COMPLIANCE COMMITTEE

The Executive Ethics and Compliance Committee, which was formed under the Executive Committee to ensure that corporate values are supported by the ethics and compliance programme, to help the company to maintain an effective ethics and compliance programme, to identify the principles that serve as the basis of such a program and to constantly promote an organisational culture that demands ethical business conduct and compliance with the law.

For more information on the Executive Ethics and Compliance Committee, please visit:

► www.enka.com/sustainability/home/ethicscompliance/executive-ethics-compliance-committee/

RISK MANAGEMENT WORK GROUP

The Risk Management Work Group was established by the decision of ENKA's Early Identification of Risks Committee taken at its meeting on November 28, 2017 in order to ensure that corporate risks are identified, the means of risk reduction are specified, and that identified risks are assessed and reviewed.

For more information on the Risk Management Work Group, please visit:

► www.enka.com/sustainability/home/ethicscompliance/risk-management-work-group/

SUSTAINABILITY COMMITTEE

The Sustainability Committee is responsible for assessing economic, social and environmental risks and opportunities that may have an impact on ENKA's assets and trading activities, to monitor and analyse relevant sustainability issues, to identify the sustainability strategy and to undertake projects to realise goals. The Committee is led by the ENKA's President and Chairman of the Executive Committee and reports results obtained from all operations to ENKA's senior management.

THE OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

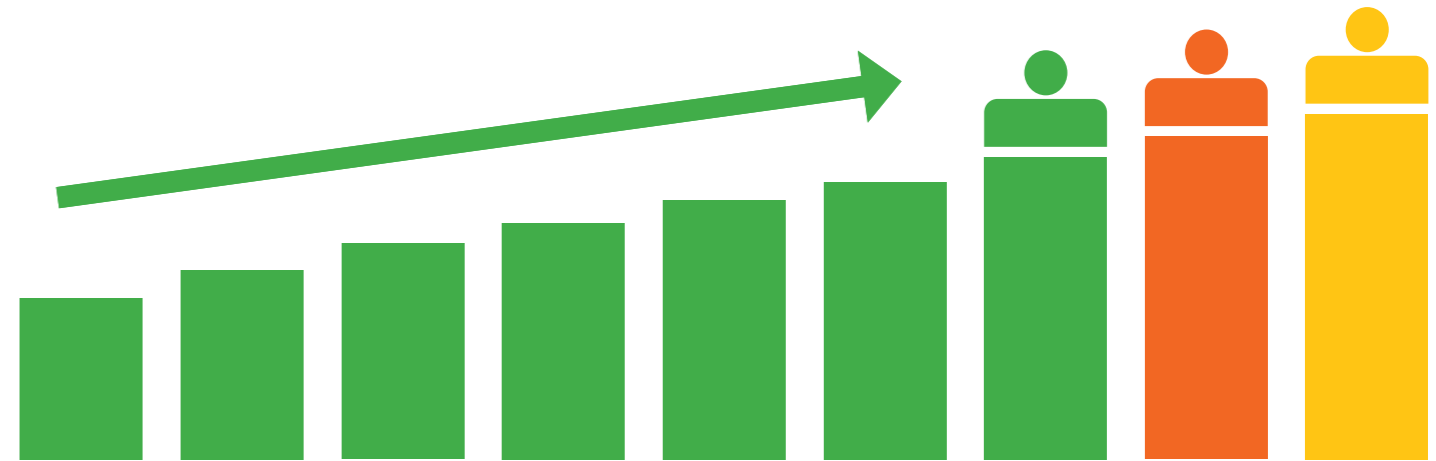
Occupational Health and Safety Committee for ENKA's Istanbul Headquarters was formed as per the stipulations of Law 6331 on Occupational Health and Safety to assess potential risks to occupational health and safety (OHS), identify precautions and report to the Executive Committee. The committee meets every three months and consists of employer representative, OHS experts, the workplace doctor/nurse, the human resources expert, the administrative affairs officer, employee representatives and experts in field relevant to agenda items.

