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ENKA İNŞAAT VE SANAYİ A.Ş. ANNUAL REPORT 2022

ENGINEERING & CONSTRUCTION

POWER GENERATION

REAL ESTATE

TRADE





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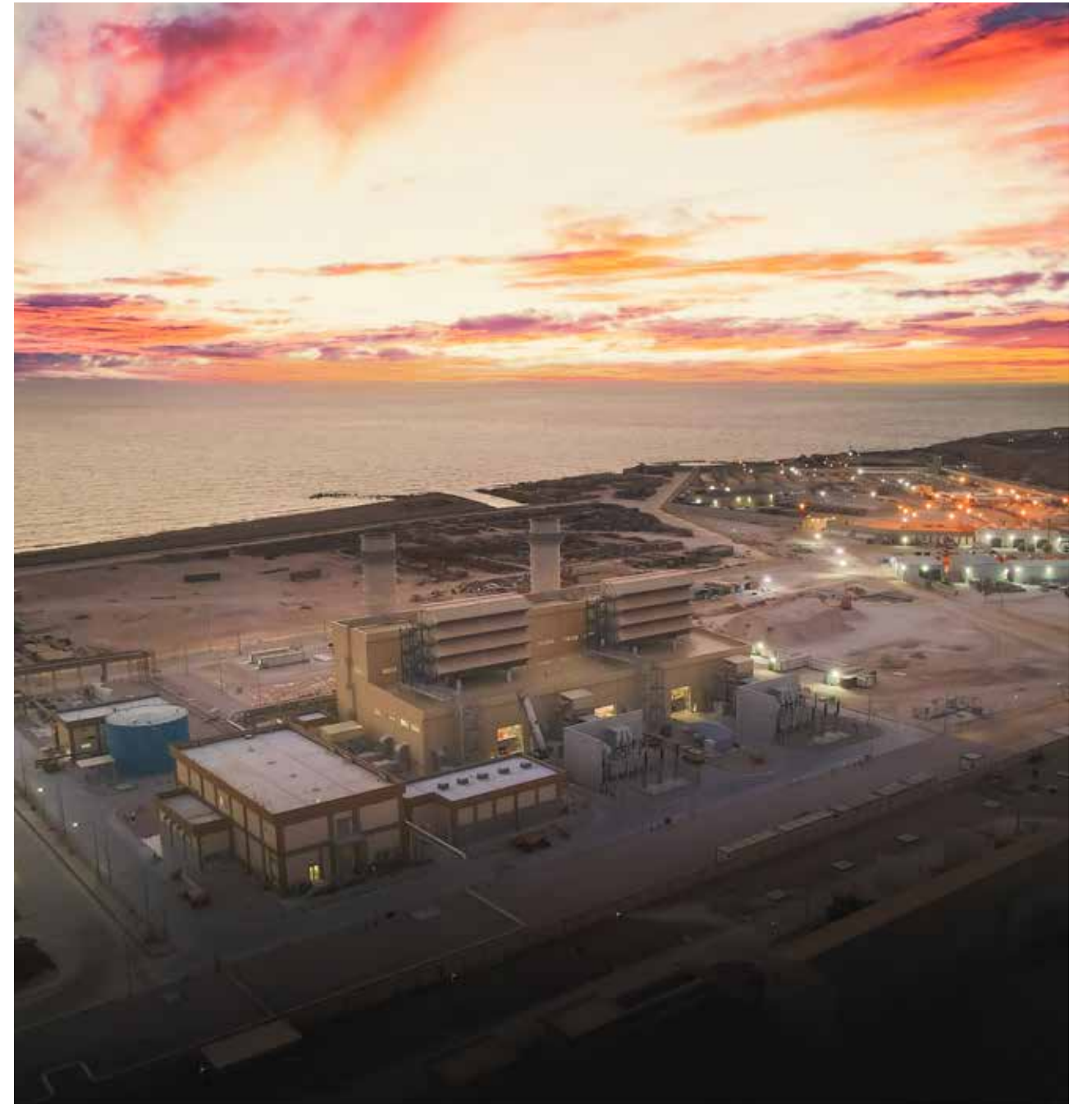
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The Nassau Cruise Port, Prince George Wharf - the Bahamas

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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR’S REPORT ON THE BOARD OF DIRECTORS’ ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Enka İnşaat ve Sanayi Anonim Şirketi,

Opinion

We have audited the annual report of Enka İnşaat ve Sanayi Anonim Şirketi (the “Company”), its subsidiaries and joint operations (collectively referred to as “the Group”), for the period between 1 January 2022 and 31 December 2022, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by the Capital Markets Board of Turkey and Standards on Auditing which is a component of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Annual Report section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (POA’s Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor’s Opinion on Complete Set of Consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2022 and 31 December 2022 on 3 March 2023.



Board of Directors’ Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 (“TCC”) and Communiqué on the Principles of Financial Reporting in Capital Markets numbered II – 14.1 (the “Communiqué”), the Group’s management is responsible for the following regarding the annual report:

a) The Group’s management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.

b) The Group’s management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group’s consolidated financial statements. The annual report shall also clearly indicates the details about the Group’s development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.

c) The annual report also includes the matters below:

- Significant events occurred in the Group after the reporting period,
- The Group’s research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor’s Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and the Communiqué and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the audited consolidated financial statements of the Group and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with the standards on auditing issued by the Capital Markets Board of Turkey and Standards on Auditing issued by POA. These standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

Additional paragraph for convenience translation to English

The complete set of consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”) issued 3 March 2023 is incorporated by reference in the Annual Report presented in English whereas it is attached to the Annual Report presented in Turkish. In addition to the Annual Report presented in Turkish, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued 22 March 2023 is attached to the Annual Report presented in English.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Atılğan, SMMM
Partner

22 March 2023
İstanbul, Türkiye



Yandex Headquarters - Russian Federation



ENKA İNŞAAT VE SANAYİ A.Ş.
THE BOARD OF DIRECTORS' ANNUAL REPORT

Reporting Period	01.01.2022 - 31.12.2022
Registered Company Name	ENKA İnşaat ve Sanayi A.Ş.
Registration or Incorporation	1957
Registered Country	İstanbul / Türkiye
Chamber of Commerce Registration Number	68194
Paid-in Capital	6,000,000,000 TL (Turkish Lira) 2,751,958,581 US Dollars (equivalent)
BS EN ISO 9001	2015 Registered
Certificate No	FS 57544
BS EN ISO 14001	2015 Registered
Certificate No	EMS 71388
BS EN ISO 45001	2018 Registered
Certificate No	OHS 71389
BS IEC 27001	2013 Registered
Certificate No	OHS 715596
ASME A	2019 Registered
Certificate No	45151
ASME U	2019 Registered
Certificate No	45152
ASME U2	2019 Registered
Certificate No	45153
ASME S	2019 Registered
Certificate No	45154
NB	2019 Registered
R Stamp	2019 Registered
Corporate Governance Rating	9,28 (November 2022 - SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.)
Head Office Address	Balmumcu Mah., Zincirlikuyu Yolu, No: 10, 34349 Beşiktaş / İstanbul
Phone	+90 (212) 376 10 00 (pbx)
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Official Website	www.enka.com
E-mail	enka@enka.com

COMPANIES

Engineering & Construction

ENKA İnşaat ve Sanayi A.Ş.

Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.

Cimtas Boru İmalatları ve Ticaret Ltd. Şti.

Cimtas Ningbo Modular Skids & Pipe Spools

Çimtaş Hassas İşleme Sanayi ve Ticaret Ltd. Şti.

Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.

Kasktaş Kayar Kalıp Altyapı Sondaj Kazık ve Tecrit A.Ş.

ENKA UK Construction Ltd.

ENKA Holding B.V.

ENKA Construction and Development B.V.

ENKA Power Systems B.V.

Bechtel ENKA UK Limited

Entrade GmbH

Capital City Investment B.V.

ENKA Construction S.A.

Power Generation

Gebze Elektrik Üretim Ltd. Şti.

Adapazarı Elektrik Üretim Ltd. Şti.

İzmir Elektrik Üretim Ltd. Şti.

Real Estate

ENKA TC

City Center Investment B.V.

LLC MosENKA

Moskva Krasnye Holmy

ENKA Invest

ENKAMOS Region B.V.

LLC ENKA Flex Office

ENKA Holding Investment S.A.

Trade

ENKA Pazarlama İhracat İthalat A.Ş.

ENTAS Nakliyat ve Turizm A.Ş.

AirENKA Hava Taşımacılığı A.Ş.

THE GENERAL ASSEMBLY MEETING

Date: 28 March 2023

Time: 14:00

Venue: Balmumcu Mahallesi, Zincirlikuyu Yolu, No:6

ENKA Konferans Salonu

Beşiktaş/İSTANBUL

AGENDA

1. Election of the General Assembly Presidential Board and authorization of the Presidential Board for signing the Minutes of the General Assembly Meeting,
2. Reading and discussing the Annual Report of the Board of Directors and the Financial Statements for the fiscal year 2022,
3. Reading and discussing the Report of Independent Auditors,
4. Regarding the regulations of Capital Markets Board, informing the shareholders about the donations made within the fiscal year 2022 under the framework of Company's current Donation and Aid Policy,
5. Approval of Balance Sheet and Income Statement Accounts of 2022,
6. Acquittal and release of the Board Members due to the Company's activities for the fiscal year 2022,
7. Election of the Board Members,
8. Regarding the regulations of Capital Markets Board, determining the attendance fee for the Board Members as 70.000 Turkish Liras per month according to the principles set in the Remuneration Policy Applicable to the Board Members and Administratively Responsible Managers,
9. Approval of the selection of the Independent Auditors recommended as KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. by the Board of Directors,
10. Regarding the regulations of Capital Markets Board, making decision on distribution of the Balance Sheet profit of 2022 according to the current Profit Distribution Policy of the Company,
11. Informing the shareholders that there are no guarantees, pledges, mortgages and encumbrances given to the benefit of third parties regarding the regulations of Capital Markets Board,
12. Approving the Authorization of the Board of Directors for deciding the distribution of the Advance Dividend for the fiscal year 2023 in accordance with the Article No.37 of the Articles of Association and within the scope of Capital Markets Board's Communiqué No.II-19.1 dated January 23, 2014 for advance dividends,
13. Discussion and approval of set off of the Advance Dividends to be distributed so, from any distributable resources as given in the annual financial situation statement for the fiscal year 2023, if no sufficient profits are realized or even losses are suffered at the end of the fiscal year 2023,
14. Authorization of the Board Members to engage in businesses mentioned in Articles 395 and 396 of the Turkish Code of Commerce and in compliance with the Corporate Governance Principles, informing the General Assembly on any businesses engaged in and performed by the same within such framework during the fiscal year 2022,
15. Requests and recommendations.

1915 Çanakkale Bridge - Türkiye



2022

BOARD OF DIRECTORS



A. Mehmet TARA
Chairman of the Board
(Executive Member)



Cem ÇELİKER
Vice Chairman of the Board
(Executive Member)



Erdoğan TURGUT
Member of the Board
(Non-Executive Member)



Mehmet Mete BAŞOL
Member of the Board
(Non-Executive & Independent Member)



Fatih Osman TAR
Member of the Board
(Non-Executive & Independent Member)

Chairman's Message

Dear Shareholders,

On behalf of the Board of Directors of ENKA İnşaat ve Sanayi A.Ş., we welcome you to the Annual Ordinary General Assembly Meeting and extend our deepest regards.

First of all, I would like to express my condolences to our citizens who lost their lives in the large-scale earthquake that occurred in the southeast of our country on February 6, 2023 and spread over a very wide geography. In this disaster, which affected the whole society deeply and affected 13.5 million people directly and the rest of the country indirectly, our group's projects, companies, foundation and schools have been and continue to be involved in widespread aid activities from the first moment. Thanks to the equipment sent, some earthquake victims were pulled out of the rubble, and food, beverages, shelter, hygiene and other necessities of the survivors of the disaster were sent to the relevant regions.

This disaster has once again shown us the important role that engineering and construction techniques, quality and public education play in increasing or decreasing the impact of such disasters. Since the very first day of its establishment, ENKA has fulfilled the requirements of engineering specifications and building codes to the letter, based on the experience it has gained in many different geographies. The most important achievement will be for all stakeholders to draw the necessary lessons from this disaster and work towards mitigating the consequences of future disasters with a spirit of mobilization.

As at the end of 2022, in USD terms, ENKA's shareholders' equity amounted to 6.47 billion, net cash position to 4.4 billion, consolidated turnover to 3.73 billion and consolidated profit to 118 million.

As in previous years, ENKA focuses on engineering and construction, power generation, real estate investment and management, and trade.

The turnover of the engineering and construction sector amounted to USD 1.93 billion. With the contribution of our group companies, ENKA's share of new business in 2022 is USD 2.27 billion.

In the field of power generation, ENKA is Türkiye's largest private sector electricity producer with its

wholly-owned Gebze, Adapazarı and İzmir natural gas combined cycle power plants with a total capacity of 4100 MW, which are operated under the Build-Operate model and have the capacity to meet approximately 10% of Türkiye's annual electricity demand. Following the termination of the Electricity Sales Contract with EÜAŞ, production at the Adapazarı and Gebze plants stopped in February 2019 and at the İzmir plant in August 2019. Production resumed at these plants in mid-2021, generating revenues of USD 1.3 billion in 2022. In the energy segment, we have started construction of a new natural gas combined cycle power plant investment in Kırklareli. The plant will have a capacity of 890 MW and is planned to be completed in 2025.

In the real estate sector, where we generated USD 334 million in revenues in 2022, we continue to invest in and manage Class A office buildings and shopping centers through our companies established in Russia. As of year-end, this business line includes approximately 390 thousand square meters of Class A net leasable office space, a hotel and shopping malls with approximately 365 thousand square meters of leasable space, all but one of which are located in Moscow.

In the field of trading activities, ENKA Pazarlama, which represents the world's trusted brands in sales and after-sales services in construction machinery, lifting equipment and industrial products and which is the market leader in its sector, achieved a turnover of USD 241 million in 2022.

Our first priority has always been the health and safety of our employees in all of our projects and in all geographies

where we operate. With the world-class Occupational Health, Safety and Environment (HSE) management systems we have implemented, our accident frequency rates were realized beyond the sector targets in 2022. Considering that close to 60,000,000 person-hours of work was carried out in our construction activities in 2022, the level of achievements realized by our group and the importance our company attaches to Occupational Health, Safety and Environment can be seen more clearly. In 2022, in addition to the geographies in which our current projects are located, our company quickly adapted to the Occupational Health, Safety and Environmental requirements of our newly started projects in Europe and continued to work in accordance with the HSE Standards of the country, our employers and ENKA İnşaat.

ENKA's holistic sustainability management has become stronger and more inclusive with its updated sustainability strategy and goals. Thanks to this determined and systematic sustainability management and performance, ENKA continues to maintain its place in the most prestigious sustainability and ESG indices of the world and Türkiye.

At ENKA, the most important factor in our success is our ability to carry out our work on time and in line with high quality standards. As in the past, we continue to operate in the sectors we focus on, without compromising our criteria, while maintaining our profit margins.

Dear shareholders, we wish you health, success and happiness in the New Year.

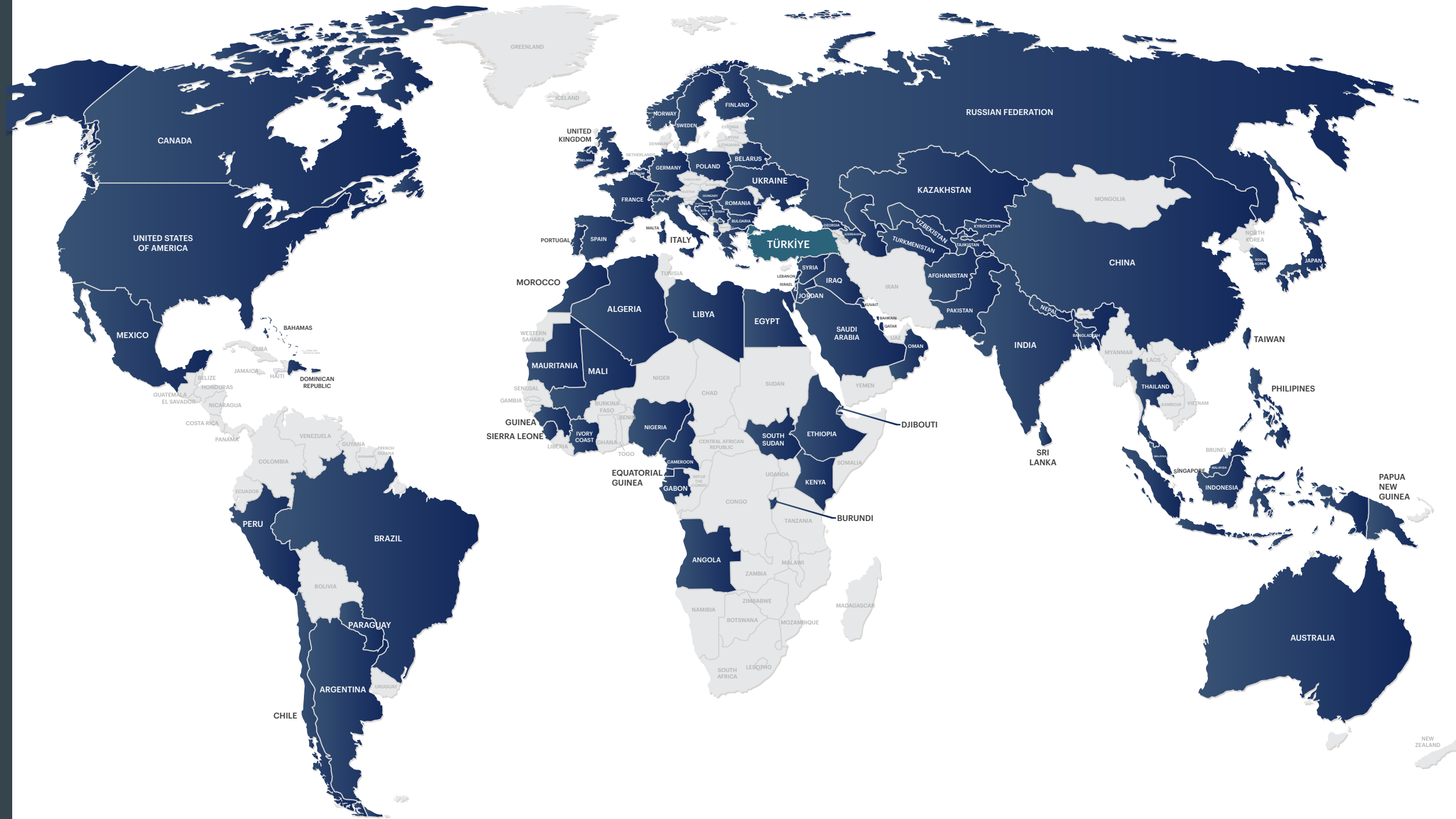
A. Mehmet Tara

Chairman of the Board of Directors

February 27, 2023



OUR OPERATIONS



GROUP COMPANIES

1. Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.,
Gemlik, Türkiye
2. Cimtas Boru İmalatları ve Ticaret Ltd. Şti.,
Gemlik, Türkiye
3. Cimtas Ningbo Modular Skids & Pipe Spools,
Ningbo, China
4. Çimtaş Hassas İşleme Sanayi ve Ticaret Ltd.
Şti., Gemlik, Türkiye
5. Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.,
Kocaeli, Türkiye
6. Kasktaş Kayar Kalıp Altyapı Sondaj Kazık ve
Tecrit A.Ş., Türkiye

POWER GENERATION

7. Adapazarı Elektrik Üretim Ltd. Şti., Adapazarı, Türkiye
8. Gebze Elektrik Üretim Ltd. Şti., Adapazarı, Türkiye
9. İzmir Elektrik Üretim Ltd. Şti., İzmir, Türkiye

REAL ESTATE

10. ENKA TC, Moscow, Russian Federation
11. City Center Investment B.V., Moscow, Russian Federation
12. ENKA Invest, Moscow, Russian Federation
13. MosENKA, Moscow, Russian Federation
14. Moskva - Krasnye Holmy, Moscow, Russian Federation
15. Otel Moskva - Krasnye Holmy, Swissotel Krasnye, Moscow, Russian Federation
16. LLC ENKA Flex Office, Moscow, Russian Federation

TRADE

17. ENKA Pazarlama İhracat İthalat A.Ş., İstanbul, Türkiye
18. ENTAŞ Nakliyat ve Turizm A.Ş., İstanbul, Türkiye
19. AirENKA Hava Taşımacılığı A.Ş., İstanbul, Türkiye

SOCIAL ACTIVITIES

20. ENKA Foundation, İstanbul, Türkiye
21. ENKA Sports Club, İstanbul, Türkiye
22. ENKA İstanbul Schools, Türkiye
23. ENKA Adapazarı Schools, Türkiye
24. Private ENKA Science and Technology High School - Kocaeli, Türkiye
25. Private ENKA Vocational and Technical Anatolian High School - Kocaeli, Türkiye
26. ENKA Sanat, İstanbul, Türkiye

Misurata 650 MW Simple Cycle Power Plant - Libya



ENGINEERING & CONSTRUCTION

OIL, GAS & PETROCHEMICAL PROJECTS

Tengiz Base Operations and Maintenance Works	Kazakhstan
Third Generation Project (3GP) Mechanical, Electrical and Instrumentation Installation Works	Kazakhstan
West Qurna 1 (WQ1) Produced Water 2 Facility (PW2) Project	Iraq

POWER PLANTS PROJECTS

Hinkley Point C (HPC) Nuclear Power Plant Turbine Island HP & IP/LP Piping Prefabrication and Erection Works	United Kingdom
Dradenau Combined Heat and Power Plant	Germany
Misurata 650 MW Simple Cycle Power Plant	Libya
Tripoli West 671 MW Simple Cycle Power Plant	Libya
Nizhnekamsk 495 MW Combined Cycle Power Plant	Russian Federation
Kazan 250 MW Combined Cycle Power Plant	Russian Federation

INFRASTRUCTURE PROJECTS

Morava Corridor Motorway	Serbia
Nassau Cruise Port Project at Prince George Wharf	Bahamas

BUILDING WORKS PROJECTS

Shotton Paper Mill	United Kingdom
Yandex Headquarters	Russian Federation
High Technological Multifunctional Medical Complex	Russian Federation
Krasnoyarsk Sports and Recreation Complex	Russian Federation
Special Projects	Various Countries

OIL, GAS & PETROCHEMICAL PROJECTS

Tengiz Base Operations and Maintenance Works	Kazakhstan
Third Generation Project (3GP) Mechanical, Electrical and Instrumentation Installation Works	Kazakhstan
West Qurna 1 (WQ1) Produced Water 2 Facility (PW2)	Iraq



West Qurna 1 (WQ1) Produced Water 2 Facility (PW2) - Iraq



Tengiz - Kazakhstan

Tengiz Base Operations and Maintenance Works

Since the beginning of 2001, the ENKA-Bechtel joint venture, in which ENKA has a 50% stake, had been awarded contracts for the project with a total contract value of USD 672 million.

