

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.