INFORMATION SECURITY COMMITTEE

Among the main roles and responsibilities of the Information Security Committee, which is structured to report to ENKA's President and Chairman of the Executive Committee; to identify information security risks related to the unit it is affiliated with, to ensure and encourage the implementation of policies and procedures within its units and the implementation of necessary monitoring and measurement activities within the company and its own units in order to achieve corporate information security targets, to recommend improvements related with information security management system. Committee meetings are organised every six months by the Information Security Administrator and the necessary work is undertaken for assessing the performance and effectiveness of the system and its continuous improvement.

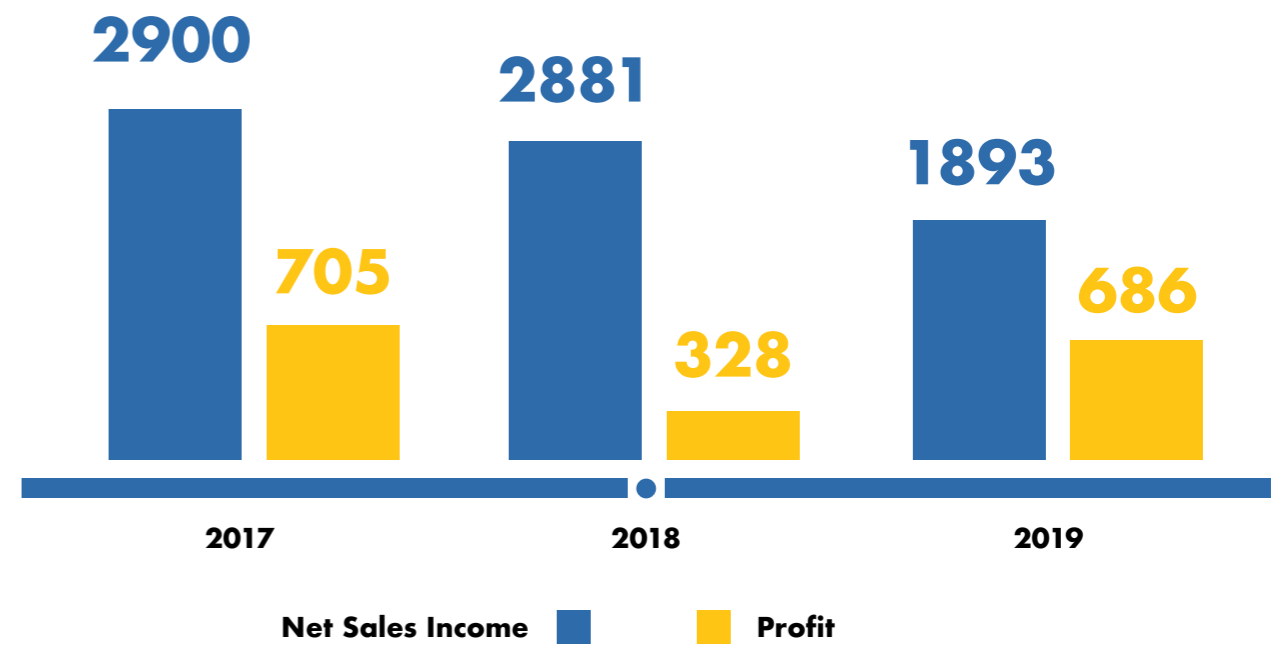


ECONOMIC PERFORMANCE



ENKA'S TOTAL ASSETS ARE VALUED AT USD 8.3 BILLION. IN 2019, THE COMPANY GENERATED USD 1.9 BILLION REVENUE FROM THE 4 MAIN SECTORS IN WHICH IT IS ACTIVE AND ACHIEVED PROFITS WORTH USD 686 MILLION FOR ITS SHAREHOLDERS. 60.6% OF THE REVENUE WAS GENERATED FROM ENGINEERING AND CONSTRUCTION, 18.3% FROM REAL ESTATE, 17.1% FROM ENERGY GENERATION, AND 6.3% FROM TRADE.² THE TOTAL REVENUE GENERATED FROM ENGINEERING AND CONSTRUCTION SECTOR WAS USD 1.15 BILLION, WHILE ENKA'S SHARE OF THE NEW PROJECTS RECEIVED IN 2019 WAS USD 1.1 BILLION.