Within the contract scope of engineering, procurement and construction works required for the maintenance and repair works of the oil and gas production facilities of the client; piling, foundation and infrastructure works, pipe spool and precast fabrication works, structural steel erection works, piping/pipeline works, mechanical, electrical and instrumentation works are being carried out.

The works carried out under the project in 2022 include the following:

- › The Second Generation Plant (SGP) Low-Pressure (LP) Flare Header Upgrade Post-Turnaround (TA) and demoliton construction works were completed.
- › The tie-in scope of the MS-55 Extension Project was completed. The main scope is in progress and expected to be completed by April 2023.
- › The civil works of the T-7250 well and the installation of the pipeline connecting this well to the MS-26 area were completed.
- › The completion rate of the 51G Upgrade Project stands at 80%.
- › Priority-1 scope of the SGP DHC Lateral Lines Upgrade Project was completed. Priority-2 scope is ongoing and expected to be completed by October 2023.

By of the end of 2022, the completion rate of the project was 75% (only for ongoing projects). The project is expected to be completed in December 2023. As of December 2022, the number of employees working on the project was 150.



Location
Tengiz, Kazakhstan

Client
Tengizchevroil (TCO)*

Project Duration
February 2001 – December 2023

Contract Type
Lump sum + Unit Rate + Reimbursable

Contract Value
USD 672 Million

*(a Joint Venture between Chevron, ExxonMobil, LukArco and KazMunayGas)



Location
Tengiz, Kazakhstan

Client
Tengizchevroil (TCO)*

Project Duration
May 2018 - December 2023

Contract Type
Lump sum + Unit Rate + Reimbursable



Third Generation Project (3GP)

Mechanical, Electrical and Instrumentation Installation Works

Senimdi Kurylys LLP, an equal joint venture between ENKA and Bechtel, was awarded the contract for the mechanical, electrical and instrumentation installation works for the Third Generation Project (3GP) in May 2018.

The 3GP is part of TCO’s Future Growth Project (FGP) which is an integrated project being developed primarily to increase the production capacity of the Tengiz Oil Field by an additional 12 million tons per year (260,000 barrels per day) and its gas production capacity by an additional 27 million m³ per day.

The project is being carried out using a modularized construction strategy, with modules constructed both at coastal fabrication yards in Kazakhstan and at other fabrication yards in Europe and the Far East.

The project includes construction work for the crude processing plant, as well as the module stacking, sour water stripper and utilities areas.

Construction of the mechanical, electrical and instrumentation works and module stacking, installation and hook-up are included within the scope of the project and the key quantities are as follows:

- › Stacking of 99 modules and setting of 66 modules on foundations,
- › Construction of 14,000 tons of stick-built steelwork,
- › Fabrication and installation of 116,500 m of pipework, and erection of 29,850 m of spools shipped loose,
- › Installation of 2,250 km of electrical, instrumentation and telecom cables,
- › Installation of 200 pieces of mechanical equipment,
- › Integration of 240 pieces of mechanical equipment,
- › Insulation of 105,000 m of pipework and 17,000 m² of equipment,
- › Construction of 9 buildings (6 major and 3 minor),
- › 100,000 m² of paved roads.

By the end of December 2022, the completion rate reached 97%, with a total of 4,200 employees working on the project and 5.8 million person-hours of work carried out without any lost time incident (LTI).

Major accomplishments at the project site include:

- › The first four contractual milestones completed include the Utility Substation, Maintenance and Operations Building, Air Compression and Nitrogen Modules and Potable Water Module delivered to the client in October and November.
- › Two TCO strategic checkpoints were completed (completion of utilities module integration in September and energization of 110 kV substation in October).
- › Train 1 and Train 2 flare structures and riser piping, with both structures standing at 180 m high were erected.
- › 13,920 tons of structural steel were erected.
- › Total of 4,200 tons of pipe spools were fabricated at SK Tengiz Spool Shop.
- › 139,000 m of piping installation and 75,400 dia-inch of field welding were completed.
- › 82,000 m of piping insulation and 16,900 m² of equipment insulation were completed.
- › 1.9 million meters of cable pulling was completed.
- › The construction of 5 out of 6 major buildings and 3 minor buildings was completed.
- › The stacking of 99 modules and the setting of 66 modules on the foundations were completed.
- › Installation of 188 pieces of mechanical equipment was completed.
- › Within the scope of civil and underground works; 127,000 m³ of excavation, 173,000 m³ of backfill, 9,200 m³ of paving and 6,800 m³ of concrete works were completed.
- › 15,000 m² of paved roads construction was completed.
- › 177,000 person-hours of craft training were completed.
- › The completion rate of specialty line cleaning stands at 64%. 209 out of 327 refinery pipelines were cleaned.
- › The scope of steam blow has been given as an additional work this year and preparation works for the scope are ongoing. The scope of steam blow is planned to be completed in two phases. First phase is planned to commence in June 2023.

*(a Joint Venture between Chevron, ExxonMobil, LukArco and KazMunayGas)

West Qurna 1 (WQ1) Produced Water 2 (PW2) Facility

ENKA had been awarded the contract by ExxonMobil Iraq Limited (EMIL) in December 2019 for a new produced water facility.

The Produced Water 2 Facility (PW2) project is the first EPC contract of ENKA in the Oil & Gas industry. ENKA is providing FEED verification, detailed design engineering, procurement, fabrication, construction and commissioning for the new Produced Water 2 Facility.

The PW2 project will produce 210,000 barrels of water per day of outlet stream treated produced water in order to meet forecast produced water across West Qurna 1 Degassing Stations 6, 7 and 8. The end user of this new facility is the Basrah Oil Company (BOC) of Iraq.

As of December 2022, the project is 93% complete and the estimated completion date of the project is April 30, 2023.

A total of 286 ENKA employees are working at the Istanbul Headquarters, Dubai Office and construction site for the project.

Engineering works were completed by the end of 2021 and procurement works were completed by the mid of 2022. Construction and commissioning works are in progress.

Concrete and steel works were completed within the second quarter of 2022. The major equipment of the project, such as the produced water treatment main package, air and nitrogen generator, produced water horizontal centrifugal pumps, integrated control and safety system (ICSS) and local electrical room (LER) and auxiliary systems were delivered to the construction site and installation works of the equipment were completed. Tank erection, piping and electrical works are currently in progress and the progress of the construction works of the project stands at 85% by the end of 2022.

As of October 2022, commissioning works have started, and a progress rate of 20% has been achieved by the end of year.

As a result of the ENKA internal audit conducted in October 2022, the business processes of the project were evaluated as “Best Practice”; subcontractor management, document management, finance and accounting, machinery and equipment management, procurement management and logistics management.

By the end of December 2022, a total of 1,127 working days and 1,500,000 person-hours were expended without any lost time incident (LTI).



Location

Basra, Iraq

Client

ExxonMobil Iraq Limited

Project Duration

December 2019 – April 2023

Contract Type

Lump Sum

Contract Value

USD 70 Million



POWER PLANT PROJECTS

Hinkley Point C (HPC) Nuclear Power Plant Turbine Island HP & IP/LP Piping Prefabrication and Erection Works	<i>United Kingdom</i>
Dradenau Combined Heat and Power Plant	<i>Germany</i>
Misurata 650 MW Simple Cycle Power Plant	<i>Libya</i>
Tripoli West 671 MW Simple Cycle Power Plant	<i>Libya</i>
Nizhnekamsk 495 MW Combined Cycle Power Plant	<i>Russian Federation</i>
Kazan 250 MW Combined Cycle Power Plant	<i>Russian Federation</i>

Hinkley Point C (HPC) Nuclear Power Plant Turbine Island HP & IP/LP Piping Prefabrication and Erection Works

Located in South West England, the construction of a new nuclear power station at Hinkley Point C will provide zero-carbon electricity and help secure a diverse and balanced energy supply for the United Kingdom.

GE Steam Power, under a contract with NNB GenCo, designs and supplies two conventional power islands for Hinkley Point C.

The turbine halls will contain the Arabelle turbine, the largest and most powerful steam turbine in operation today, and other critical equipment.

In September 2021, ENKA signed with GE a contract for the prefabrication and erection of piping systems of the conventional power island. Scope of works to be carried out under ENKA's responsibility may be summarised as installation of High Pressure (HP) piping, prefabrication, delivery, and installation of Intermediate Pressure (IP) and Low Pressure (LP) piping, prefabrication and assembly of HDPE and GRP piping, and installation and assembly of fire protection equipment and piping systems. Optionally, ENKA will also provide commissioning support and material management services to GE.

During 2022 the project team developed the plans and necessary procedures to commence prefabrication of piping spools in Cimtas Pipe, and coordinated HP pipe spool fabrication works directly awarded to Cimtas Pipe by GE Power Systems.

Prefabrication of HP spools is underway whereas IP/LP piping prefabrication is scheduled to commence in March 2023. Erection works at site will commence early 2024 and were planned to be completed with approximately 400 people at peak. As of the end of 2022, 20 employees were working on the project.



Location

Bridgwater, Somerset,
United Kingdom

Client

GE Steam Power Ltd.

Project Duration

September 2021 - May 2027

Contract Type

Lump Sum



Location
Hamburg, Germany

Client
Hamburger Energiewerke GmbH

Project Duration
September 2021 – December 2024

Contract Type
EPC Contract with the Open Book components



Dradenau Combined Heat and Power Plant

ENKA and its joint venture partner Uniper had been awarded Dradenau Combined Heat and Power Plant project which is strategically important for Hamburg.

The project aims to replace the coal-fired CHP plant in Wedel with a new and climate-friendly CHP plant in Dradenau ("KWK-Anlage Dradenau"). The Dradenau CHP Plant will use heat from two sources:

- › Heat from a natural gas-fired combined cycle power plant to be built at the site of the planned combined heat and power plant in Dradenau.
- › Heat from third-party feeders, such as heat from thermal waste recovery, industrial waste heat, waste heat from sewage treatment plant processes, etc.

The project is based on 2x2x1 configuration equipped with two Siemens SGT-800 gas turbines, one steam turbine, and two heat recovery steam generators (HRSG) with one additional gas steam generator. When completed, the plant will achieve an electrical output of 180 MW and 260 MW district heating capacity.

The partnership ARGE Uniper-ENKA Dradenau (UEJV) being the EPC contractor of the project is a fully integrated joint venture and is responsible for all deliverables and services for the Dradenau CHP plant such as planning, engineering, design, procurement, manufacturing, delivery, construction, erection, commissioning, testing and project management.

The end of 2024 has been set as the contract end date for the above-mentioned scope of services.

The partnership ARGE Uniper-ENKA Dradenau quickly commenced basic engineering work in September 2021 as the first phase of the project. After more than a year in the project, the procurement of the major equipment was finalized and purchase orders were quickly issued at the beginning of 2022. In addition, the procurement of two

General Step Up Transformers (GSUT) and two Unit Auxiliary Transformers (UAT) was also completed and their contracts were signed with suppliers.

Furthermore, structural steel has been procured for the entire project and the delivery of the structural steel to the site is planned to start in the first quarter of 2023.

The mobilization of ENKA's technical staff to the project site was completed. In the project, the piling works were almost finalized and the civil works have been commenced.

By the early beginning of 2023, a significant milestone will be achieved by pouring foundation concrete for two Siemens SGT-800 gas turbines. Place-on-foundation activities for these gas turbines will be performed in the second quarter of the next year. The heat recovery steam generators (HRSG) will be installed on-site within the first quarter of 2023, and the steam turbine generator (STG) will be installed on-site by the third quarter of the same year.

As of the end of 2022, an overall progress rate of 20% was achieved in the project.

The number of personnel working on the project has reached 120 including the subcontractors at the project site and offices in Türkiye and Germany. Basic engineering works are almost complete and a progress rate of 60% has been achieved in detailed engineering works.

In 2023, significant progress will be made on the project and the installation of the major equipment at the site will be completed. Throughout 2023, works in all disciplines including civil, mechanical, piping, electrical, and structural steel will be carried out.

By the end of 2022, a total of 99,763 person-hours and 382 days were worked on the project without any lost time incident (LTI).



Location

Misurata, Libya

Client

General Electricity Company of Libya (GECOL)

Project Duration

June 2021 - February 2023

Contract Type

Lump Sum Turnkey

Contract Value

EUR 309 Million



Misurata 650 MW Simple Cycle Power Plant

The contract had been signed between General Electricity Company of Libya (GECOL) and consortium of Siemens Energy Global GmbH & Co. - ENKA İnşaat ve Sanayi A.Ş. on December 7th, 2017; however, the project commenced in June 2021 due to security concerns.

The power plant is planned to be handed over to the owner in February 2023.

The commissioning of power island has been completed and the reliability run test for unit 1 has commenced, while reliability run of the last unit will be commenced within January 2023.

The project entails the construction of a simple cycle power plant, with a gross output capacity of 650 MW.

The plant is being constructed on a lump sum turnkey basis and the scope of the consortium includes engineering, procurement, construction and commissioning works for the power plant to have a safe and reliable operation under all conditions in accordance with the EPC contract terms.

The project is based on a power island configuration for 2 sets of Siemens SGT5-PAC 4000F gas turbines and turbine generators units.

The gas turbines are dual fuel engines to fire two types of fuels. The main fuel will be natural gas and the back-up fuel will be light distillate oil.

The completion rates of the project activities are as follows:

- › Engineering, procurement and construction and installation works have been completed.
- › Commissioning activities with primary fuel have been completed and the project is at the testing stage.
- › Overall progress stands at 100% as of December 31st, 2022.

The highlights of the progress made on construction activities as of the end of 2022 are as follows:

Civil works have been completed with the execution of the following works:

- › 80,000 m³ of excavation
- › 19,000 m³ of reinforced concrete
- › 2,000 tons of reinforcing steel
- › 2,000 tons of structural steel

Mechanical works have been completed with the execution of the following activities:

- › Installation and commissioning of 2 units of gas turbines and generators. As of December 31st, 2022, all gas turbines have reached to base load.
- › Erection of exhaust stacks
- › Installation of light distillate oil treatment plant
- › Erection of fire water tank
- › Installation of large bore piping

Electrical works have been completed with the execution of following activities:

- › Installation of 2 units of generator step-up transformer and 2 units of auxiliary transformer
- › Cable pulling works
- › Backfeed from grid has been achieved in June 2022.

As of the end of 2022, the total workforce at the project site is 217.

As of December 31st 2022, a total of 559 days and 3,200,000 person-hours were worked without any lost time incident (LTI).

Tripoli West 671 MW Simple Cycle Power Plant

The contract had been signed between General Electricity Company of Libya (GECOL) and consortium of Siemens Energy Global GmbH & Co. - ENKA İnşaat ve Sanayi A.Ş. on December 7th, 2017; however, the project commenced in May 2021 due to security concerns.

The power plant is planned to be handed over in January 2023 to the owner.

The commissioning of power island has been completed and reliability run test of the last unit will be completed within the first half of January 2023.

The project entails the construction of a simple cycle power plant, with a gross output capacity of up to 671 MW.

The plant is being constructed on a lump sum turnkey basis and the scope of the consortium includes engineering, procurement, construction and commissioning works for the power plant to have a safe and reliable operation under all conditions in accordance with the EPC contract terms.

The project is based on a power island configuration for 4 sets of SGT5-PAC 2000E Siemens gas turbines and turbine generators (CTG) units.

The gas turbines are dual fuel type; the main fuel will be Light Distillate Oil and the back-up fuel will be natural gas planned for future use.

The completion rates of the project activities are as follows:

- › All works of the project have been completed, the project is at the testing stage.
- › Overall progress stands at 100% as of December 31st, 2022.

The highlights of the progress made on construction activities as of the end of 2022 are as follows:

Civil works have been completed with the execution of following works:

- › 60,000 m³ of excavation
- › 22,700 m³ of reinforced concrete
- › 2,300 tons of reinforcing steel
- › 2,700 tons of structural steel

Mechanical works have been completed with the execution of following activities:

- › Installation and commissioning of 4 units of gas turbines and generators. As of December 31st, 2022, all 4 gas turbines have achieved base load.
- › Erection of exhaust stacks
- › Installation of light distillate oil treatment plant
- › Erection of fire water tank
- › Installation of large bore piping

Electrical works have been completed with the execution of following activities:

- › Installation of 4 units of generator step-up transformer and 4 units of auxiliary transformer. Back-feed from grid has been achieved in April 2022.
- › Completion of cable pulling works.

As of the end of 2022, the total workforce at the project site is 190.

As of December 31st 2022, a total of 414 days and 2,380,000 person-hours were worked without any lost time incident (LTI).



Location

Tripoli, Libya

Client

General Electricity Company of Libya (GECOL)

Project Duration

May 2021 - January 2023

Contract Type

Lump Sum Turnkey

Contract Value

EUR 381 Million



Nizhnekamsk 495 MW Combined Cycle Power Plant

ENKA and Siemens entered into a consortium agreement for the project on January 12th, 2017 to undertake the construction of the Nizhnekamsk Combined Cycle Gas Turbine Thermal Power Plant (CCGT-TPP) awarded by Nizhnekamskneftekhim under a contract dated December 18th, 2017.

The plant is constructed in the industrial hub in the southeast of the city of Nizhnekamsk, on the left bank of the Kama River in the Republic of Tatarstan in the Russian Federation.

The contract of the project on the basis of EPC includes engineering, manufacturing, delivery to site, erection and painting works, operation, commissioning, start-up and testing of the plant.

The plant has a configuration of 2 gas turbines, 1 steam turbine and 2 heat recovery steam generators (HRSGs). The main fuel is natural gas, whereas the associated gas derivatives (syngas) that are by-products of Nizhnekamskneftekhim's production processes are also used as fuel.

Engineering, procurement and construction works were completed as of December 31st, 2021.

Also, start-up and commissioning works have been fully completed and the official operation permit has been obtained as of October 17th, 2022.

A total of 1,711 days and approximately 9,500,000 person-hours were spent without lost time incident (LTI) until the project completion date of October 17th, 2022.

Location

Nizhnekamsk, Tatarstan,
Russian Federation

Client

Nizhnekamskneftekhim
(Member of the TAIF Group)

Project Duration

December 2017 – October 2022

Contract Type

Lump Sum

Contract Value

EUR 349 Million



Kazan 250 MW Combined Cycle Power Plant

ENKA and Siemens Energy had formed a consortium for the implementation of 250 MW Combined Cycle Power Plant in Kazan in the Republic of Tatarstan, the Russian Federation for PJSC Kazanorgsintez, a member of the SIBUR Holding PJSC.

The contract was signed between Siemens Energy and the client on October 2nd, 2019 for the delivery, installation and commissioning of one SGT5-2000E gas turbine, one SST-600 steam turbine, one heat recovery steam generator and all associated systems.

Within the consortium ENKA is to perform the engineering, procurement, construction and commissioning (EPCC) works. Siemens is to supply the gas and steam turbines and to construct the high voltage lines as well as the switchyard.

The plant will be capable of using natural gas as the primary fuel and the associated gas derivatives (syngas) that are by-products of PJSC Kazanorgsintez’s production processes.

The project consists of 4 divisions:

- › Combined cycle gas turbine, main construction area,
- › Linear facility; utility and gas pipelines (5 pipelines up to 3.5 km),
- › Gas mixing station and 2 gas pipelines in the territory of the client’s existing facility,
- › Connection to switchyard and electricity distribution works (in the Siemens Energy’s scope).

As of May 25th, 2022, the project works have been suspended.

Furthermore, the sanctions imposed by the European Union make it impossible to deliver the project’s specific material and equipment from abroad (especially EU countries) to the Russian Federation, as well as get any kind of support from the vendors for installation and commissioning of the equipment.