ENKA regularly pays its shareholders dividends from profits every year and plans to pay dividends in cash worth USD 273 million from its 2019 activities. In addition to the cash dividend, shares worth USD 25 million have been bought back, thus a total of USD 298 million would be paid to ENKA's shareholders.



Values are in million US Dollars.

² As the percentage figures are pre-elimination of double-counting between business segments, their total exceeds 100%.

IMPORTANT DEVELOPMENTS IN 2019

TABLE OF FINANCIAL INDICATORS 2019

Net Sales Income		\$ 1,892,575,614
Liabilities		\$ 1,680,811,829
Own Resources		\$ 6,637,086,755
ECONOMIC VALUE DIRECTLY PRODUCED *		
Construction		\$ 1,147,416,381
Real Estate Rental		\$ 346,318,238
Trade		\$ 118,508,222
Energy		\$ 324,255,905
TOTAL		\$ 1,892,575,614
ECONOMIC VALUE DISTRIBUTED		
Sales, Distribution and Marketing Costs		\$ 23,827,544
General Administrative Expenses		\$ 108,082,488
BENEFITS TO EMPLOYEES		
Salaries		\$ 196,858,000
Social Security Expenditures		\$ 28,734,000
Other Benefits		\$ 4,902,000
TOTAL		\$ 230,494,000
TOTAL TAX EXPENDITURES		\$ 89,968,190
TAX REDUCTIONS		
Income Tax		TL 5,221,778
Social Security Premiums		TL 1,161,260
Corporation Tax		TL 17,674,683
TOTAL		TL 24,057,721
PAYMENTS TO CAPITAL OWNERS		
To Holders of Ordinary Shares		TL 1,431,130,000
To Holders of Preference Shares		TL 34,184,000
TOTAL		TL 1,465,314,000

* Figures for business segments are pre-elimination of double-counting between segments.



ENKA İNŞAAT

ENKA was ranked among the 50 strongest and most valuable brands of Turkey according to the 2019 report of the Brand Finance, international brand valuation consultancy.

A Build-Operate Agreement was signed with the Government of Georgia on April 25, 2019 within the scope of the development, construction, ownership and operation of the Namakhvani Cascade HEPP Project in Georgia, where 90% of it is owned by ENKA. The project consists of two separate hydroelectric power plants to be built on the River Rioni in Georgia, namely the Namakhvani HEPP (333 MW) and the Tvishi HEPP (100 MW) and a total investment of USD 750 million is projected.

ENKA and its joint venture partner Bechtel have completed the construction of the Kosovo Motorway Route 6 Project, a 65 km four-lane motorway which stretches from Kosovo's capital, Pristina, to Northern Macedonia. The new route is now open to traffic, reducing travel time by half to 45 minutes. It constitutes an important part of Kosovo's national road network and it is expected to strengthen Kosovo's trade and relations with its neighbours and Western Europe.

For the 3rd consecutive year, ENKA confirmed its status as a company with the best Safety Management System and received the mark of "Successful Safety Management" from the Russian Maritime Register of Shipping (RMRS) in St. Petersburg, Russia. ENKA remains to be the only company in Kazakhstan to receive a mark of distinction.



ENVIRONMENTAL AND SOCIAL DEVELOPMENTS

The scores for the Carbon Disclosure Project (CDP), to which ENKA reported for the first time in 2018 in the Climate Change and Water Security categories, were announced in January 2019 and ENKA received a score of "B-".

ENKA became a member of the Private Sector Volunteers Association (ÖSGD), which aims to increase the awareness of member companies and their employees about social problems, to develop the competencies of employees and to contribute to the work/ private life balance.

ENKA supported the National Afforestation Day event organised by Ardahan Municipality and contributed to the transformation of this dry area into a green land that local community may benefit, by planting 400 spruce trees in

The Third Generation Injection (3GI) Plant Project in Tengiz, Kazakhstan which has its contract signed on May 5, 2017 and started to be constructed in Tengiz, was successfully completed on April 30, 2019 without any lost time incident. The project achieved a total of 5,422,204 person-hours without a single lost time incident.

Following evaluations of its environmental, social and governance practices, ENKA once again retained its place in the FTSE4Good Index of the London-based Financial Times Stock Exchange.

According to the assessment completed by Borsa İstanbul in October 2019, ENKA has been entitled to be included in the BIST Sustainability Index that lists companies with high environmental, social and governance performance, with its corporate sustainability performance.

ENKA, together with its joint venture partner Bechtel, have been selected by the Government of Republic of Serbia to undertake the design and construction works for the 112 km Morava Corridor Motorway Project which will connect central Serbia with Pan-European Corridors 10 and 11. The construction of the motorway will commence in early 2020 and each individual section of the motorway will be completed within 2.5 years with the total construction time of four years.

the area between the Kura River and the Walls of Ardahan Castle.

The Earth Hour which has been organised by the World Wildlife Fund for Nature (WWF) every year since 2007 in order to draw attention to global environmental issues and which is considered to be the world's largest environmental movement, was held on April 6th in Turkey this year. In addition to ENKA İnşaat, its subsidiaries ENKA Power, Çimtaş Group companies and ENKA Pazarlama participated "Earth Hour 2019" event by turning off the lights for one hour between 20:30 and 21:30. Besides, ENKA TC, MKH, OMKH, MOSENKA and CCI in Russia and Cintas Ningbo in China participated this event which was carried out on March 30th worldwide.



ENKA GROUP COMPANIES

■ Çimtaş Precision Machining renewed the National Aerospace and Defence Contractors Accreditation Program (NADCAP) certification in February 2019 for its shot peening process. Second audit of shot peening special process was completed with zero nonconformities, just as in the 2019 audit.

■ Çimtaş Steel, a subsidiary of ENKA, was awarded its first off-shore component fabrication work, the Solitaire New Stinger Section project, by All Seas, a Dutch off-shore company, at the beginning of 2018 and started the project at the beginning of 2019. Within the scope of this project, the Stinger component which Çimtaş is responsible to manufacture will be used for installing marine pipelines of record weight for the purposes of the large oil and gas platforms in the Baltic Sea.

■ Cimtas Ningbo was awarded "Leadership in Energy and Environmental Design" certificate in "Gold" category (LEED Gold) by Bureau Veritas for the environment-friendly practices at its new manufacturing plant investment.

■ The Longitudinal Submerged Arc Welding (LSAW) Steel Pipe Unit of Cimtas Pipe received a "five-star" rating for the excellence of its occupational health and safety practices, following a comprehensive audit conducted by the British Safety Council, one of the world's leading occupational health, safety and environment organisations.

■ In mid-2019, Cimtas Pipe completed 10 million working hours (4.5 years) without a single work accident. As of the end of the year, it continues its operations with zero accidents.



ENVIRONMENTAL AND SOCIAL DEVELOPMENTS

■ As a part of sustainability practices, "Rainwater recycling project" was completed by ENKA TC. With the project launched at the end of 2019; rainwater was collected in a storage tank placed on the roof of Sevastopolsky Shopping Mall has been used in various areas within the shopping centre to save clean water resources.