Under these circumstances the overall progress of the project including design, procurement, construction and

commissioning and start-up stands at 50% and a progress rate of 44,6% has been achieved for construction works.

The highlights of the progress made on the project are as follows:

- › The completion rate for civil works including main activities such as 18,077 m³ of concrete, 174,511 m³ of excavation and 143,921 m³ of backfilling works for the project stands at 88.6%.
- › Progress of architectural works of the project stands at 41.5%.
- › The completion rate for structural steel and cladding works reached 76% approximately, for 3,524 tons of erected structural steel.
- › Progress of mechanical works including gas turbine, steam turbine, HRSG and natural draft cooling tower stands at 55.2%.
- › Progress of construction of gas mixing station and the linear facility is 41%.

Other highlights of the progress made on site activities are as follows:

- › Construction permit for the project was received on May 27th, 2021.
- › Water treatment plant equipment installation works amounted to 73%.
- › MV Switchgear equipment was delivered to site in March 2022.
- › The completion rate for gas turbine and steam turbine installation works amounted to 96% and 72% respectively.
- › Heat recovery steam generator (HRSG) piping works were commenced on January 21st, 2022.
- › Natural cooling tower facade works were completed in May 2022.
- › Progress on cable tray installation works stands at 34%.

As of December 31st, 2022, 3,300,000 person-hours have been reached without any lost time incident (LTI).



Location
Kazan, Tatarstan,
Russian Federation

Client
Kazanorgsintez

Project Duration
October 2019 - TBD

Contract Type
Lump Sum

Contract Value
EUR 245 Million

INFRASTRUCTURE PROJECTS

Morava Corridor Motorway *Serbia*

Nassau Cruise Port Project at Prince George Wharf *Bahamas*



Morava Corridor Motorway - Serbia



Nassau Cruise Port Project at Prince George Wharf - Bahamas

Morava Corridor Motorway

ENKA and its joint venture partner Bechtel were selected by the Government of Republic of Serbia in December 2019 to design and build 112 km Morava Corridor Motorway Project which will connect central Serbia and Pan-European Corridors 10 and 11.

Morava Corridor Motorway Project is a 112 km dual-carriageway motorway from Pojate and the A1 (the North-South motorway in central Serbia) through Kruševac (which used to be the industrial hub of Yugoslavia) and up into Preljina in the north of Čačak. The project runs from east to west in the West Morava River valley and is seen as a key enabler of the economic corridor to the industrial cities of Kruševac, Kraljevo, Čačak and their ultimate international connections to Bosnia, Montenegro and North Macedonia.

According to the terms and conditions of the signed contract, the construction of the motorway started in 2020 and is ongoing in all nine sections.

An extensive telecommunication network is being constructed along the alignment to provide a digital corridor for improved connectivity in the region. The project features design and construction of 11 new interchanges, significant amount of structures crossing highways, railways and challenging Morava river along the route, significant amount of flood protection measures, scour protection of river bed and structures, dykes and construction of a new river bed due to the wide flood plain of the West Morava River.

The scope of project includes 77 bridges, 26 overpasses, 11 underpasses, 92 culverts, 34 km of river regulation, 27 km of dyke and over 16 million tonnes of aggregate production.

As of 2022, excavation and fill operations on main alignment, construction of bridges, overpasses, underpasses and culverts, operations at borrow pits and quarries are ongoing. Concrete and aggregate production facilities have been set up and production at these facilities has continued. In addition, works of river bed and flood protection are underway.

Site construction works are progressing intensively in all sectors (Sector 1, Sector 2 and Sector 3). Construction of the second camp at Adrani, which will mainly serve Sector 3, has been completed. In Sector 1, the majority of earthworks,

drainage and structure activities have been completed and handed over to Paving and Finishing teams. Utility relocations at Sectors 1, 2 and 3 are ongoing. Main geotechnical investigation works have been completed for all sectors and design of the motorway is underway. Partial access to limestone quarry has been provided by the client and production of subbase and asphalt aggregates has started.

Studies for Environmental and Social Impact Assessment (ESIA) have been completed and Loan Fundings have become available for the project. Loans of EUR 400 million guaranteed by United Kingdom Export Finance (UKEF) and EUR 400 million guaranteed by Multilateral Investment Guarantee Agency (MIGA) were obtained. In addition, a loan of EUR 400 million is expected to be secured in 2023.

As of December 2022, construction works were 45% complete and 27.9 million m³ of excavation, 11 million m³ of filling, 391,000 m³ of concrete, 219,000 m³ of subbase, and 85,000 tons of asphalt works were completed. 3,950 employees, including subcontractor personnel, were employed.

Bechtel-ENKA provided safety and quality trainings to all personnel working on the project, and over 6.1 million person-hours were achieved without any lost time incident (LTI) whilst maximum 7.1 million person-hours had been worked since the start of the project. Bechtel-ENKA also successfully implemented all necessary Covid-19 prevention measures in 2022.

Bechtel ENKA UK Limited Ogranak Beograd (BEJV) Laboratory received ISO/IEC 17025:2017 accreditation. With the received certificate; diligently established management system of BEJV Laboratory has been officially and internationally acknowledged.

ENKA and its joint venture partner Bechtel have successfully delivered major infrastructure projects in the region since the 1980's including motorways in Albania, Croatia, Kosovo, Türkiye and Romania. Together, the partnership has built more than 750 km of motorways including major engineering structures like tunnels, bridges and viaducts.

To perform this important infrastructure project, ENKA is providing its state of the art engineering and construction technologies, as well as superior quality, environment, health and safety standards which were gained over its 65-year history.



Location
Pojate – Preljina, Serbia

Client
Government of the Republic of Serbia Ministry of Construction, Transport and Infrastructure

Project Duration
December 2019 - December 2023

Contract Type
Lump Sum





Location

Nassau, Bahamas

Client

Nassau Cruise Port Ltd.

Project Duration

Marine works: November 2020 – July 2022
Upland works: May 2021 – April 2023

Contract Type

Lump Sum

Contract Value

USD 215 Million



Nassau Cruise Port Project at Prince George Wharf

The Bahamas Government is determining strategies to maximize cruise tourism by developing the existing port at Prince George Wharf - Nassau Cruise Port.

Nassau Cruise Port project is developing Nassau into one of the great waterfronts of the world. The project involves the redevelopment of the port. The project will enhance the passenger experience and provide additional business opportunities for the local population. The project will also include the building of a new terminal building; the creation of an event and entertainment area; investments in retail facilities for new and expanding Bahamian brands; and the design and construction of new food and beverage facilities. It will integrate the port into Bay Street and downtown Nassau, with the expectation that it will act as a catalyst for the wider development of the downtown area.

ENKA signed the contract for Marine Works of the Nassau Cruise Port project in June 2020 and Upland Works in May 2021.

The Marine and Upland Works contracts include EPC works for the expansion of the existing Cruise Pier, combi-wall works on Prince George Wharf, construction of 2 new marinas for tour boats, dredging, expanding the port area by reclaiming and renovating / refurbishing of existing piers, arrival building, Junkanoo museum, Signature restaurant, amphitheatre, 3 pier buildings, canopies, town

square, market place, landscape works and all relevant construction, mechanical, electrical and architectural activities.

With the completion of all construction activities, Nassau Cruise Port is expected to welcome over 4 million passengers in 2023.

Project features for Marine and Upland Works are as below:

- › Dredging for OASIS Class ship: 133,797 m³
- › Reclamation volume: 133,415 m³
- › New reclaimed area: 13,300 m²
- › Construction of new (deck on pile) cruise pier and mega yacht berth: 222 x 30,5 m
- › New east marina (deck on pile) with 16 berths for mini, midi and super yachts and tour boats
- › New west marina (deck on pile) and inner harbor with 14 berth for midi and mini yachts, and tour boats
- › Prince George Wharf Combi-wall: 610 m
- › Arrival building: 4,000 m²
- › Junkanoo museum: 450 m²
- › Market place area: 3,140 m² with 11 new buildings
- › Town square area: 7,750 m² with 15 new buildings
- › Pier canopies: 5,560 m²

- › GTA canopies: 1,800 m²
- › 2 new pier buildings area: 324 m²
- › New ferry terminal: 106 m²
- › Signature restaurant: 700 m²
- › Amphitheatre area: 3,970 m²
- › Prince George Wharf hard landscaping area: 19,100 m²
- › Prince George Wharf soft landscaping area: 9,000 m²
- › Piers hard landscaping area: 36,900 m²

The works completed on the project as of December 2022 for Marine Works:

Marine works contract was signed on June 10th, 2020 and construction works commenced on November 25th, 2020 with the Notice to Proceed (NTP). The project duration was 20 months, and all works under the marine works scope have been completed on July 25th, 2022 in accordance with the contract. Rectification works for the punch items are being carried out and will be completed by March 2023.

Nassau Cruise Port can accomodate 6 ships at the same time since the beginning of December 2021.

The works completed on the project as of December 2022 for Upland Works:

The contract for upland works was signed on May 31st, 2021 and main construction works commenced on December 7th, 2021 with the NTP. The project duration was 16 months and construction activities are ongoing at full speed. The expected project completion date is April 8th, 2023.

Major parts of the design, engineering and procurement works for the upland works have been completed as of December 2022. Civil, architectural, electrical, mechanical, facade and landscape activities continue according to the project schedule.

Major part of the first floor of the arrival building will be operational for the use of Customs and Immigration Department as of the end of December 2022 while architectural, facade, mechanical, and electrical works are ongoing in the remaining areas.

Most of the construction works in the market place have been completed and town square will be completed in February 2023.

The construcion of pier canopies was completed in November 2022, work on the GTA canopies at Prince George Wharf is ongoing.

While the construction activities at the arrival building, amphitheater, Signature restaurant, and Junkanoo museum are ongoing at full speed, landscape works have started at Prince George Wharf as the last construction activity for the scope of upland works.

As of December 18, 2022, the marine works have been completed and a progress rate of 68% has been achieved in upland works.

The project has reached approximately 1.6 million person-hours without any lost time incident (LTI) to date.



BUILDING WORKS PROJECTS

<u>Shotton Paper Mill</u>	<i>United Kingdom</i>
<u>Yandex Headquarters</u>	<i>Russian Federation</i>
<u>High Technological Multifunctional Medical Complex</u>	<i>Russian Federation</i>
<u>Krasnoyarsk Sports and Recreation Complex</u>	<i>Russian Federation</i>
<u>Special Projects</u>	<i>Various Countries</i>

Shotton Paper Mill

ENKA signed a contract for the construction of a Paper Mill Factory on the Dee Estuary in Flintshire, North Wales for Shotton Mill Limited owned by Modern Karton/EREN Holding, one of the biggest manufacturers of paper, cardboard and corrugated packaging products in the sector.

The project construction site is bounded to the north, west and south by Weighbridge Road/A548. It is bounded to the south by an adjacent industrial site owned and operated by Tata Steel Limited. The River Dee is located approximately 1.1 km from the south of the site.

The location of the 1st phase of the planned project activities includes the paper production machinery, storage area and shipment area of the existing paper mill.

The conversion project will transform the site from paper production to cardboard, corrugated packaging and tissue paper production. The project entails decommissioning and demolition of existing structures and construction of new facilities to accommodate new manufacturing equipment.

In Phase 1 of the project activities, a new cardboard factory will be constructed, including a new paper mill, warehouse and dispatch area, combined heat and power (CHP) building and effluent treatment plant with the following gross areas:

- › Paper mill – 58,720 m²
- › Chemical building – 1,495 m²
- › Combined heat and power building – 8,085 m²
- › Effluent treatment plant building – 500 m²
- › Approximate total covered area – 68,800 m²

ENKA is responsible for preparation of the working documentation and all of the following construction and installation works of the new facility:

- › Piling works
- › Excavation and backfilling works
- › Reinforced concrete works
- › Precast concrete column and wall installation works
- › Structural steel installation works
- › Architectural works
- › Roof insulation works
- › Mechanical installation works
- › Electrical installation works
- › External infrastructure works
- › Landscaping works



Location
Shotton, United Kingdom

Client
Shotton Mill Limited (Modern Karton/EREN Holding)

Project Duration
November 2022 - Q1 2025

Contract Type
Turnkey (Engineering, Procurement and Construction) (Fixed price) + (Cost + Fee)





Location
Moscow, Russian Federation

Client
Yandex LLC

Project Duration
December 2021 - June 2024

Contract Type
Working Design and Construction Contract

Contract Value
EUR 500 Million



Yandex Headquarters

On December 13th, 2021, ENKA signed a contract for the construction of an innovative new headquarters for Yandex, the global technology leader, in the Gagarinsky District of Moscow, Russian Federation.

Yandex New Headquarters Project is located on a prominent site near the Moscow River, a short distance from some of the city's leading research institutions and the company's first office. The project will consist of maximum 15 above-ground levels with an area of 161,000 m², 5 under-ground levels with 98,000 m² area and outdoor terraces with an area of 3,000 m². The total construction area is 262,000 m².

The new headquarters will provide staff with a healthy and sustainable place for work and recreation. There will be approximately 110,000 m² of office area and 47,000 m² of parking place allowing 1,630 parking bays with a multi-car parking system.

Three multi-height wings with the highest one up to 75 m will be combined into a single complex with the skylight-ed central hub. Light-weight and constructible façade will be clad with metal panels.

The complex is lifted up to a ground floor that will connect an open public area and green spaces with neighboring streets. The continuous public space will include restaurants, cafes, along with the Yandex Museum highlighting the company's cultural and technological growth since early 1990s.

The current overall progress has reached 23% and the project is planned to be completed in June 2024.

As of today, 1,883 employees from 10 different countries are engaged in the project and a total of 142 construction equipment is operating for the execution of works.

ENKA is responsible for preparation of the working documentation in BIM360 for LOD-500 level and all of the following construction and installation works:

- › External utilities
- › Reinforced concrete works
- › Steel works
- › Mechanical works
- › Electrical and weak current works including automation
- › Firefighting systems
- › Architectural, façade and roofing works
- › Internal finishing works
- › Vertical transportation
- › Technological systems such as parking and parking management and façade maintenance
- › Landscaping

The project has set up Health, Safety, Environment (HSE) management systems in line with ISO 45001:2018 and ISO 14001:2015 standards.

The project uses EHSE platform for monthly reporting and incident reporting. BIM360 software is being utilized for inspections, hazard observations and their monitoring.

Noise measurements at night are carried out monthly by a licensed institution.

Around 25,000 hours of training, excluding new hire orientations has been delivered to the project employees.

BREEAM awareness training for the ENKA Head Office Design and Project teams was held with the participation of a total of 73 people.

As of the end of December 2022, 5,000,000 person-hours have been expended without any lost time incident (LTI) within 383 day.

Major accomplishments at the project site include:

- › A total of 45,412 m³ of foundation concrete, 39,683 m³ of slab concrete, 11,101 m³ of wall concrete, 7,583 m³ of column concrete were poured; and 7,508 tons of foundation rebar, 7,486 tons of slab rebar, 2,151 tons of wall rebar, 2,092 tons of column rebar installation were executed.
- › About 7,400 m² of lattice beam diagrid soffit structures totaling 125,000 m² have been erected.
- › A total of 1,480 tons of vertical steel structures and, 3,176 tons of horizontal steel structures were erected.

- › A total of 36,925 m² of vertical and horizontal water proofing were executed and 2,165 pieces of retaining wall anchorage head cutting were completed.
- › A total of 6,316 m of heat supply system pipes, 6,332 m of domestic sewerage and water supply pipes, 15,586 m of fire-fighting system pipes were installed, also, 13,124 m of cable tray and 20,809 m of cables were laid. Also, 1,172 m round ventilation section and 279 m² rectangular ventilation section were installed.
- › A total of 3,905 m² gas-block wall installation were executed and 1,262 m³ cement-sand screed were poured.
- › Within the scope of infrastructure works (heat network, domestic and stormwater sewerage network and drinking water supply), excavation was carried out in an area of approximately 30 m in length at various points of the construction site and manholes installation started.
- › The project uses post-tensioned concrete beam technology in certain areas, which allows significant big spans rather than conventional ones as well as reduction of dimensions of the beams.
- › Also, in the reinforced concrete; composite column technology which consists of steel L profile within a concrete column is used. The interaction of these different materials is provided by using stud-bolt elements having a shear-based behavior under loading.
- › Exposed concrete fine smooth finish comprises circular columns, lattice beam diagrid soffit, core walls, suspended slabs, edge beams and parapet walls.



Location

St. Petersburg, Russian Federation

Client

Limited Liability Company "Constructiv"

Project Duration

Phase 1: October 2019 – June 2020
Phase 2: October 2020 – July 2021
Phase 3: May 2021 – June 2023
Phase 4: May 2022 – April 2023

Contract Type

Phase 1: Lump Sum
Phase 2: Unit Price
Phase 3: Lump Sum
Phase 4: Lump Sum



High Technological Multifunctional Medical Complex (HMMC)

The High Technological Multifunctional Medical Complex consists of main hospital building covering an area of 112,000 m²; oncology building with an area of 15,000 m², underground carpark with an area of 22,000 m², diesel fuel tank, collector, galleries which provide connection of all buildings to each other, external works consisting of earthworks and infrastructure, and working design responsibilities are also included in the scope of works.

The complex will have a world-class range of modern diagnostic and medical equipment. It will operate its own ambulance substation, polyclinic, accident and emergency unit, trauma center and hospital.

High Technological Multifunctional Medical Complex includes operation rooms, intensive care units, VIP rooms, own laboratory which will also serve other hospitals, children polyclinic, MRI device room, tomography device rooms, X-Ray rooms and proton therapy room which is only available in a few medical buildings all over the world.

Civil and structural works of Underground Carpark, Multifunctional Medical Complex (MMC), Oncology Building and Communication Collector completed in 2022. Architectural, mechanical, electrical and facade works, elevator and equipment installations are also continuing.

Construction of pumping stations and the manufacture of mechanical and electrical lines are continuing within the scope of external outdoor and infrastructure works.

By putting the central heating system into operation, temporary heating devices have been reduced and energy efficiency in heating has been increased.

In deep excavations, the Berliner wall was built with previously used steel pipes. Deep excavations with the Berliner wall are carried out safely and economically.

HMMC Project is currently under way with 3,074 employees from 9 different countries and a total of 223 construction equipment.

During the Phase 3 period 5,000,000 person-hours were expended without a lost time incident (LTI). Phase 3 works were commenced in May 2021 and reached 70% overall progress.

Construction works are planned to be completed by the end of April 2023. Following that, testing and commissioning works will be completed and the project will be fully handed over to the client at the end of June 2023.



Location

Divnogorsk, Krasnoyarsk,
Russian Federation

Client

RN-VANKOR

Project Duration

Mobilization works:
December 2019 - November 2022

Working design works:
September 2020 – April 2023

Contract Type

Lump Sum + Unit Price

Contract Value

USD 71 Million



Krasnoyarsk Sports and Recreation Complex

ENKA was awarded the contract for the Krasnoyarsk Sports and Recreation Complex project in the city of Krasnoyarsk in the Krasnoyarsk Krai in the Russian Federation in December 2019.

As of the end of November 2022, the overall completion rate on the project was 100%. More than 2,000,000 person-hours had been expended without any lost time incident (LTI).

Progress on the mobilization works (stage A) amounted to 100%. In this context, 362 tons of steel anchor, 58 tons of roof truss were assembled, and a total of 7,310 m² interior wall, 7,899 m² exterior wall were installed. In addition, 6,831 m² of vinyl floor covering, 1,538 m² of ceramic floor covering, 8,815 m² of ceiling installation, 3,315 m² of rockwool insulation and 4,075 m² ceramic wall covering were completed. 442 doors and 499 windows were installed and 2,270 m³ of concrete were poured.

The construction works of Helipad (stage B) was excluded from the scope of ENKA. Unmanned Aerial Vehicle Protection System Works (stage D) were completed as of 14 October 2022.

Progress on the building works (stage C) amounted to 100%. In this context, 163,088 m³ of hard rock excavation, 13,104 m³ of soft rock excavation, 53,156 m³ of soil excavation, 9,671 m³ of top soil stripping were executed.

Progress on the construction of service roads (stage E) stands at 100%, 166.051 m³ of base preparation and embankment construction, 50.000 m³ of removing of weak soil from construction site. Within the scope of reinforced concrete retaining wall works, 1,528 m³ of B-30 type concrete was poured.

Special Projects

ENKA has an agreement with Caddell Construction to provide consultancy and project services for construction of special projects. The agreement was reached after successful collaboration of ENKA and Caddell on the construction of the US Consulate building project in İstinye, İstanbul, which was completed in 2003.

With this understanding, ENKA consulted up to the completion of special projects in Cameroon in 2005, Guinea, Mali and Sierra Leone in 2006, Algeria and Nepal in 2007, Bosnia and Herzegovina in 2010, Djibouti in 2011, Burundi in 2012, Equatorial Guinea in 2013, the Dominican Republic in 2014, Djibouti Camp Lemonnierre, Mauritania, Russian Federation and the Netherlands in 2017, Afghanistan in 2019, and India in 2021. The project for Papua New Guinea was cancelled.

Further projects were awarded to Caddell Construction for 3 more special buildings with similar scope of works in Asia in 2016, 1 in South America, 1 in North America, 1 in Europe, 1 in Africa in 2017, 1 in North America in 2018 and 1 in Europe in 2021, 1 project in Asia, 1 project in Africa and 2 projects in South America in 2022.

ENKA is currently involved in 12 special building projects, which have a total value of almost USD 2.5 billion.

Phase 1 of the Central Asia project is planned to be completed in the first quarter of 2023. In the Phase 1 of the Central Asia project, design work has started. The project is planned to be completed in 2027.

Phase 1 of another project in Asia was completed in July 2022. Phase 2 has started and is planned to be completed in 2023.

Apart from those, 2 completed projects in Asia were successfully handed over and their guarantee periods were initiated.

Phase 1 and 2 of the project in South America were completed and Phase 3 is planned to be completed in August 2023.

The project located in Europe started in May 2018. Interior finishing and commissioning works are ongoing, and all phases of the project are planned to be completed in August 2024. In another project in Europe, mobilization was completed, material procurement processes and construction works are ongoing. The project is planned to be completed in 2025.

One project in North America started in February 2018. Reinforced concrete and interior finishing works are ongoing, and the project is planned to be completed in 2023. Another project in North America started in May 2019. Reinforced concrete works and interior finishing works are ongoing with a planned completion of the project in 2023.

The project in Africa started in January 2018. Phase 1 of the project was successfully completed and handed over to the employer, and its guarantee period has started. The Phase 2 is planned to be completed in 2023.

Mobilization and material procurement processes have started for 2 new projects in South America. The projects are planned to be completed in 2027 and 2028.

In another new project in Asia, the mobilization process has started. The project is planned to be completed in 2027.





GROUP COMPANIES

Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.

Cimtas Boru İmalatları ve Ticaret Ltd. Şti.

Cimtas Ningbo Modular Skids & Pipe Spools

Çimtaş Hassas İşleme Sanayi ve Ticaret Ltd. Şti.

Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.

Kasktaş Kayar Kalıp Altyapı Sondaj Kazık ve Tecrit A.Ş.

1915 Çanakkale Bridge Project - Türkiye



1915 Çanakkale Bridge Project - Türkiye



Levee Crossing Girder Project - USA



Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş. (Çimtaş Steel) - Türkiye

Çimtaş Steel successfully completed the year 2022 with new signature projects that require profound expertise. The tower top cannonball figures, the last permanent steel structures of 1915 Çanakkale Bridge, were fabricated and shipped to the jobsite, and this major project was successfully completed. High-strength beams manufactured for Mammoet's Levee Crossing Project were delivered to Texas, USA on time. Yandex Headquarters Building, one of the new projects that Çimtaş Steel is involved in, will be one of the symbolic buildings of Moscow, Russian Federation. Another important project for which Çimtaş Steel has undertaken the steel structure is 262 Fifth Avenue, a skyscraper project in Manhattan, the heart of New York City, which is scheduled to be completed in 2023. As one of the main players in the wind energy sector, the rising value of renewable energy sources, Çimtaş Steel continues to improve its existing production records in this sector with the new projects it undertakes.

In addition to the contracts signed with PEMEX and ICA FLUOR in previous years for the Dos Bocas Refinery Project of PEMEX, the Oil Production Company owned by the Mexican Government, new contracts were signed with ICA FLUOR for the Salina Cruz Refinery, another project of PEMEX, in 2022 and became one of the leading pressure vessel suppliers of this employer.

Çimtaş Steel delivered Autoclave and Flash Vessels to the Yanacocha Sulfides Gold Production Facility in Peru on time as planned, strengthening Çimtaş Steel's references in the gold mining sector. The company has also taken the first steps of the Trisonic Blowdown Wind Tunnel Project for TÜBİTAK Defense Industries Research

and Development Institute (SAGE) and has completed the fabrication and started deliveries of the Air Storage System (ASS) pressure vessels. Having demonstrated its success under the sea with the Sakarya Gas Field Development Project, Çimtaş Steel has reached for the sky and manufactured and shipped one of the world's tallest flagpoles to be located at the "National Flag Square" of Baku, Azerbaijan.

Tower top enclosures, the last permanent steel components of the 1915 Çanakkale Suspension Bridge Project, were fabricated, trial assembled and delivered to the construction site on board GMK 1 in March 2022. These monumental structures, each 16 m tall and weighing 68 tons were located on top of the four towers to symbolize the cannonball carried by Seyit Onbaşı, one of the heroes of the Battle of Çanakkale.

Levee Crossing Girder Project, another girder manufacturing project for Mammoet, was also completed by Çimtaş Steel within 2022. The fabrication, trial assembly, load and shear capacity tests and delivery of 24 pieces bridge girders were completed, for which precise machining and intense welding operations were performed on S690QL high grade steel material. Six bridge girders with a total length of 68 meters were trial assembled as a single piece with strict tolerances. Load and Shear Capacity tests were performed where girders and connection pins were exposed to a load of 1,800 tons. The bridge girders were transported to Texas, USA in October 2022.

PEMEX Dos Bocas Project - Mexico



262 Fifth Avenue Project - USA



Wind Tower Fabrications



Wind Tower Fabrications



Çimtaş Steel has added another landmark structural project to its portfolio with a contract signed in November 2022 with the Five Points Development Company for the steel fabrication of the 262 Fifth Avenue Project in New York City. The 275 m, 57-story skyscraper will be located on Manhattan's 5th Avenue, 300 m from the monumental Empire States Building on the same avenue. Steel fabrication, trial erection and delivery to site will be realized in 2023.

Çimtaş Steel signed a contract with ENKA in January 2022 for the structural steel fabrication and delivery works of the new Headquarters Building of global technology leader Yandex in Moscow, Russian Federation. The new Yandex Headquarters will be located near the Moscow River and the city's leading research institutes. The 13,500 tons of fabrication of this iconic 75 m high building will be carried out by Çimtaş Steel. The ongoing project is 45% complete by the end of 2022, with the remaining fabrication scheduled for completion in the second quarter of 2023.

In line with the world's search for sustainable energy sources and carbon emission reduction targets, the inevitable rise of wind energy has manifested itself in 2022. ENKA's subsidiary Çimtaş Steel improved its own wind tower production records with capacity increases at its facilities to meet near-term demands in the industry. Having renewed its wind tower production record with 42,000 tons at Gemlik Premises and 58,000 tons at the Çimtaş Shipyard located in the Kocaeli Free Trade Zone, Çimtaş Steel reached

100,000 tons in 2022 and reinforced its position as the main player in the sector in the European region. While 90% of the production was exported, shipments were mainly made to Northern and Western European countries.

In the same renewable energy business line, Çimtaş Steel has been fabricating rotor and stator sets for Enercon's wind turbines as part of its "direct drive" system, being one of the two wind energy converter technologies. Fabrication of these 6 and 9 meter diameters precisely machined components with tight tolerances has reached a number of 1,100 between 2017 and 2022. Current serial production line will continue in the first quarter of 2023 and the products will be shipped to Portugal.

Çimtaş Steel had signed consecutive contracts with the state-owned company PEMEX for the Dos Bocas Refinery Project in Mexico and completed the deliveries of the 12 process columns in the first quarter of 2022. High-thickness Cr-Mo alloy steels were used extensively in the project, for the fabrication of two 8.8 m diameter columns, being the largest diameter columns that have ever been produced in its premises. In order to meet the heat treatment requirements of the project, an investment was made to expand the furnace capacity of heat treatment furnace from 9x9x66 m to 12x12x81 m. Çimtaş Steel also fabricated and delivered a Monel coated process column in 2022, for PEMEX Dos Bocas Refinery Project, the contract of which was signed with ICA FLUOR in 2021.

In addition, Çimtaş Steel signed 3 new contracts with ICA FLUOR for the Salina Cruz Refinery Project, the new investment of PEMEX in 2022 and started the engineering and procurement studies of 5 new process columns. The scope of work covers all mechanical design, transportation analysis, purchasing, manufacturing and port delivery, which is planned to be made in the last quarter of 2023. Thus, Çimtaş Steel has become one of the leading pressure vessel suppliers of PEMEX with these projects; to which the Mexican government gives special importance.

Çimtaş Steel delivered the autoclave and flash vessels in October 2022 as committed, which forms the heart of the Yanacocha Sulfides Gold Production Facility Expansion Project in Peru, belonging to Newmont Mining Company of the USA. In this project, managed by Bechtel and Hatch companies, titanium coated parts and titanium welding were extensively used and the production of agitator housings that require precision machining was also included. Thus enabled Çimtaş Steel to be an approved supplier for Hatch, being one of the largest technology providers in gold mining industry and strengthened its gold mining references.

The works for the Air Storage System, which is the first step and one of the most important components of the Trisonic Blowdown Wind Tunnel to be built in TÜBİTAK Defense Industry Research and Development Institute (SAGE) campus, started with the contract signed between Çimtaş Steel and TÜBİTAK SAGE in June 2022. Within the scope of this project; design, fabrication, delivery and installation of 15 horizontal pressure vessels, 13 large diameter elbows and a Y-outlet channel providing the connection between the vessels are included,

together with the supply and installation of the relevant mechanical and instrumentation works and field assembly and post-assembly sealing tests. The design scope requires an expertise due to the fatigue analysis and extreme conditions that the Y-outlet channel is exposed to. The pressure vessels delivery to the installation site started in December 2022 and installation works are scheduled to be performed in 2023.

In 2022, within the scope of Sakarya Gas Field Development Project being the first subsea structure project, Çimtaş Steel fabricated the Mudmats for PLETs, Sleepers, Wet Parking Frames and Installation Aids. The project scope covers detailed engineering, procurement, fabrication, on-site assembly, painting, electrical and mechanical equipment installation and project-specific tests. For some of the product transportation to Filyos Marine Base, the company-owned dynamic positioning vessel GMK-1 was also used.

Çimtaş Steel delivered the brand new flagpole of Azerbaijan, which will soon to reunite with the capital Baku's skyline. The new landmark flagpole will be installed at the existing "National Flag Square" in Baku, as known by its literary name "the City of Winds". With 191 m height above its platform, the new flagpole will be one of the tallest in the world. With a diameter varying from 6.45 m at its base to 2.06 m at the top, the pole structure is composed of 9 conically tubular steel sections with a maximum weight of 230 ton and a rotating truck assembly at its top. The new flagpole weighs 1,275 tons, whereas the length of Azerbaijan flag it will take pride to carry is 70 meters, which can cover the width of a standard football field transversally.



Sakarya Gas Field Development Project - Türkiye



ICA Fluor Project - Mexico



SAGE Blowdown Wind Tunnel Project - Türkiye



SAGE Blowdown Wind Tunnel Project - Türkiye



Baku Flagpole Project - Azerbaijan

Cimtas Boru İmalatları ve Ticaret Ltd. Şti. (Cimtas Pipe) - Türkiye

Located in Gemlik, Türkiye, Cimtas Pipe is a leading provider of Integrated Piping Solutions (IPS) for top-tier global customers in power, oil and gas, petrochemicals, mining, nuclear and offshore industries worldwide.

Cimtas Pipe engineers, fabricates, assembles and installs high pressurized piping systems, pressure vessels, process skids and preassembled units for power and petrochemical plants as well as conducting material procurement and manufacturing longitudinally submerged arc welded (LSAW) pipes, butt weld fittings, induction bends, flanges and branch connections to the highest international standards.

In 2022, Cimtas Pipe fabricated over 9.677 tons of process and power pipe spools including pressurized equipment and manufactured 1,500 tons of butt weld fittings, induction bends, flanges, branch connections and 13,500 tons of LSAW pipes for 29 projects. In addition to its fabrication and manufacturing activities, Cimtas Pipe provided 160,000 person-hours of multi-disciplinary engineering services and procured 35,370 tons of steel piping material including supports for the following projects:

Oil & Gas Projects:

- › Bechtel - Pluto LNG (LSAW Pipe, Fittings, Pipe Spools)

› OCP - Morocco - Jorf Lasfar Fertilizer Complex (JESA) Project (Fittings, Pipe Spools)

› Kinetics Technology SPA - Rijeka Refinery Project (LSAW Pipe, Pipe Spools)

› Baker Hughes – Desuperheaters & Steam Conditioning Valves

› Petkim - Equipment (Heat Exchanger) Fabrication

› Petkim - Etilen Plant C7 Modularization Project

› Forain - Umid Babek Gas Field Compressor Station (Fittings, Pipe Spools)

› Interpipe - Sakarya Slug Catcher (LSAW Pipe)

› Schlumberger - Sakarya Gas Field (LSAW Pipe)

› Renaissance - Sakarya Gas Field (LSAW Pipe)

› Forain - Sakarya Gas Field (Fittings)
- › Van Leeuwen - Gasco Western Desert Gas Complex (LSAW Pipe)

› Çimtaş Steel - Yandex Headquarters Project (LSAW Pipe)

› Çimtaş Shipyard - Subsea 7 Installation Aids (LSAW Pipe)

› Bechtel - Corpus Christi LNG Project (LSAW Pipe, Fittings and Pipe Spools)

› Tekfen - Silivri Slug Catcher Project (LSAW Pipe and Fittings)

› C.T.A. - Kingisepp Ammonia Production Plant (LSAW Pipe)

› Cunado - SASA Project (LSAW Pipe)

› ENKA - West Qurna 1 Produced Water 2 Facility (Spools)

Power (Fossil, Nuclear and Renewable Energy) Plant Projects:

- › GE - Turbine Piping (6B, 6F, 9E, 9F, 9FA and 9HA)

› GE Power - Dolna Odra 1.4 GW Power Plant (Spools)

› GE - Hinkley Point C Nuclear Plant - L40 HP Spool Fabrication, HP Turbine Inlet Piping, IP & LP Piping and Cross Under Pipes

› Baker Huges Türkiye - TPAO Casing Kits Manufacturing

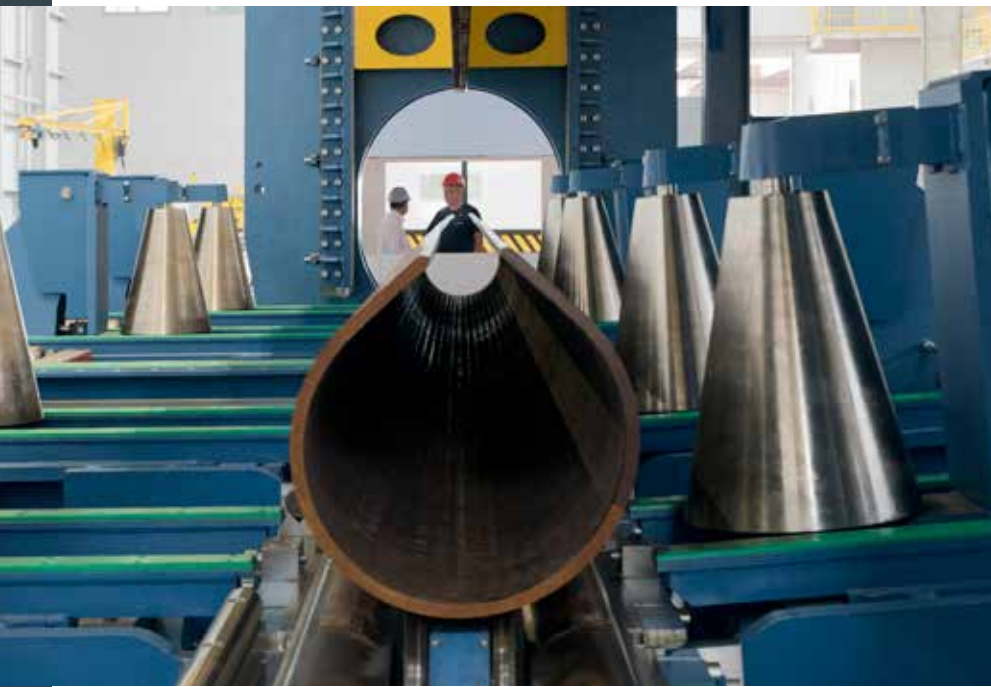
› ENKA - Tripoli West 671 MW Simple Cycle Power Plant (LSAW Pipe, Fittings, Spools)
- › ENKA - Misurata 650 MW Simple Cycle Power Plant (LSAW Pipe, Fittings, Spools)

› ENKA - Hinkley Point C Nuclear Plant - IP/LP Spool Fabrication for Turbine Piping

› MPW Americas - Newman and Barry Power Plants External Piping

› AKSA - P91 Boiler Steam Line Supply and Installation





At the end of 2020, Cimtas Pipe was awarded a contract to provide material procurement, fitting manufacturing, pipe spool and support fabrication for the Jorf Lasfar Fertilizer Complex, owned by OCP-Morocco.

In 2021, Cimtas Pipe had fabricated and supplied over 925 tons of pipe spools with its-own 2,386 pieces of fittings consisting of elbows, laterals, reducers, tees and supports within the scope of the project. Remaining 587 tons of pipes spools were fabricated and delivered in 2022.

In 2022, 62 tons of piping material was supplied for JPH2 Project.

Cimtas Pipe was awarded the Rijeka Refinery Upgrade Project, located in Croatia, by Kinetics Technology SPA in 2021. The fabrication and delivery of carbon, stainless and alloy steel pipe spools started in 2021. The project is scheduled to be completed in 2023 for 2.070 tons of piping and 262 ton supports.

During 2022, Cimtas Pipe and GE Power have continued their business relationship with various projects and ongoing works of turbine piping and desuperheater and steam conditioning valve fabrication. Since 2002, Cimtas Pipe has fabricated over 6,500 tons of pipe spools for turbine piping of GE's 6B, 6F, 9E, 9F, 9FA and 9HA turbines. In 2022, 73 tons of pipe spools for GE steam turbine and gas turbine piping were fabricated and delivered worldwide.

Bulk material supply scope of the Hinkley Point C Project has been completed in 2022 for 770 tons of LSAW pipes and 430 tons of elbows and tees in alloy, stainless, and carbon steel material grades to be used in steam turbine piping of two units in the Hinkley Point C Nuclear Plant, which will produce 3,200 MW with two EPR reactors.

Additionally, for the "L40 HP Spool and ST301 HP Turbine inlet piping, and L05 Cross Under Pipe Fabrication" of the same project, Cimtas Pipe is to fabricate 2,750 tons of spools and secondary steel support in carbon and alloy steel material grades including its own pipes and elbows. The fabrication has commenced second quarter of 2022 for high pressure piping project. 879 ton spools have been fabricated and 466 ton spools have been shipped. Balance fabrication is planned to continue until the end of 2023.

Furthermore, Cimtas Pipe will fabricate medium and low-pressure piping systems weighing 2,400 tons for ENKA within the scope of the contract signed for all piping systems of the power island at Hinkley Point C Nuclear Power Station. As a part of the integrated piping solutions approach Cimtas products consisting of 770 tons of LSAW pipes, 430 tons of elbows and tees in alloy, stainless, and carbon steel material grade, will be used in this scope.

The Dolna Odra Power Station in Poland consists of 8 units, with capacities ranging from 215 to 232 MW. In March 2020 PGE placed a turbine order with GE to increase the plant's capacity to 1,434 MW.

Cimtas Pipe has received two purchase order packages from GE to provide 900 tons of L41 and L42 pipe spools in carbon, stainless and alloy steel pipes including material supply service for the Dolna Odra Power Station.

Completing 875 tons of piping manufactured in accordance with EN 13480 standard in 2021 & 2022, Cimtas Pipe plans to complete production in the first quarter of 2023.

Cimtas Pipe, which has supplied more than 55,000 tons of pipe spools for power plants around the world to date,

continues to support ENKA with its own butt weld fittings and piping systems manufactured for use in ENKA's power plant projects.

In 2022, Cimtas Pipe has completed balance 59 tons out of total 497 tons of pipe spools to ENKA's fast-track projects Misurata 650 MW Simple Cycle Power Plant and Tripoli West 671 MW Simple Cycle Power Plant in Libya.

In addition to these projects, Cimtas Pipe has fabricated 320 tons of pipe spools including material supply for ENKA - Exxon Mobil, West Qurna I Produced Water 2 Facility in 2022.

Mitsubishi Power Americas has awarded Cimtas Pipe with external piping works for Newman, and Barry Power Plants. In 2021, with a successful project implementation, 85 tons of pipe spools were fabricated and delivered to the Newman Power Plants. In addition to this, fabrication of 59 tons for the Barry Project started in November 2021 and finished in 2022.

Within the scope of the 177 tons pressurized equipment package consisting of 9 different types of equipment, Cimtas Pipe has reached an agreement with Petkim to provide 3 steam air heaters, 2 shell tube heat exchangers, 1 air-cooled heat exchanger, 1 safety condenser, 1 column and 1 tube bundle for Petkim Petrochemical Plant in İzmir. In addition to the fabrication scope, Cimtas Pipe has also provided detail engineering and material supply services. Deliveries of air-cooled heat exchanger, steam air heater, safety condenser, column and tube bundle were completed as of end of December 2022.

On the other hand, Cimtas Pipe started engineering and procurement of the Petkim C7 Cold Box Modularization

Project, awarded as part of the modernization of the Petkim Ethylene Plant at the end of 2021.

Within the scope of the works planned to be completed in August 2022, Cimtas Pipe provided engineering, material supply, 194 tons of fabrication consisting of pipe spool, structural steel, and secondary steel support.