■ At the beginning of 2019, ENKA real estate companies; City Center Investment B.V. and ENKA TC started a waste separation project that includes their head office and common areas and they placed waste separation boxes in these areas for recycling purposes.

■ ENKA TC started to install recharging stations in the car parks of its shopping malls in Moscow where visitors can charge their electric cars free of charge.

■ ENKA Schools Kocaeli completed the design works of the "Rainwater Recovery System" project which the school has initiated in the context of ENKA's sustainability goals in order to store rainwater and use the stored rainwater for watering the school garden.

■ With the support of the ENKA Sustainability Department, FIRST LEGO League team students from ENKA Schools İstanbul completed the design phase of their project that makes use of solar power to charge rechargeable batteries and other rechargeable items and they developed a prototype in order to encourage the use of renewable energy and reduce battery waste.

■ Work began in 2019 on a renewable energy project at ENKA Schools Kocaeli, planned in accordance with ENKA's sustainability goals. The project was initially designed by students from the school and it envisages the installation of solar panels on the roof of the school canteen so that the school can meet a significant part of its energy needs from solar energy.



AWARDS RECEIVED IN 2019



ENKA İNŞAAT

For the last 11 consecutive years, ENKA once again placed first in Turkey in the Construction - International Contracting Sector category in the survey of "The Business World's Most Admired Companies" conducted by the business and economy magazine Capital. A total of 1,400 executives representing over 600 companies from a wide range of sectors took part in the survey, which the magazine has been conducting for the past 19 years.

ENKA won the Engineering News-Record (ENR) Global Best Project Award for 2019 in the Retail/Mixed-Use Development category with its Kashirskaya Plaza Shopping and Entertainment Centre project in Moscow, Russia. The ENR awards are given for safe and innovative solutions to project design and construction challenges, international teamwork, contributions to the sector and the local community and the quality of the engineering and construction works.

The West Qurna 1 Initial Oil Train (IOT) project which has been completed in Basra, Iraq, was found worthy of "Distinction" prize in the "International Safety Awards 2019" competition organised by British Safety Council.

ENKA SAILING

ENKA Sailing Team won the İstanbul Sailing Club (IYK) trophy for the 6th time in a row. The trophy consists of six races and ENKA Sailing Team became the champion in IRC-0 division which is considered as the most prestigious yacht race category.

ENKA Sailing Team regained the VELA Cup by winning the Bahçeşehir University Spring trophy, which was held for the third time in 2019 with four legs and a total of nine races.

In the 20th Göcek Spring Race Week, ENKA Sailing Team came first in five of the six races in its group and won more races than any other team.

ENKA TC

Kashirskaya Plaza Shopping and Entertainment Centre project received the "Best Multifunctional Centre" award in the "Best Realised Project in the Field of Construction" competition organised by Moscow Municipality.

Kashirskaya Plaza was named the "Best Large Shopping Centre" at the 2019 Commercial Real Estate Moscow Awards ceremony.

ENKA OMKH

Luxury Contemporary Hotel (World Luxury Hotel Awards)

Europe's Leading Luxury Business Hotel (World Travel Awards)

Russia's Leading Luxury Business Hotel (World Travel Awards)

Top 250 Best Top Managers in Russia

Top 1000 Best Russian Managers (Commercial Directors Section)

World's Leading Hotel Rooftop Restaurant & Bar 2019 – City Space (World Travel Awards)

ÇİMTAŞ

"Respect for Human Award" was granted to Çimtaş Group for the 15th time for successfully fulfilling the required criteria for the award, which was held for the 18th time by Kariyer.net.

Cimtaş Ningbo has been awarded with the highly prestigious "Excellence in Performance Award" by Mitsubishi Hitachi Power Systems Americas (MHPSA) for its outstanding performance in 2019.

Cimtaş Pipe was selected "Top Supplier" in 2019 due to its excellent performance on Bechtel's global oil, gas and petrochemicals projects.