In 2022, Cimtas Pipe LSAW Pipe and Fitting Works Business Units have continued to support various national and international projects such as Sakarya Gas Field, Gasco Western Desert Gas Complex, Pluto LNG Project, Corpus Christi LNG Project, with providing LSAW pipes, butt weld fittings including cold and hot-formed stainless, carbon and alloy steel elbows, tees, reducers and laterals with diameters ranging from ½" to 60", and induction bends.

Cimtas Pipe received a total of 1,380 tons of orders, including 3 different LSAW pipe packages, from 3 different customers for the Sakarya Gas Field Project – Phase 1 which is conducted by Turkish Petroleum Corporation in Filyos. As a result of the orders received from Rönesans, Interpipe and Schlumberger companies, production was completed in 2022 and timely delivery was provided to the Sakarya Gas Field.

Pluto LNG Train 2 Project located in Western Australia has been awarded for the prebuy releases by end of 2021. In 2022, Cimtas Pipe has manufactured 2,100 tons of butt weld fittings, 7,600 tons of LSAW pipes, and 7,300 tons of material supply in carbon, low temperature carbon, and stainless-steel within integrated piping solution strategy.

Total project scope estimated to be 15,413 tons and pipe spool fabrication has started in August 2022 and 4,817 tons of pipe spool fabrication was completed in 2022.

Cimtas Ningbo Modular Skids & Pipe Spools (Cimtas Ningbo) - China

Cimtas Ningbo is a market-leading company providing high-quality spool fabrication and rigorously assembles skids, jigs and modules. The company established operations in China in 2002 and enlarged its capacity via custom-designed manufacturing technologies in 2019. Cimtas Ningbo serves the market with 55,250 m² of land and 31,680 m² of covered area with approximately 650 employees.

In 2022, Cimtas Ningbo successfully delivered more than 400,000 diameter-inches of gas turbine, boiler, steam turbine piping, assembled skid and turbine auxiliary module systems and quick-disconnect clamp assembly components to its customers, doubling production volumes compared to 2021. In addition, Cimtas Ningbo has successfully renewed its EN1090 and SELO - Pressure Pipeline Parts Manufacture License certifications. As of June 2022, the company repeated its record by achieving 1,203 days without any lost time incident (LTI).

Thanks to its strong sense of responsibility and the preventive measures taken, Cimtas Ningbo completed 2022 without any Covid-19 cases and realized its projects on time without any delays despite the two-week lockdown in the city.

Cimtas Ningbo successfully completed deliveries of gas turbine piping with jig assemblies, skids and modules for the following projects of Mitsubishi Power Japan and America in 2022:

- › Gulf Pluak Daeng Project, Thailand
- › Suncor Oil Sands Project, Canada
- › Genesee CCS Project, Canada
- › El Paso Neman Project, USA
- › James M. Barry Electric Generating Plant Project, USA
- › Hunter Power Project, Australia
- › Sirdarya Project, Uzbekistan
- › Lamma 12 Project, Hong Kong
- › Hin Kong Project, Thailand
- › Texwinca Project, China

Cimtas Ningbo continues to strengthen its partnership with Mitsubishi Power by providing engineering solutions for more cost efficient and standardized products.



Cimtas Ningbo Facility - China



Gas Turbine Auxiliary Piping - Australia

DLN Upgrade Project - Global



AIP (Auxiliary Integrated Package) - Taiwan



Cimtas Ningbo, within the scope of its cooperation with Siemens Energy, manufactured gas turbine piping for its centers in China, Germany and the United States; successfully delivered to multiple locations.

- › Black Point Power Station Project, Hong Kong
- › Fengda Combined-Cycle Power Plant Expansion Project, China
- › Zhaoqing Dinghu Combined Heat and Power (CHP) Generation Project, China
- › El Sauz Combined Cycle Power Plant Project, Mexico

In new modular “Auxiliary Integrated Packages” business line with Siemens Energy, SGT6-9000HL Sun Ba II Project (Taiwan) 1st unit production was completed and the production with the orders of the below projects are ongoing;

- › LNG-to-Power UTE GNA II Project, Brazil
- › Tuxpan Phase I Plant Project, Mexico

Cimtas Ningbo continued to be General Electric's long-term global solution partner supporting different scopes and locations in the energy market: In 2022, supplying piping systems to the power plants listed below:

- › Mocta Douz-Beni Saf Gas Pipeline, Algeria
- › Jawa-1 Power Plant Project, Indonesia
- › Summit Meghnaghat-II Project, Bangladesh
- › Pulau Indah Power Plant Project, Malaysia
- › Dolna Odra Power Plant Project, Poland
- › Enel Montalto di Castro (Alessandro Volta) CCGT Power Plant, Italy
- › Enel Termini Imerese Power Station, Italy
- › Tallawarra B Power Station Project, Australia

- › Futtsu-4 Power Plant Project, Japan
- › Naepo District Heating Plant Project, Korea
- › Plaquemines Power Plant Project, USA
- › Termini Imerese Power Station, Italy
- › Tanajib 2 Oil Field Project, KSA
- › Tongyeong CCPP Project, Korea
- › Turkmenbashi CHP Power Station, Turkmenistan

Cimtas Ningbo started cooperation with G+H Schallschutz GmbH for the Tallawarra B Power Plant in Australia and Tongyeong CCPP in Korea projects under General Electric's scope.

In addition, Cimtas Ningbo successfully delivered the piping for the Kamisu Biomass Power Generation Project in Japan to GE Shanghai Power Technology (Wuhan Boiler). This is the first project of Cimtas Ningbo within the scope of renewable energy.

Cimtas Ningbo successfully completed the piping requirements and shipment of unit 2 steam turbine for Toshiba's coal-fired Matarbari Power Plant Project in Bangladesh and has also received orders for San Luis Potosi Project in Mexico and 2 sets of Vung Ang II Project in Vietnam, which will be shipped in 2023.

In 2022, Çimtaş Ningbo continued the production of 2 sets of gas turbine piping from CSIC Group member Longjiang GH Turbine Co. Ltd (GHGT), which will localize Mitsubishi Power's H25 (42C) turbine in the Chinese market. In addition, Cimtas Ningbo received a new order from General Harbin Electric Gas Turbine (QHD) Co., Ltd. (JV of GE in China Market) for Shenzhen Energy Guangming Power Base Project.

Çimtaş Hassas İşleme Sanayi ve Ticaret Ltd. Şti. (Çimtaş Precision Machining) - Türkiye

The youngest and most technologically advanced member of the Çimtaş Group, Çimtaş Precision Machining Industries and Trading Ltd. Co., manufactures structural and rotating gas turbine components for the power and aerospace industries at its state-of-the-art facility at the Bursa Free Trade Zone in Türkiye.

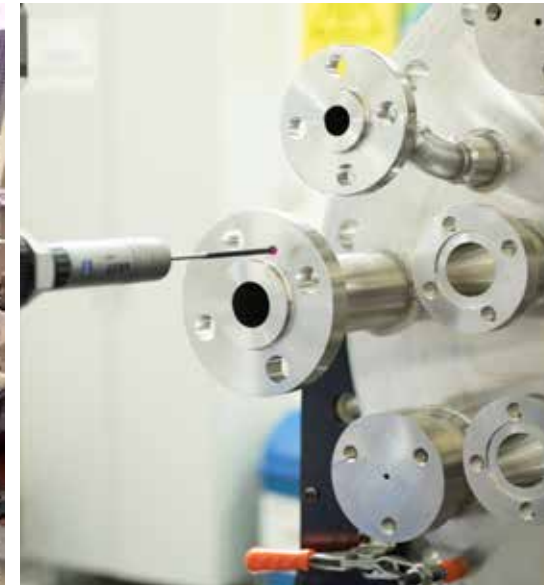
The company offers high value-added products with its strong engineering know-how, digitally integrated new generation multi axis machines, Nadcap-approved special processes and qualified personnel, who are encouraged and supported continuously develop their skills in line with the company's corporate culture and values and actively involved in decision-making processes.

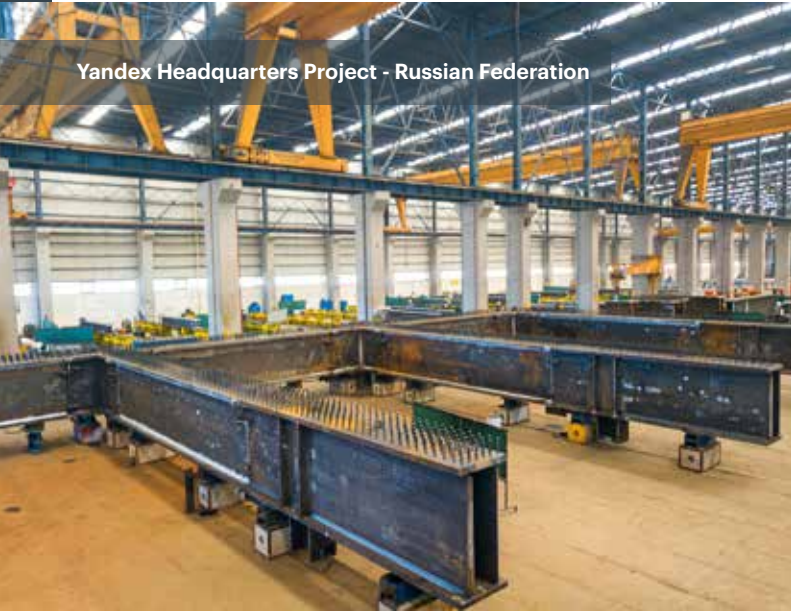
During 2022, Çimtaş Precision Machining kept developing its customer base, supply chain and manufacturing systems in order to improve its efficiency and services.

Çimtaş Precision Machining continued to expand its product range by regularly adding parts for new hydrogen-fueled turbine technologies in the energy sector.

Çimtaş Precision Machining contributed to the aerospace sector by manufacturing parts for engine and airframe platforms for various Original Equipment Manufacturers (OEM), while increasing its process approvals at existing customers, renewing its Nadcap accreditations and obtaining a new one, bringing the total number of Nadcap accreditations to 7 in just 3 years, 4 of which are 18-month Merits.

In 2022, Çimtaş Precision Machining continued its strategy of expanding its market scope by renewing its long-term agreements with OEMs in the energy sector and adding new customers to its portfolio, while completing the first steps towards becoming a supplier to the world's leading private sector space flight company in the aerospace sector.





Yandex Headquarters Project - Russian Federation

Chemical Tanker Project



Wind Tower Fabrications



Wind Tower Fabrications



Sakarya Gas Field Development Project - Türkiye



Sakarya Gas Field Development Project - Türkiye

Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş. (Çimtaş Shipyard) - Türkiye

Çimtaş Shipyard produced and exported 58,254 tons of wind tower in 2022. With a weekly production capacity of 22 sections and a monthly production capacity of 92 sections, a significant contribution was made to Çimtaş' total wind tower production record. A total of 120,728 tons of wind tower production orders were received in 2022 and the remaining 62,474 tons will be manufactured and exported in 2023.

In 2022, 4,213 tons of the structural steel fabrication of the new Headquarters of Yandex, the global technology leader, in Moscow, Russian Federation, was completed at Çimtaş Shipyard and exported.

Within the scope of the Turkish Petroleum - Sakarya Gas Field Development Project, which is Türkiye's first subsea structure project in 2022, Çimtaş Shipyard has carried out the fabrication of the high pressure service gas transmission piping (Rigid Spool) and the parts (Installation Aids), which are used during the installation process of the subsea structures.

In addition to detailed engineering, Çimtaş Shipyard carried out welding procedure preparation, procurement, fabrication, on-site machining, painting, HSS coating, electrical - mechanical - equipment assembly, project-specific testing and transportation to Filyos via Çimtaş' own ship GMK-1.

Çimtaş Shipyard signed a contract in 2022 for the construction of 2 chemical tankers with a capacity of 6,000 DWT. The production of the first tanker has started and the production of the second tanker will start in 2023. The project is planned to be completed by the end of 2024.

Kasktaş Kayar Kalıp Altyapı Sondaj Kazık ve Tecrit A.Ş. - Türkiye

Kasktaş started ground engineering and foundation works in 1957 as an internal department of ENKA and was transformed into an individual company in 1975. By the end of 2022, with a total of 408 personnel including 64 technical and 48 administrative personnel, Kasktaş offers high-quality and economical solutions through its personnel experienced in geotechnical design and all types of soil engineering, and its special geotechnical machinery and equipment. In addition to having a large and modern machinery park, it continues to add new machinery and equipment to its fleet in order to meet the current requirements in the area of soil engineering.

Moreover, having successfully completed third party inspection of the ISO 9001 Quality, ISO 14001 Environmental and ISO 45001 Occupational Health & Safety Management System, administered by BSI in 2022, Kasktaş maintains its activities without compromising on safety and quality.

Kasktaş entered 2022 with a total of 13 ongoing projects and other 12 new projects were also undertaken by the company. The major projects completed by Kasktaş in 2022 are presented below:

Türkiye

- › Akkuyu Nuclear Power Plant Pump Stations and UZP Structures
- › Akkuyu Nuclear Power Plant UGD Building and Siphon Wells Soil Improvement Works
- › Akkuyu Nuclear Power Plant 50UZQ Secant Pile Works
- › Bezmialem Foundation University Hospital Construction Diaphragm Wall Works
- › CSS Metro Project S21B Switch Structure Diaphragm Wall Works
- › Ferrero Düzce Nut Cracking and Selection Facility Soil Improvement Works
- › Filyos Port and Natural Gas Operation Facility Soil Improvement Works
- › MBE Metro Project TOKİ Station Diaphragm Wall Works

Saudi Arabia

- › Masar Project Shoring Works Package A & B
- › Masar Nesma Projects
- › MN11 Masar Project
- › Neom City Mountain Road Project Mini Pile Works
- › Qiddiyah City Rock Stabilization Works
- › Thakher City Entrance Gate Building Project Mini Pile Works

Russian Federation

- › Barrikadnaya Kinoteatr Project Shoring Works
- › Cobitie Complex Diaphragm Wall Works
- › Gazprom Kapotnaya TK201 Project Shoring Works
- › ICITY Tower Project Shoring Works
- › JK Ever Complex Anchor Works
- › JK Onest Complex Bored Pile Works
- › Ostrov 6 Project Diaphragm Wall Works
- › Paklonnaya Project Bored Pile Works
- › Serdtse Stolitse JD-09 Project Bored Pile Works
- › Ust Ilinsk Project Phase 3 Bored Pile Works
- › Victory Park Project Bored Pile Works



ICITY Tower Project Shoring Works - Russian Federation



Masar Project Shoring Works Package A & B - Saudi Arabia



Diaphragm Wall Works - Türkiye



Qiddiyah City Rock Stabilization Works - Saudi Arabia

**Bezmialem Foundation University Hospital
Construction Diaphragm Wall Works - Türkiye**



**Ferrero Düzce Nut Cracking and Selection
Facility Soil Improvement Works - Türkiye**



**CSS Metro Project S21B Switch Structure
Diaphragm Wall Works - Türkiye**



**MBE Metro Project TOKİ Station
Diaphragm Wall Works - Türkiye**



Akkuyu Nuclear Power Plant Pump Stations and UZP Structures

Following the completion of 10UQA, 20UQA, 11&22 UZP and 12 UZP Structures within the scope of the Akkuyu Nuclear Power Plant Project, located in Mersin, the contract was signed with IC İttaş Nükleer A.Ş. for the 30UQA and 21&32 UZP Structures. The scope of all contracts includes a total of 45,000 m² of diaphragm wall, 4,000 m of barrette pile, 199,000 m of jet grout and 70,000 m of SBMA anchor works.

The project commenced in 2020. In 2022, 4,000 m of barrette pile, 18,000 m of jet grout and 9,000 m of anchor were completed. The remaining works within the scope are planned to be completed by June 2023.

Akkuyu Nuclear Power Plant UGD Building and Siphon Wells Soil Improvement Works

The contract for the UGD Building and Siphon Wells Soil Improvement Works within the scope of the Akkuyu Nuclear Power Plant, located in Mersin, was signed with IC İttaş Nükleer A.Ş. The project consists of 36,000 m of jet grout and 10,000 m of Tube-A-Manchette works.

The project commenced in 2021. In 2022, 6,000 m of jet grout and 10,000 m of TAM works were executed and the project was completed as of June.

Akkuyu Nuclear Power Plant 50UZQ Secant Pile Works

The contract for the 50 UZQ Secant Piles within the scope of the Akkuyu Nuclear Power Plant, located in Mersin, was signed with Cengiz İnşaat. The project consists of 18,000 m of Secant Pile.

The project commenced in the middle of December 2022. In 2022, 1,000 m of secant pile was completed. The remaining works are planned to be completed by June 2023.

Bezmialem Foundation University Hospital Construction Diaphragm Wall Works

The contract was signed with Rönesans Holding for the Bezmialem Foundation University Hospital Construction Diaphragm Wall Works, located in İstanbul. The project includes 16,000 m³ of diaphragm wall.

The project commenced in August 2022. All works within the scope of the project were completed in 2022.

Çekmeköy - Sancaktepe - Sultanbeyli Metro Project S21B Switch Structure Diaphragm Wall Works

The contract for the CSS Metro Project S21B Switch Structure Diaphragm Wall Works, located in İstanbul, was signed with Doğuş – Yapı Merkezi – Özaltın JV. There is 10,000 m² of diaphragm wall within the scope of this metro project, which is an extension of Üsküdar-Ümraniye-Çekmeköy Metro Project.

The project commenced in 2021. In 2022, 1,000 m² of diaphragm wall was executed and all works within the project were completed by the middle of January.

Ferrero Düzce Nut Cracking and Selection Facility Soil Improvement Works

The contract for the Ferrero Nut Cracking and Selection Facility Soil Improvement Works, located in Düzce, was signed with Tepe İnşaat. The contract covers 59,000 m of DSM Column, 20,000 m of stone column and 4,000 m of bored pile works.

The project commenced in 2021. In 2022, 30,000 m of DSM column, 14,000 m of stone column and 1,700 m of bored pile were executed and all works within the project were completed as of May.

Filyos Port and Natural Gas Operation Facility Soil Improvement Works

The contract for the Soil Improvement Works within the scope of the Filyos Port and Natural Gas Operation Facility, located in Zonguldak, was signed with Kolin İnşaat. The port is the location where the natural gas discovered in the Black Sea will be landed. Within the scope of the contract, there are 213,000 m of vertical drain and 45,000 m of bored pile works.

The project commenced in 2021. In 2022, 86,000 m of vertical drain and 41,000 m of bored pile were executed and all works within the project were completed as of September.

MBE Metro Project TOKİ Station Diaphragm Wall Works

The contract was signed with İttaş for the TOKİ Station Shoring Works within the scope of the Mahmutbey – Bahçeşehir – Esenyurt Metro Line Project under construction by the İstanbul Metropolitan Municipality. The project includes 27,000 m³ of diaphragm wall, 10,500 m³ of barrette pile, 2,000 m of secant pile and 2,000 m of tangent pile.

The project commenced in 2022. 6,000 m³ of diaphragm wall, 2,000 m of secant pile and 2,000 m of tangent pile were completed in 2022. The remaining works are planned to be completed by July 2023.

Masar Project Shoring Works Package A & B

The Masar Project, which is under construction in Makkah City of Saudi Arabia, is a megaproject that aims to enable visitors coming through the Haramain Train, connecting Medina-Jeddah-Makkah, to reach the Harem via the subway system. The contract for the shoring works of the 6 parcels within the project was signed with Alinma Tadhweer Alawl Co. The project, whose design and implementation are undertaken by Kasktaş, includes 5,000 m of bored pile, 1,000 m² of Berliner wall, 15,000 m of temporary anchor, 4,000 m² of shotcrete and 700 m of rock bolt works.

The project commenced in 2021. In 2022, 900 m of bored pile, 100 m² of Berliner wall, 7,000 m of temporary anchor, 700 m of rock bolt and 3,500 m² of shotcrete were executed and all works within the project were completed.

Masar Nesma Projects

The contract was signed with Nesma & Partners Construction Co. for the shoring works of ST11S-ST11Q, ST04, Ring Road and ST110-1A regions within the scope of the Masar Project, located in Makkah. The project includes 4,000 m of rock bolt and 5,500 m² of shotcrete works.

The project commenced in 2022. All works within the project were executed in 2022 and the project was completed by the end of December.

MN11 Masar Project

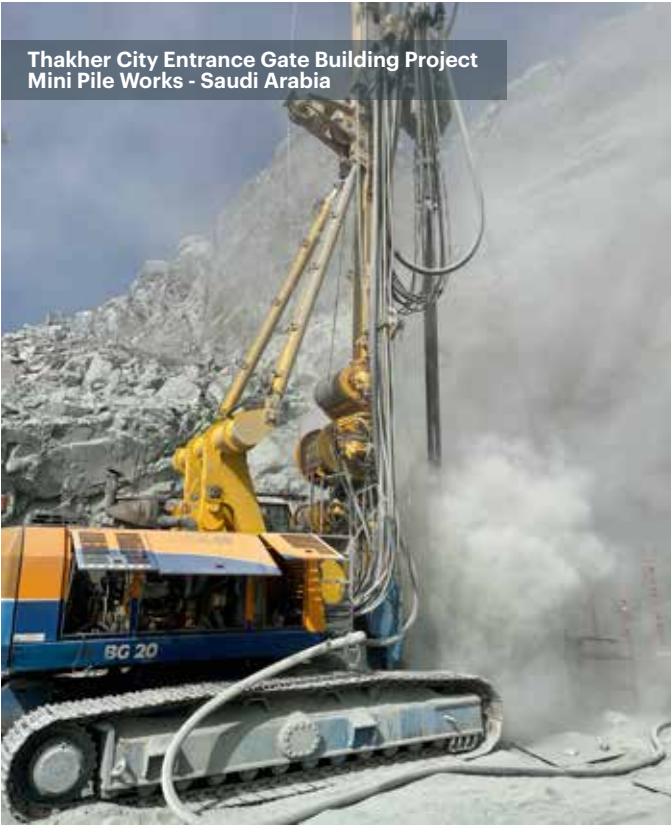
The contract was signed with Nesma & Partners Construction Co. for the MN11 Masar Project, located in Makkah. The project consists of 450 m bored pile, 300 m of soldier pile, 900 m of anchor and 650 m² of shotcrete.

The project commenced in 2022. All works within the project were executed in 2022 and the project was completed by the end of December.

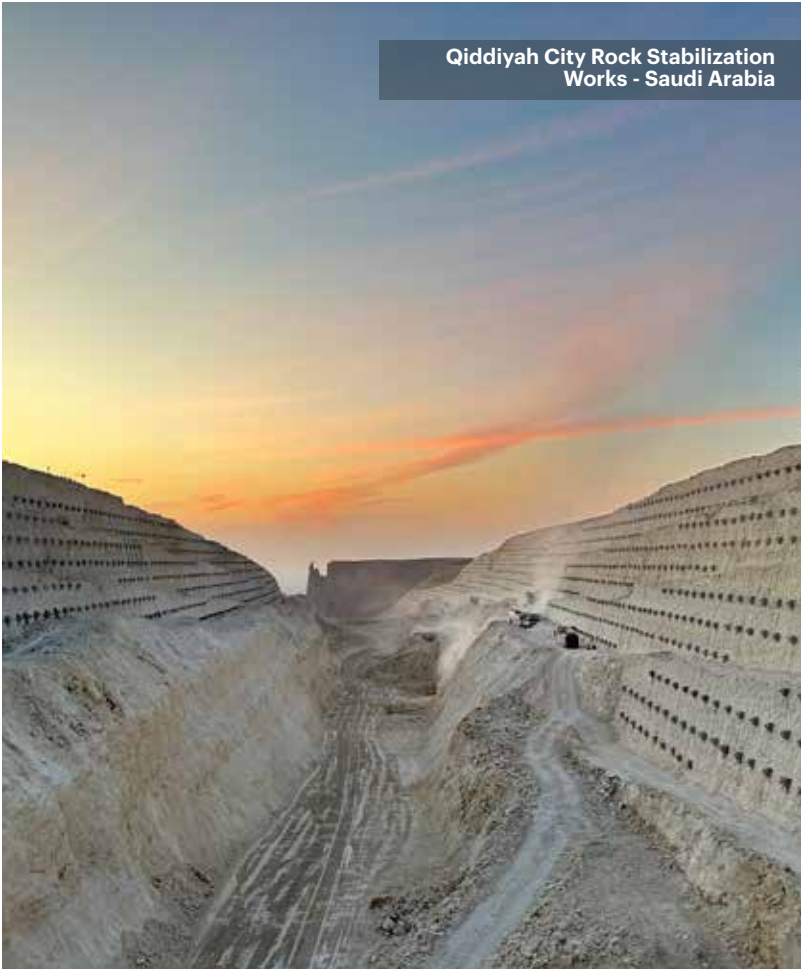
Neom City Mountain Road Project Mini Pile Works

The contract was signed with Al Wareef for the Dam Expansion Works within the scope of the Neom City Project, which is planned to be built on the Red Sea coast. There are 1,300 m of mini pile and 3 pile tests in order to verify design loads within the Dam Expansion Project. Neom City Project will not only be one of the most complex infrastructure projects in the world with a length of 170 km but also have the feature of working with 100% renewable energy.

In 2021, test piles were executed. In 2022, all the remaining works were executed and the project was completed as of February.



Thakher City Entrance Gate Building Project
Mini Pile Works - Saudi Arabia



Qiddiyah City Rock Stabilization
Works - Saudi Arabia



Cobitie Complex Diaphragm Wall
Works - Russian Federation



Neom City Mountain Road Project
Mini Pile Works - Saudi Arabia



Barrikadnaya Kinoteatr Project
Shoring Works - Russian Federation



Masar Project Shoring Works
Package A & B - Saudi Arabia

Qiddiyah City Rock Stabilization Works

The Qiddiyah City Project, which will be built 45 km from the city of Riyadh as an entertainment megaproject, consists of 3 stages. The contract for the rock stabilization works within the scope of the “Upper Plateau” was signed with El Haif Company. The contract consists of 144,000 m of anchor and 42,000 m of soil nail works.

The project commenced in 2021. In 2022, 70,000 m of anchor and 7,000 m of rock bolt were executed. The remaining works are planned to be completed by May 2023.

Thakher City Entrance Gate Building Project Mini Pile Works

Thakher City Project is an urban development located in Makkah. The idea is to develop a lodging neighbourhood a few kilometres away from the Holy Mosque of Ka’ba. The contract for the Thakher City Project Mini Pile Works was signed with Ishada Contracting & Maintenance Co. The contract consists of 900 m of mini pile work.

The project commenced in 2022. All works were executed within the year and the project was completed as of June.

Barrikadnaya Kinoteatr Project Shoring Works

The contract was signed with Antteq for the construction of Best House Hotel and Culture Centre, located in Moscow Barrikadnaya metro region. There are 10,000 m of secant pile and 4,000 m of bored pile within the scope of the contract.

The project commenced in 2021. In 2022, 1,500 m of bored pile was executed and all works within the project were completed as of June.

Cobitie Complex Diaphragm Wall Works

The contract was signed with Antteq for the Diaphragm Wall Works within the scope of the Cobitie Complex, located in Moscow. The project consists of 1,500 m³ of diaphragm wall. The project commenced in 2022 and all works on the contract were completed within the year.

Gazprom Kapotnaya TK201 Project Shoring Works

A cooling unit is being built within the Delayed Cooker Unit at the Moscow Oil Refinery (MNPZ). The contract of the Gazprom Kapotnaya TK201 Project covering the shoring works of this cooling unit was signed with Üstay Yapı. The project consists of 1,500 m of bored pile and 1,000 m of jet grout. The project commenced in 2022 and all works were completed within the year.

ICITY Tower Project Shoring Works

A complex of two skyscrapers in the Moscow City Region is planned to be built. The test piles of the ICITY Tower Project consisting of these two skyscrapers were previously executed and tested by Kasktaş. Afterwards, the contract covering Bored Pile, Soil Improvement and Excavation works, was signed with MR Group. There are 10,000 m of pipe pile, 14,000 m of bored pile, 6,000 m of jet grout, 3,500 m² of Berliner wall and excavation works within the scope of the project.

The project commenced in 2021. In 2022, 2,000 m of pipe pile, 2,000 m of bored pile, 5,000 m of jet grout and 2,500 m² of Berliner wall works were executed and all works within the project were completed as of May.

JK Ever Complex Anchor Works

The contract was signed with Ant Yapı for the execution of anchor works as the horizontal support element within the scope of the JK Ever Complex, located in Moscow. The project consists of 4,000 m of anchor.

The project commenced in 2022. 3,000 m of anchor was executed in 2022. The remaining works are planned to be completed by the end of January 2023.

JK Onest Complex Piling Works

The contract was signed with Antteq for the Bored Pile Works within the scope of the JK Onest Complex, located in Moscow. The project includes 1,200 m of bored pile and 84 pile base injection.

The project commenced in 2022. 1,000 m of bored pile and 20 of pile base injection were executed in 2022. The remaining works are planned to be completed by the end of January 2023.

Ostrov 6 Project Diaphragm Wall Works

The contract for the Diaphragm Wall Works within the Ostrov 6 Project, located in Moscow, was signed with Ant Yapı. The project consists of 6,000 m³ of diaphragm wall and 7,500 m of anchor.

The project commenced in 2021. In 2022, 5,000 m³ of diaphragm wall and 7,000 m of anchor were executed. The remaining works are planned to be completed by the end of January 2023.

Paklonnaya Project Bored Pile Works

The contract was signed with Antteq for the Bored Pile Works within the scope of the Paklonnaya Project, located in Moscow. The project includes 1,300 m of bored pile. The project commenced in 2022 and all works were completed within the year.

Serditse Stolitse JD09 Project Bored Pile Works

Multifunctional Complex Building and Social Facilities are planned to be built in Moscow. The contract was signed with Ant Yapı for the shoring works within the scope of the project. The project consists of 4,000 m of bored pile, 4,500 m of pipe pile and 3,000 m of anchor.

The project commenced in 2021. 600 m of bored pile was executed in 2022 and all works within the project were completed by January.

Ust Ilimsk Phase 3 Bored Pile Works

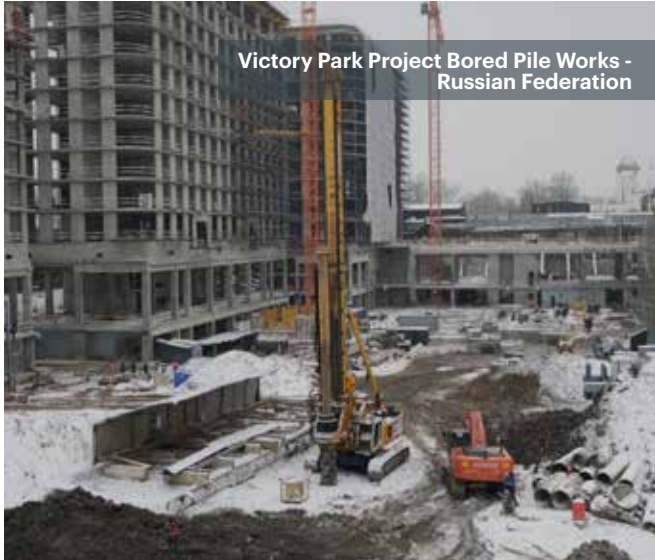
With the decision of the Council of Ministers of the Soviet Union, Ilim Group started the construction of the Forest Industry Complex, located in the city of Ust Ilimsk (Irkutski Oblast), Siberia, in 1973. Ilim Group meets the 75% of the annual cellulose requirement of the Russian Federation and is ranked in the top 10 of the world's largest paper mills. Within the scope of the construction of the Additional Paper Mill in the Forest Industry Complex, Phase 1 and Phase 2 were implemented by Kasktaş in 2019 and 2021, respectively.

The contract was signed with Esta Construction for the Ust Ilimsk Phase 3 Bored Pile Works. The project consists of 300 m of bored pile. The project commenced in 2022 and all works within the project were completed within the year.

Victory Park Project Bored Pile Works

The contract was signed with Antteq for the Bored Pile Works of the Victory Park Project, which is being built in Moscow and is a multi-functional elite residential complex. The project consists of 5,000 m of bored pile, 7,000 m of anchor and 4,500 m of jet grout.

The project commenced in 2021. In 2022, 2,500 m of bored pile, 3,000 m of anchor and 2,000 m of jet grout works were executed within the project. The remaining works are planned to be completed as of May 2023.



POWER GENERATION

Gebze Elektrik Üretim Ltd. Şti.

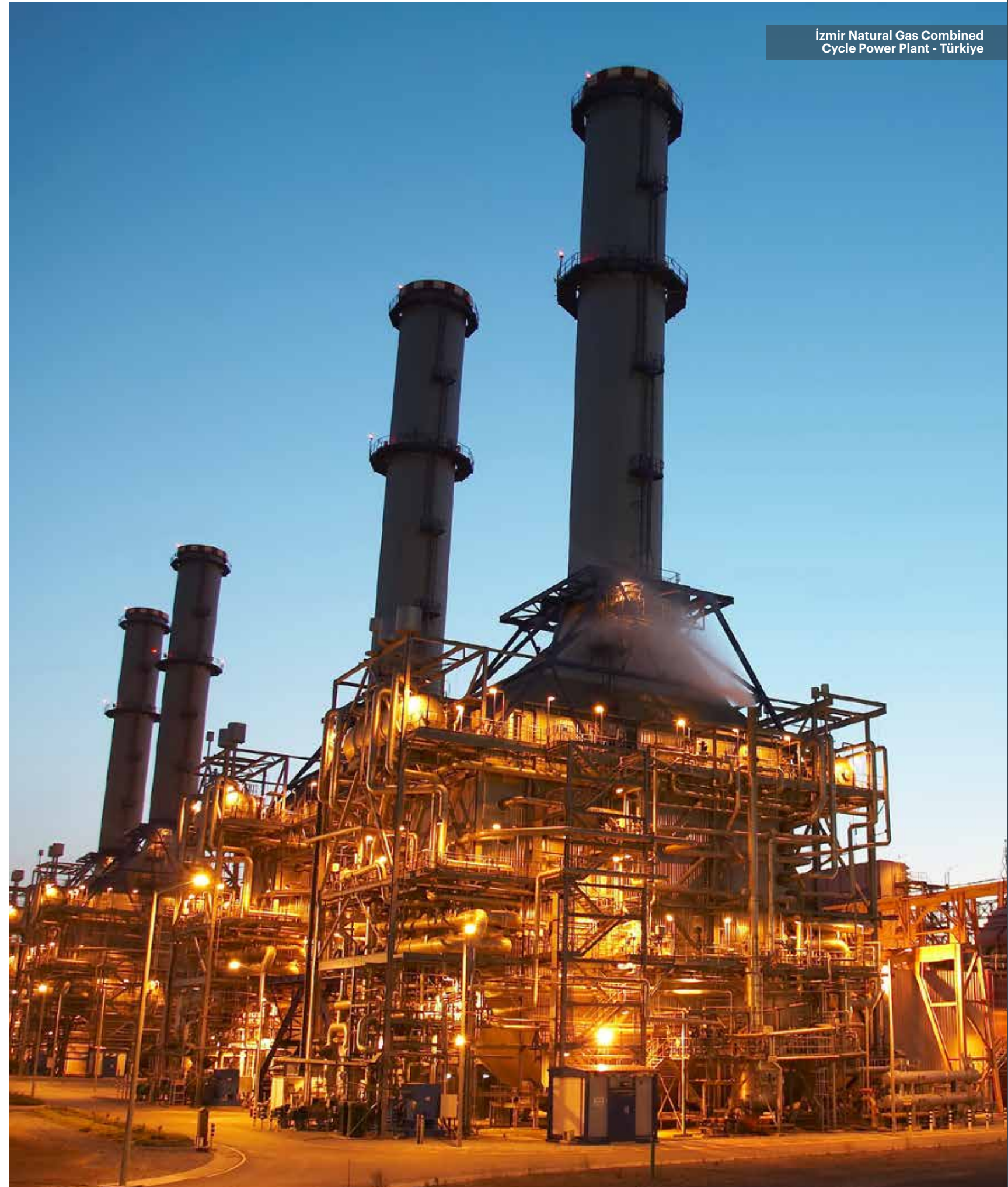
Türkiye

Adapazarı Elektrik Üretim Ltd. Şti.

Türkiye

İzmir Elektrik Üretim Ltd. Şti.

Türkiye



İzmir Natural Gas Combined
Cycle Power Plant - Türkiye

Gebze Elektrik Üretim Ltd. Şti. Adapazarı Elektrik Üretim Ltd. Şti. İzmir Elektrik Üretim Ltd. Şti.

In 1997, a partnership between ENKA and InterGen was awarded by the General Directorate of Turkish Electricity (TEAŞ) and the Ministry of Energy and Natural Resources to carry out the turnkey construction and operation of three natural gas combined cycle power plants in Gebze, Adapazarı and İzmir with a total installed capacity of circa 4,000 MW under the Build-Own-Operate (BOO) scheme.

The projects were launched in 2000. The turnkey construction of the Gebze, Adapazarı and İzmir natural gas combined cycle power plants was awarded to the Bechtel-ENKA Joint Venture (BEJV). The Gebze and Adapazarı plants were commissioned in 2002 and the İzmir plant in 2003. Thus ENKA, together with its partner InterGen, became the largest private sector electricity producer in Türkiye. During operation period, ENKA acquired the shares of its partner InterGen and became the sole owner of the power generation companies.

The Electricity Sale agreements and the Natural Gas Sale Contracts expired at the end of the BOO period in 2019. Following the BOO period, the power plants have been issued generation licenses and commenced operation in the merchant electricity market.

The ENKA power plants generated circa 7.5 billion kilowatt-hours of electricity in 2022 and reached over a total of 460 billion kilowatt-hours of electricity during operation. With an annual production capacity of 32 billion kilowatt-hours, ENKA power plants have the potential to meet 10% of Türkiye's total energy consumption.

During operation period, ENKA has improved the infrastructure at the plants and invested in state-of-the-art technology with the "Advanced Gas Path and DLN2.6+ Upgrade". With this industry-leading technology, ENKA has improved fuel efficiency, lowered its emission footprint and enhanced the operational flexibility and reliability of the power plants.

The ENKA power plants have certificates of ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, ISO 27001 Information Security Management System, ISO 9001 Quality Management System, ISO 50001 Energy Management System and necessary audits are carried out regularly related to these certificates.

The Energy Market Regulatory Authority (EPDK) has issued ENKA Enerji Ticaret A.Ş. with an electricity supply license and a natural gas import (spot market) license. Under the licenses, ENKA Enerji may engage in wholesale/retail activities in both electricity and gas markets.



İzmir Natural Gas Combined Cycle Power Plant - Türkiye



Gebze and Adapazarı Natural Gas Combined Cycle Power Plants - Türkiye



REAL ESTATE

ENKA TC
City Center Investment B.V.
LLC MosENKA
LLC Moskva Krasnye Holmy
LLC Otel Moskva - Krasnye Holmy, Swissotel Krasnye Holmy
ENKA Invest
ENKAMOS Region B.V.
LLC ENKA Flex Office

ENKA TC

ENKA TC, formerly known as RamENKA, was established in Moscow in 1997 as an equal partnership between ENKA and Migros for the purpose of developing shopping centers and a supermarket chain in the Russian Federation.

In November the same year, the company launched its first Ramstore hypermarket and shopping center in the Kuntsevo District of Moscow. The complex was constructed by ENKA and covered a total area of 19,400 m².

In spite of the economic crisis in the Russian Federation, the company continued its growth. In 1998, it opened its second hypermarket and shopping center in Maryina Roshcha.

ENKA had completed the construction of the 32,500 m² Maryina Roshcha shopping center in a remarkably short time while simultaneously maintaining its highest quality standards.

ENKA TC went on to open 23 new stores between 1999 and 2003, increasing the number of its stores to 25 and the number of its shopping centers to six.

The company started to expand to regions outside of Moscow, with stores opened in Krasnoyarsk, Kazan and Nizhniy Novgorod the same year. Despite some closures between 2004 and 2007, the total number of stores increased to 53, and the number of shopping centers to 10.

For its investments, the company made use of International Finance Corporation (IFC) and commercial bank loans in addition to its own resources. A total of USD 170 million in loans was provided by the IFC between 1998 and 2006. All of these loans were repaid in 2008, ahead of their maturity dates.

In addition to retail space in shopping centers, the company started to rent out office space on a large scale with the Vernadskogo complex in 2007.

ENKA became the sole owner of the company in 2007 by having acquired the 50% share held by Migros and renamed the company “ENKA TC”.

In order to focus on real estate operations as its main line of business, ENKA TC transferred the hypermarket operations and the shopping centers to AUCHAN through rental agreements. Upon the completion of this operation, the leasable area of ENKA TC increased from 167,000 m² to 227,000 m².

The shopping malls owned by ENKA TC which operated under the “Ramstore” brand name were re-branded “Kapitoliy” in 2009. In January 2010, the supermarket brand name “Ramstore” was changed to “Citystore”.

In line with the company's plan to exit the retail business and focus on real estate operations, the retail assets of ENKA TC were sold off to ООО “BILLA” and ООО “BILLA REALTY” in April 2012. Following that, ENKA TC had completely exited the retail sector by the end of 2012.

The rental revenues of the company continued to grow, reaching USD 109 million in 2022.

Meanwhile, in 2006 and 2007, two of ENKA TC's most important shopping mall developments won “Best Shopping Centre” awards from the Commercial Real Estate Committee (CRE) of the Russian Federation. The Kapitoliy Shopping Mall in St. Petersburg was honored with the “St. Petersburg's Best Shopping Centre” award in 2006, while the Kapitoliy Vernadskogo Shopping Mall in Moscow received the “Moscow's Best Large-Scale Shopping Mall” award in 2007.

The Kapitoliy Vernadskogo Shopping Mall was also selected among more than 60 nominated projects as “Best Project in the Sphere of Investment and Construction in Moscow in 2012” by the Moscow Local Administration. Later, it was chosen as the “Best Shopping Complex” at the “100 Best Office and Retail Centers in Russian Federation” awards ceremonies held in St. Petersburg in both 2017 and 2018.

The Kapitoliy Sevastopolsky Shopping Mall in Moscow was named the “Most Convenient Shopping Centre in the South-West Administrative District of Moscow” by Moscow Municipality in 2009.

In line with investments made for redevelopment of existing assets, ENKA TC finished the project development phase during the 2nd quarter of 2011, and commenced the redevelopment of the Kuntsevo Plaza, which had been originally opened in 1997.

Under this project, the existing building covering an area of 19,400 m² was demolished and a new, modern complex with a total area of 245,000 m² was constructed.



Kashirskaya Shopping Center - Russian Federation



Kuntsevo Plaza - Russian Federation



The complex consists of a shopping mall, office buildings and a small number of apartment units. The shopping mall opened its doors upon the completion of construction works at the end of 2014, while the construction of the office buildings was completed in the 2nd quarter of 2015. The shopping mall has a net leasable area of 61,000 m² and the office building a net leasable area of 29,094 m². There is an underground parking lot with capacity for 2,028 cars. The total investment cost was USD 484 million.

The Kuntsevo re-development project was presented with several awards:

- › The 2012 "Cityscape Future Retail Award in Emerging Markets" at the International Conference for Global Real Estate, which took place in Dubai and at which 36 nominated projects from 13 different countries were showcased.
- › The "Best Shopping Centre" award of the Russian Council of Shopping Centers (RCSC) was received in April 2015.
- › The "Best Retail Architecture Russian Federation", "Best Retail Development (5 Stars) Russian Federation" and "Best Retail Development Europe" awards at the International Property Awards were received in 2016.
- › The "Best Office Complex" and "Best Shopping Complex" awards were received at the "100 Best Office and Retail Centers in Russian Federation" award ceremony held in St. Petersburg in both 2017 and 2018.

The Kuntsevo Plaza also became one of the Russian Federation's 37 certified green investment projects by having received a green building certificate (Green Standard – GOLD) in April 2013.

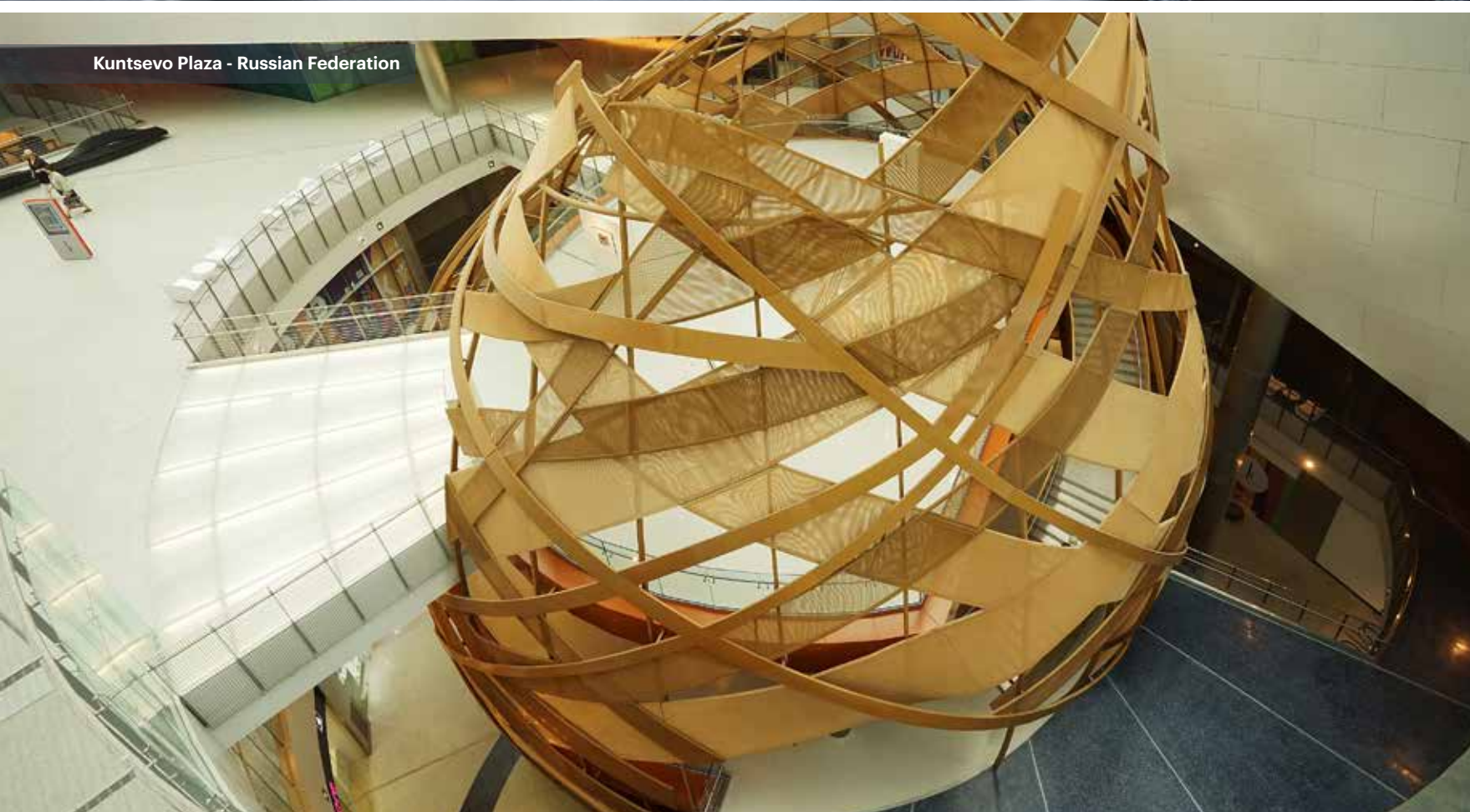
In the 2nd quarter of 2013 the construction of a shopping mall at Sergiev Posad in the Moscow Region was commenced. This mall was opened for retail operations at the beginning of September 2014. It has a total area of 36,750 m², a leasable area of 24,883 m², and a car park with capacity for 696 cars. This project involved an investment of USD 59 million.

In the 4th quarter of 2015, construction work began on the construction of the new Kashirskaya Shopping Mall, replacing the existing mall, which had been demolished to make way for it. The new building has a total area of 196,750 m² and a leasable area of 70,000 m². The total investment cost, including construction, design, infrastructure works, approvals, road works etc., amounted to USD 232 million. The new shopping mall began operations in March 2018.

In spite of its short history, the Kashirskaya Plaza has been honored with several important awards:

- › The "Best Shopping Centre" among projects at the implementation stage in the "Large Shopping Centers" category at the RCSC Awards in 2018.
- › Winner of the prestigious international European Property Awards in two nominations (Retail Architecture, Moscow, Russian Federation; Retail Development, Moscow, Russian Federation) simultaneously in 2018.
- › The "Best Large Shopping Center" in the Commercial Real Estate Moscow Awards in 2019.
- › The "Best Implemented Project in the Field of Construction of Multifunctional Shopping Centers and Complexes" in the awards ceremony organized by the Department of Urban Policy in 2019.
- › "Global Best Project" in the Retail / Mixed Use Development Category in Engineering News-Record (ENR) 2019 Global Best Projects Competition.

Kuntsevo Plaza - Russian Federation



City Center Investment B.V.

City Center Investment B.V. (CCI) was established in 2003 for the development of the Naberezhnaya Tower complex. Naberezhnaya Tower is one of the most prestigious business centers in Moscow, with a Commercial Real Estate Award for the best Class-A business center. Located in Moscow's international business center, it is a model of inspiring architecture and state-of-the-art innovative design. CCI has been able to build long term relationships with its tenants thanks to its competitive advantages in the commercial real estate market.

Naberezhnaya Tower complex consists of three blocks with a total leasable area of 163,000 m². At present, 109 staff are employed in office leasing, the management and operation of the facilities and the supply of fit-out works.

The Russian office market was negatively affected by the global financial crisis that broke out in 2008, high inflation rates at a record level and the political crisis. The effects of this situation are the rent reduction demands of the tenants, reducing the office size and at the same time difficulties in fulfilling the existing payment obligations in the contract. The sanctions imposed as a result of the political crisis resulted in some international companies leaving the Russian market and closing their offices.

Notwithstanding, through the constructive and professional approach and the correct planning, the occupancy rate of the building has been maintained at a high level of 97% in 2022. With this strategic approach, CCI managed to extend contracts with existing tenants with a total rentable area of more than 40,000 m², as well as to conclude new lease agreements with a total area of more than 10,000 m².

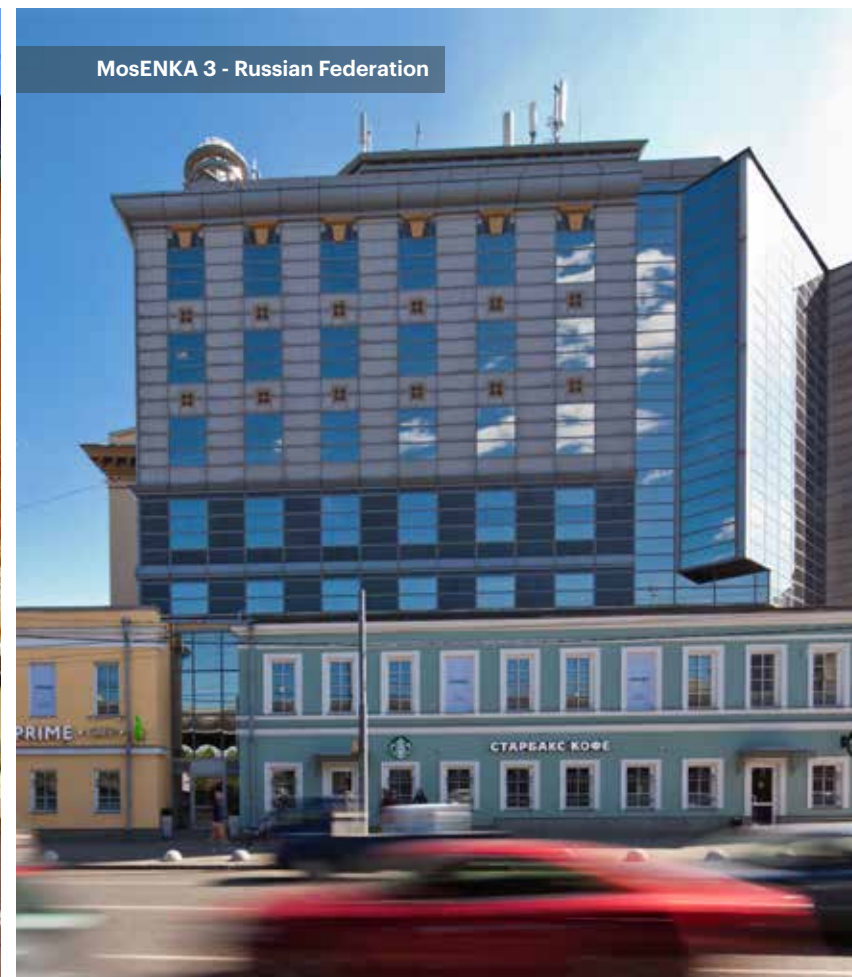
The CCI operations team provides comprehensive and regular maintenance of the business center despite the disruptions and difficulties experienced in the international supply chain. It was carried out on the spot and in full with additional measures taken.

Existing CCI tenants include reputable corporations such as ; Alibaba, Arconic, Berlin Chemie, Seamless, Dell, Eli Lilly, Elanco, Fortum, General Electric, GlaxoSmithKline, IBM, Inditex, Juniper Networks, Kept, Marie Tecnimont, Medtronic, Merz Pharma, Mitsui & Co, Mubadala, Ozon, Pfizer, Qualcomm, Renaissance Capital, Richemont, SMS Group, VTB Group, Unipro and Segezha





MosENKA 2 - Russian Federation



MosENKA 3 - Russian Federation



MosENKA 4 - Russian Federation



MosENKA 6 - Russian Federation

LLC MosENKA

In 1991, ENKA took advantage of its good business relations in Russian Federation, as well as the country's steady economic progress, founded LLC MosENKA as its first investment company in Moscow, together with a group of Russian partners. The company aimed to meet the growing demand for office space in the Russian capital and acquaint the country with real estate services delivered to western standards.

Now 100% owned by ENKA, MosENKA continues to develop and rent out office space. It has reconstructed 6 historic buildings with a total construction area of 46,500 m² and converted them into modern office buildings.

M1 and M5 buildings were restored and handed over in 2012 and 2019 respectively.

As of 2022, the company is operating 4 buildings that it modernized.

The occupancy rate for its buildings was 69% at the end of 2022.

Tenants of MosENKA include well-known local and international companies such as Accor, Becton Dickinson, Caspian Pipeline Consortium, Ericsson, Ipsen, Lexmark, Lufthansa, MGCom, Saipem, Seaco, Tecnicas Reunidas and Varian Medical System.

The company employs staff of 75, and its turnover in 2022 was about USD 10 million.



LLC Moskva Krasnye Holmy

Moskva Krasnye Holmy (MKH) commenced operations in the summer of 1995. Fully owned by ENKA, it had been established following an investment agreement with a number of Russian partners, including the Municipality of Moscow, for the development of the Russian Cultural Center on a seven-hectare plot of land in central Moscow, based on a 49-year lease.

The center, featuring commercial, cultural and sporting facilities as well as office buildings, was to be developed in five stages. To date, offices, a hotel, a conference center, an art gallery and a parking lot have been completed with a total area of 156,000 m².

As of the end of 2022, the office buildings had an occupancy rate of 82%. Existing tenants of LLC Moskva Krasnye Holmy include reputable corporations such as ADV, AHI Carrier, Air Liquide, El6, Givaudan, Keysight Technologies, Nissan, SAP and Ile de Beaute.

The corporate policy of the company puts a strong emphasis on institutionalization and aims to increase productivity and profitability by employing the finest local staff and the best local subcontractors alongside a core Turkish management team. The total number of company employees is 98. The company's turnover in 2022 was about USD 28 million.

LLC "Otel Moskva - Krasnye Holmy", Swissotel Krasnye Holmy

Swissotel Krasnye Holmy was established in 2005 as a 5-star hotel with 234 rooms. It is operated by Accor Group.

Swissotel Krasnye Holmy Moscow brings to the heart of the Russian capital unsurpassed service and luxury combined with the most breathtaking views of the city. The hotel is situated very conveniently in Moscow's business district. Surrounded by major office complexes and financial institutions including the Paveletskaya Tower, the Aurora Business Park and the Vivaldi Plaza, it is also very close to Paveletsky railway station, which offers business travelers a significant advantage when transferring to Domodedovo Airport.

Swissotel Krasnye Holmy Moscow was selected as one of the "100 Best Places" in the TOP 100 Russia Awards 2022.

The bars and restaurants of the hotel host various Moscow and international gastronomic festivals and master classes of world-class bartenders. Its trendy roof-top bar, City Space Bar & Restaurant, is considered one of the world's top bars. This highly popular venue has also received accolades in the World Travel Awards. It is the ideal place to drink a cocktail while enjoying breathtaking 360-degrees views of Moscow. The turnover of the hotel in 2022 was about USD 9 million and it has 162 employees.

ENKA Invest

ENKA Invest began operating in 1994 as a part of ENKA's real estate investment division, which has been active in Moscow since the early 1990s. It has 4 complexes located in the center of Moscow with a total leasable area of 76,000 m². Paveletskaya Plaza, Tsvetnoy Palazzo, Sretenka Complex and Chaplygina House are all built, owned, developed and operated by ENKA Invest.

The company employs a staff of 64 in the areas of office and residential leasing, and building and facility management. It also provides construction services for tenants' fit-out works. Its exceptional facilities and services have enabled it to build long-term relationships with its tenants.

ENKA Invest team keeps a close watch on the current political situation and its delayed effects in the commercial real estate industry and adjusts its marketing strategy accordingly. Though some international companies suspended their business activities in Russian Federation, the presence of Russian legal entities which become successor to them is expanded. ENKA Invest increased occupancy rate to 89% by evaluating abatement and area reduction requests from its tenants individu-

ally and offering appropriate solutions in response to the new market requirements to reconsider the organization of office space. Despite the negative effects of the political crises on the market, a total of about 5,500 m² lease contract was extended and more than 12,000 m² of new contract was signed, including the expansion of Flexity which offers tenants fitted out and furnished premises with full scope of service operation.

In 2022, approximately 7,800 m² of renovation work was undertaken for existing and new tenants, and delivered on time without compromising quality. ENKA Invest allocates resources for the common areas of the buildings in its portfolio and performs renovation works continuously in line with its sustainability projects.

As of the end of 2022, ENKA Invest's tenants included major multinational firms such as Alfa Sigma, AxTeam, B1 Consult, Bulgari, Clarins, Club "Valdai", Get Experts, Equinor, HSBC, IATA, La Prairie, LG Electronics, Lundbeck A/S, National Oilwell Varco, Nestle, Nintendo, UBS, Wheely and Zarubezhneft Production Kharyaga.



Paveletskaya Plaza - Russian Federation



Tsvetnoy Palazzo - Russian Federation



ENKAMOS Region B.V. Ovchinnikovskaya Business Center

Ovchinnikovskaya (OVC) Business Center is located on Ovchinnikovskaya Embankment and offers working opportunities at the heart of the Russian capital. Proximity of the building to the Kremlin, Red Square and other sights of the capital increases its importance. Previously owned by the Russian Ministry of Economic Development, the building with the iconic Soviet-style architecture was reconstructed by ENKA in 2022 as a modern Class A office building within a year. Local architectural elements were combined with state-of-the-art technology to provide its users with a comfortable and safe workspace, designed in accordance with structure of the city.

The facility consists of a 10-storey building with an outdoor parking lot, offices, retail spaces, lobby areas and a multifunctional conference hall. The total construction area of the building is 28,000 m² and the total leasable area is 20,000 m².

Designed by the "WELL", a certified international architectural bureau, the complex enables its clients to work in a high quality well-connected environment where all their needs are met and allows them to increase their work efficiency.

Also featuring meditation rooms, green common areas, gyms, shower and game zones, the OVC Business Center offers a unique work environment. The project can accommodate up to 2,700 work desks over 80 meeting rooms, coffee points and lounges. One of the unique opportunities offered by the facility is the multifunctional conference room with an area of 400 m² and a capacity of 250 people.



LLC ENKA Flex Office

The past year has been a year of adjusting to emerging challenges and reflecting on their impact within the serviced office sector. We have expanded our portfolio from 2,000 m² to 27,000 m² since our inception in September 2021 to the year of 2022. The biggest contribution to our growth was opening of the Ovchinnikovskaya Business Center. We believe that our performance last year is underpinned by ENKA's strong corporate culture and its solid managerial approach in challenging periods.

The major development of the year was the introduction of our location at the Ovchinnikovskaya Embankment into the market for a second time as we have terminated our lease contract with the market-place firm Ozon following the shift in company's growth outlook. Similarly, as some of the international businesses decided to halt operations, we have seen a comparable momentum with part of our portfolio tenants. We have succeeded to close mutually beneficial arrangements with all our partners and repositioned our focus considering the new realities of our market and region.

We continue to deliver our promise to create and manage environments to thrive in. As of the end of 2022, we are proudly servicing more than 900 desks across our portfolio.

Thanks to our flexible approach and timely reaction to shifts in our sector, in 2022 we signed a major

deal for serviced office space, enabling Renaissance Credit to relocate its new headquarters with a total of 510 workspaces to our Paveletskaya facility.

2022 was also a year of restructuring and reimagining our leasing cycle. During the last quarter of 2022, we implemented digital platforms and CRM system into our business processes. Our online presence in various marketplaces for office lease and in search engine results was launched, which is now being managed in-house. We are already delivering on these new opportunities we have created with new leases executed at Ovchinnikovskaya location.

Looking ahead, we see weaker demand for high-quality office space. The increasing vacancy and large sublease space in our region will continue to pressure the rental rates and occupancy figures in the office sector, impacting serviced office operators to a large extent. With this in mind, we are working on new opportunities and focusing on various key growth areas.

Whilst we are alive to the risks surrounding us, we are confident in the future of our operations. Flexity's focus in 2023 will be around increasing its' online presence, digitalization of the leasing cycle and launching two new product lines, a solution for entrepreneurs and small businesses, and meeting & conference venues.



TRADE

ENKA Pazarlama İhracat İthalat A.Ş.

ENTAŞ Nakliyat ve Turizm A.Ş.

AirENKA Hava Taşımacılığı A.Ş.



ENKA Pazarlama İhracat İthalat A.Ş.

Established in 1972, ENKA Pazarlama entered the Turkish construction market through the sale and servicing of Hitachi excavators and wheel loaders. From day one, it adopted the strategy of representing only the best known and most highly regarded global brands.

ENKA Pazarlama is a leader in the supply of heavy construction and lifting equipment and machinery and industrial machinery. It provides sales and aftersales to the whole of Türkiye through its five regional branches, three sales office, one liaison office, 53 sub-dealers and authorized service providers.

ENKA Pazarlama provides sales and after-sales support to customers through five TSE approved service centres, all of which possess ISO 9001:2015 quality certificates, and with its stated mission of being “reliable solutions partners”.

ENKA Pazarlama owns and operates open and covered machinery and equipment parks in İstanbul, Ankara, İzmir, Adana cities and Mersin Free Zone.

With its advanced technical know-how and customer satisfaction-oriented approach, ENKA Pazarlama is one of the leading companies in its field in Türkiye.

Being aware of its corporate responsibilities, ENKA Pazarlama undertook a number of initiatives aimed at boosting the sustainability of its operations in 2022 as per ENKA sustainability policy.

ENKA Pazarlama continues to provide high quality, economical solutions to its customers through the updated 9001:2015 Quality System and by closely following the latest technological developments.

As a distributor of the world’s leading manufacturers of construction and industrial machines and equipment, ENKA Pazarlama markets and distributes the following product groups:

Construction Machinery Group:

- › **Hitachi:** Hydraulic excavators, wheel loaders, mining hydraulic excavators and rigid dump trucks
- › **XCMG:** Graders, rollers and asphalt equipment
- › **Bell:** Articulated dump trucks
- › **Dynapac:** Soil, asphalt, double drum and single drum rollers, pavers and planers
- › **Tana:** Landfill compactors and shredders
- › **Shantui:** Dozers

Industrial Products Group:

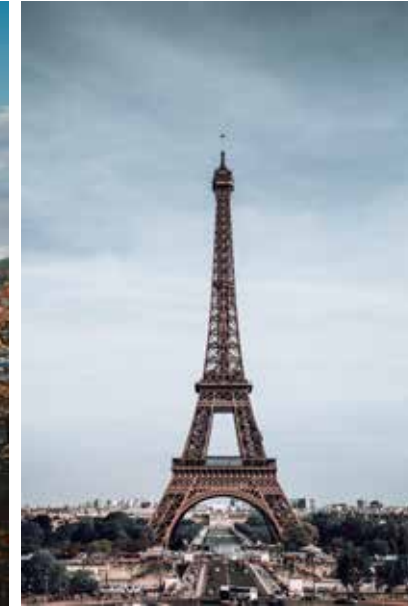
- › **Mitsubishi:** Marine engines and industrial engines
- › **Shanghai Diesel:** Marine engines and generators
- › **SDMO:** Generators and lighting systems

Lifting Equipment Group:

- › **TCM:** Forklift and warehouse equipment
- › **Heli:** Forklift and warehouse equipment
- › **HSC – Sumitomo Heavy Industries:** Crawler cranes
- › **Tadano:** Rough terrain and all terrain mobile cranes and crawler cranes
- › **Palfinger:** Truck mounted loading and recycling cranes, on truck forklifts, hydraulic ramps and crawler mobile cranes
- › **XCMG:** Soil drillers, telehandlers, skid steer loaders and aerial platforms

Despite the extraordinary conditions brought by the pandemics economy and the disruptions in the supply chain in 2022, ENKA Pazarlama has managed to expand the number of regional sales-aftersales offices with Antalya and Bursa, was able to acquire new distributorship territories of Azerbaijan and Georgia and increase its turnover to over Euro 230 million, further reinforcing its difference, reliability and superiority in the sector.





ENTAS Nakliyat ve Turizm A.Ş.

ENTAS was established in 1976 and became a member of the International Air Transport Association (IATA) in 1982. ENTAS is also a member of the American Society of Travel Agents (ASTA) and the Universal Federation of Travel Agents Associations (UFTAA), as well as national organizations such as the Association of Turkish Travel Agents (TÜRSAB) and the Association of İstanbul Travel Agents (ISAD).

ENTAS offers national and international customers a wide range of cultural and business travel alternatives for both individuals and groups. With its emphasis on high-quality service, it has secured a lasting position in the sector.

ENTAS has made its mission to understand requirements accurately, to improve the quality of its services constantly, and most importantly to maintain its wide range of

products and longlasting collaborations by ensuring full customer satisfaction. It also aims to contribute to the development of the sector, keeping close watch on global best practices with a view to implementing them in Türkiye.

ENTAS has repeatedly pioneered the use of the latest on-line international reservation systems in Türkiye, including Amadeus, Galileo and Troya.

The services offered by ENTAS include:

- › Worldwide airline ticket sales, hotel reservations, transfers and rent-a-car services
- › Private or business trips and holidays
- › Luxury packages for individuals and groups
- › “Blue Voyage” yacht expeditions and special rail and cruise packages

- › City tours with or without a professional tour guide
- › Specialist cultural, religious, sports, health, adventure and nature tours and holidays
- › Special programmes for education and language schools
- › Private plane rental and VIP services
- › Organization of conferences, seminars, fairs and symposia
- › Dealer conventions and motivational trips
- › Corporate events such as personnel dinners, award ceremonies, anniversaries and launches
- › Contracts with singers and other performers, and supply of technical equipment, stage design and venue decoration services
- › Catering services, visa services and travel insurance

In addition to its call center services, ENTAS is able to provide detailed purchasing reports tailored to the wishes of its corporate customers and to forward such reports automatically to the relevant individuals within the requested period of time.

ENTAS has sustained its leading position over the years. For more than a decade, it has consistently ranked among the top 5 national agencies in airline ticket sales. It has the highest turnover of any agency operating from a single location without any branch offices.



AirENKA Hava Taşımacılığı A.Ş.

AirENKA Hava Taşımacılığı A.Ş. (AirENKA Air Transport Corp.) was established in 2002 to provide air taxi services on domestic and international routes. The company was granted an Operation License (No. 2002-HT-04) by Türkiye's Directorate General of Civil Aviation starting on 22 April 2002.

AirENKA operates the Gulfstream G450 type jet aircraft manufactured in 2015 with the latest on-board technology.

The highly experienced flight crew regularly undergo refresher training in the USA to comply with international aviation regulations.

In 2022, the company logged a total of 361 flight hours to 44 different cities.





SOCIAL ACTIVITIES

ENKA Foundation, İstanbul

ENKA Sports Club, İstanbul

ENKA İstanbul Schools

ENKA Adapazarı Schools

Private ENKA Vocational and Technical Anatolian High School, Kocaeli

Private ENKA Science and Technology High School, Kocaeli

ENKA Sanat, İstanbul

ENKA FOUNDATION

The ENKA Foundation was founded in 1983 with the idea of preserving the strong tradition of foundations in Turkish culture and sustaining the concepts that are the building blocks of civilization.

The natural mission of the foundation is to educate individuals with scientific methods, raise them as modern, productive, questioning individuals and unlock their potential in an environment where sports, education, culture and the arts are all blended together.

The Sadi Gülçelik Sports Complex was founded in 1983 on the gentle slopes of İstinye, İstanbul. Its fundamental values include ethics, morality, respect, trust, sincerity, openness and innovation.

Besides the ENKA Sports Club, the ENKA Foundation comprises ENKA Schools and ENKA Sanat. ENKA Schools came into being with the opening of ENKA Schools İstanbul in İstinye in 1996. ENKA Adapazarı Schools were launched in the wake of the 1999 earthquake. The Private ENKA Technical and Vocational Anatolian High School opened its doors in Kocaeli in 2008 and the ENKA Kocaeli Science and Technology High School started teaching in 2014. All the units and members of the foundation are committed to disseminating and sharing the wealth of its heritage with society at large.





ENKA Sports Club

As of 2022, a total of 1,982 athletes, 1,532 licenced and 450 in the youth setup, have been engaged with the sports branches in which the ENKA Sport Club is active. It is an honour for our club to be referred to as the “Engine of Turkish Sports”, thanks to our athletes at every age group leading their branch in Türkiye, setting new national and international records and firsts and the training team who make great efforts to make these achievements possible.

ATHLETICS

In Major International Organisations;

At the European Athletics Championships held in Munich, Germany between 15-21 August, 2022, ENKA Sports Club athletes;

- › Yasemin Can became the European Champion in 10,000m with 30:32.57 minutes and took in European 2nd place in 5,000m with 14:56.91 minutes.
- › Yasmani Copello Escobar won European 3rd place in 400m Hurdles with 48.78 seconds.
- › Tuğba Güvenç ran her personal best and came in European 5th place in the 3,000m Steeplechase with 9:25.58 minutes.
- › Salih Korkmaz ranked 7th in European in the 20 km race walking with a time of 1:20:50.
- › The 4x100m Men’s Relay Team including Emre Zafer Barnes, Jak Ali Harvey and Ertan Özkan ranked 7th in European with 39.20 seconds.
- › Kivılcım Kaya Salman ranked 11th in Europe in Hammer Throw with 67.04 m.

At the European U18 Athletics Championship held in Israel;

- › Ayça Fidanoğlu won European 2nd place in 1,500m with 4:23.98 minutes.

- › Edanur Tulum set a new Türkiye U15 record with 54.19 seconds in the 400m semi-finals and broke her own Türkiye U15 record in the 400m finals with 53.96 seconds, winning European 3rd place.

The Turkish Junior Girls Cross Country National Team, which included ENKA Sports Club athletes Ayça Fidanoğlu and Sila Ata, won European 2nd place at the European Cross Country Championship and Ayça Fidanoğlu ranked 7th in European individually.

At the European Throwing Cup held in Portugal, ENKA Sports Club athlete Alperen Karahan became the champion at the U23 shot put category with 19.81 m.

At the European 10,000m Cup held in France, ENKA Sports Club athlete Yasemin Can won 1st place with a time of 31:20.18.

At the 19th Mediterranean Games held in Algeria, ENKA Sports Club athletes;

- › Yasmani Copello Escobar set a new Mediterranean Games record in men’s 400m Hurdles with 48.27 seconds and won a gold medal.



- › Jak Ali Harvey won a gold medal in Men’s 100m with 10.15 seconds.
- › Yasemin Can won a gold medal in Women’s 5,000m with 15:23.49 minutes.
- › Tuğba Danişmaz won a silver medal in Women’s Triple Jump with 14.05 m.
- › Kivılcım Kaya Salman won a silver medal in Women’s Hammer Throw with 69.82 m.
- › The 4x100m Relay Team which included Ertan Özkan and Jak Ali Harvey won silver with 38.98 seconds.
- › The 4x400m Relay Team which included Büşra Yıldırım won bronze with 3:43.13 minutes.
- › The 4x400m Relay Team which included Yasmani Copello Escobar and Sinan Ören won bronze with 3:04.55 minutes.

At the Fourth Mediterranean U24 Athletics Championship held in Pescara, Italy, ENKA Sports Club athletes;

- › Alperen Karahan won a gold medal in Shot Put with 19.15m.
- › Ramazan Baştuğ won a silver medal in 5,000m with 14:29.27 minutes.

At the 5th Islamic Solidarity Games held in Konya between 08-12 August, 2022, ENKA Sports Club athletes won a total of 19 medals.

The following ENKA Sports Club athletes won gold medal;

- › Yasemin Can in 5,000m and 10,000m; Buse Arıkazan and Demet Parlak in the Pole Jump; Emel Dereli in Shot

Put; Alperen Karahan in Shout Put; Necati Er in the Triple Jump; Emre Zafer Barnes and Jak Ali Harvey in the 4x100m Relay.

The following ENKA Sports Club athletes won silver medal;

- › Kivılcım Kaya Salman in Hammer Throw; Yasmani Copello Escobar in 400m Hurdles; Nurten Mermer in Discus Throw; Tuğba Danişmaz in the Long Jump; Eşref Apak in Hammer Throw; Elif Polat, Büşra Yıldırım and Edanur Tulum in the 4x400m Relay.

The following ENKA Sports Club athletes won bronze medal;

- › Necati Er in the Long Jump; Tuğba Danişmaz in the Triple Jump; Emre Zafer Barnes in 100m; Sinan Ören, Büşra Yıldırım and Edanur Tulum in 4x400m Mix Relay; Simay Özçiftçi, Cansu Nimet Sayın and Elif Polat in 4x100m Relay.

At the European Youth Olympics Festival held in Banská Bystrica, Slovakia, ENKA Sports Club athletes;

- › Edanur Tulum won a gold medal in 400m with 54.41 seconds.
- › Ayça Fidanoğlu won a gold medal in 1,500m with 4:21.25 minutes.

Representing Türkiye at the DNA U20 Clubs Competition held by European Athletics for the first time in Castellon, Spain on 17-18 September, the ENKA Sports Club U20 team became European Champion. The ENKA 4x400 mix relay team set a new Türkiye juniors record with 3:33.66.

Türkiye was placed 3rd in the 75th Balkan Seniors Athletics Championship with a total of 22 medals (six gold, six silver and ten bronze), while ENKA Sports Club athletes won one gold, three silver and three bronze medals. ENKA Sports Club athletes Mikdat Sevler won 1st place in 110m Hurdles with 13.80 and Tuğba Danişmaz won the silver medal in the Triple Jump with 14.07m. Büşra Yıldırım also won silver in 400m, who finished with a new personal best of 52.88. Alperen Karahan won a silver medal in Shot Put with 20.20m. Buse Arıkan won Balkan third in the Pole Jump with 4.30m. Ertan Özkan won bronze in 100m with 10.44 seconds. Ömer Amaçtan won 3rd place in the 3,000m with a time of 8:14.40.

At the Balkan U20 Athletics Championship held in Denizli, Türkiye and in which 35 ENKA Sports Club athletes were included in the national contingent, ENKA athletes won 11 gold, 11 silver and four bronze medals. ENKA Sports Club athletes;

- › Pelinsu Şahin won 1st place in 3,000m Hurdles with 10:23.60 and in 1,500m with 4:32.50.
- › Orçun Ünalın won 1st place in 100m with 10.72 and 2nd place in 200m with 21.97.
- › Simay Özçiftçi won 1st place in 100m with 11.73 and 2nd place in 200m with 24.82.
- › Sila Ata won 1st place in 5,000m with a time of 17:38.79 and 2nd place in 3,000m with a time of 10:07.69.
- › Cansu Nimet Sayın won 1st place in 100m Hurdles with 13.68.
- › Ece Nartürk won 1st place in Hammer Throw with 57.16m.
- › Lütfi Atalay won 1st place in the Pole Jump with 5.00m.
- › The men's 4x100m Relay Team including Seymen Dur,

Orçun Ünalın and Yasin Sosa won 1st place with a time of 40.83.

- › Büşra Hatun Ekinci won 2nd place in Shot Put with 13.63m.
- › Selma Davulcu won 2nd place in the Javelin Throw with 50.27.
- › Baran Ergüven won 2nd place in 1,500m with 3:53.3.
- › The women's 4x100m relay team which included Zeynep Olur, Sila Koloğlu and Simay Özçiftçi won 2nd place with 46.47.
- › Atilla Göktuğ Taşdelen won 2nd place in the High Jump with 2.12m.
- › Diyar Ergüven won 2nd place in 3,000m with 9:48.23.
- › Sude Elif Serdar won 3rd place in the Pole Jump with 3.40m.
- › Berra Aygün won 3rd place in the High Jump with 1.70m.
- › The 4x400m Relay Team which included Emirhan Çiftçi and Cem Özsu won 3rd place with a time of 3:19.12.

At the Balkan U18 Championship held in Montenegro, ENKA Sports Club athletes;

- › Batuhan Eser won 1st place in the 1,500m with a time of 4:18.58 and won 2nd place in 800m with a time of 1:58.53.
- › Yakup Efe Suratlı won 2nd place in 110m Hurdles with a time of 13.89.
- › Ramazan Kundakçı won 3rd place in 2,000m Hurdles with 6:08.07.
- › Mehmet Eren Karayaz won 3rd place in the High Jump with 1.98m.
- › Defne Tuna won 3rd place with the 4x100m Relay Team with 47.95.

At the Balkan Indoor Athletics Championship held at the Ataköy Athletics Hall in İstanbul with 19 countries participating, the Turkish national team won the most medals with seven gold, 5 silver and 8 bronze, while ENKA Sports Club athletes in the national team won two gold, two silver and two bronze.

ENKA Sports Club athletes;

- › Tuğba Danişmaz, record holder in the Triple Jump, won her second consecutive Balkan Championship and beat her own Türkiye Seniors record with 14.14 m.
- › Mehmet Çelik became the Balkan Champion in 1,500m with 3:45.65 minutes.
- › Mikdat Sevler won Balkan 2nd place in the 60m Hurdles with 7.78 seconds with the race being decided by photo finish.
- › Buse Arıkan won a silver medal in the Pole Jump with 4.30m.
- › Edanur Tulum, born in 2006, who represented Türkiye for the first time in the national team won a bronze medal with the 4x400m Relay Team with 3:46.99 minutes.
- › Demet Parlak won a bronze medal in the Pole Jump with 4.20m.

At the Balkan U20 Indoor Athletics Championship held in Belgrade, ENKA Sports Club athletes;

- › Atilla Göktuğ Taşdelen won a silver medal in the High Jump with 2.14m.
- › Yaren Yıldırım won a silver medal in 60m Hurdles with 8.51 seconds.
- › The 4x400 Relay Team which included Simay Özçiftçi and Edanur Tulum set a new Türkiye record and won a silver medal with 3:48.82 minutes.

- › Sude Elif Serdar won a bronze medal in the Pole Jump with 3.40m.
- › Simay Özçiftçi won a bronze medal in 60m with 7.51 seconds.
- › Edanur Tulum won a bronze medal in 400m with 56.56 seconds.

At the Balkan Race Walking Championship held in Greece, ENKA Sports Club athletes Ayşe Tekdal became the Balkan Champion in the women's 20km with a time of 1:38.01, while Abdülselem İmük won Balkan 2nd place in Men's 20km with a time of 1:31.37.

ENKA Sports Club athlete Yasmani Copello Escobar was placed 6th in the Diamond League finals held in Zurich and 5th in the Diamond League season.

ENKA Sports Club athlete Yasemin Can won the XL Cross Internacional de Itálica, the sixth World Athletics Cross Country Gold Tour competition of the season held in Sevilla, Spain with a time of 32:31 seconds.

At the Gymnasiade held in France, ENKA Sports Club athletes;

- › Ayça Fidanoğlu ran her personal best and won a gold medal in the 1,500m with her time of 4:25.78.
- › Atilla Göktuğ Taşdelen won a silver medal in the High Jump with 2.06m.
- › Orçun Ünalın ran his personal best and won a bronze medal in 100m with 10.68 and came in 4th place in 200m with 22.01 seconds.
- › Hira Öztoprak was placed 5th in Hammer Throw with 62.62m.





In the Türkiye Inter-Club Leagues;

Cross Country League: The ENKA U18 Girls Team finished as Champions and the U20 Women Team finished in 2nd place.

U18 Throwing League: The ENKA U18 Girls Team finished as Champions and the U18 Boys Team finished in 2nd place.

Race Walking League: ENKA’s Senior Women and Men teams finished as Champions. In the U18 Race Walking League, ENKA’s Girls Team finished in 2nd place.

U16 League: ENKA’s Girls and Boys teams both won the Türkiye Clubs U16 Athletics Championship. ENKA’s U16 teams continued their uninterrupted championship streak, boys since 2012 and girls since 2013.

U18 League: The ENKA U18 Girls Team finished as Champions and the U18 Boys Team finished in 2nd place.

U20 League: ENKA’s Junior Athletics Team won both the women’s and men’s divisions.

Super League: ENKA’s Athletics Team won both the women’s and men’s divisions.

New Records Set by ENKA Sports Club Athletes in the 2022 Season:

Full Name	Branch	Rank/Points	Meet-Location	Record
Mert Atılı	35km	2:44.20	Spor Toto Türkiye Race Walking Championship - Antalya	TR
Mikdat Sevler	60m Hurdles Selection	7.71	Indoor Meeting Mandeville - France	STR
	60 m Hurdles	7.71	Belgrad Indoor Meeting - Serbia	STR - Egale
	60m Hurdles Selection	7.70	World Indoor Championships - Belgrade	STR
Ömer Faruk Çanakçı	110m Hurdles	13.36	90th Turkcell Türkiye Seniors & U23 Championship - Bursa	TR
	Heptathlon	5.524	Turkcell Türkiye Seniors Indoor Athletics Championship - İstanbul	U23STR
Tuğba Danişmaz	Decathlon	7.055	Olympic Trials - Bursa	U23TR
	Triple Jump	14.14	27th Balkan Senior Indoor Championship - İstanbul	TR
Mehmet Çelik	800m	1:48.43	Türkiye Universities Indoor Championship - Bursa	U23STR-STR
Alperen Karahan	Shot Put	19.85	Türkiye Universities Indoor Championship - Bursa	U23STR-STR
	Shot Put	20.81	Nurullah İvak Throwing Cup - Bursa	U23TR-TR
	Shot Put	20.46	5th Islamic Solidarity Games - Konya	GR
Meryem Bekmez	20,000m Race Walking	1:33:52.90	Olympic Trials - Mersin	U23TR-TR
	10,000m Race Walking	45:49.52	Olympic Trials - Mersin	U23TR
	5,000m Race Walking	21:54.2	Olympic Trials - Mersin	U23TR
Edanur Tulum	400m Selection	54.19	European U18 Athletics Championship - Israel	U18TR
	400m Finals	53.96	European U18 Athletics Championship - Israel	U18TR
Utku Göler	1500m	3:49.86	National Indor Trails - Bursa	U18STR
	3000m	8:15.31	National Indor Trails - Bursa	U18STR
Cansu Nimet Sayın	50m Hurdles	7.12	National Indor Trails - Bursa	U20 TR-TR Egale
Ayetullah Demir	50m Hurdles	7.12	National Indor Trails - Bursa	U20TR
	60m Hurdles	6.62	National Indor Trails - Bursa	U20TR
Simay Özçiftçi	4x400m	3:48.82	Balkan U20 Indoor Championship - Serbia	U20TR
İlkay Aydemir	Heptathlon	5.639	National Indor Trails - Bursa	STR
Sıla Koloğlu	200m	24.04	National Indor Trails - Bursa	U20TR
Semanur Deniz				
Defne Tuna	Sprint Medley	2:13.26	Sport Toto U18 Clubs Athletics League Finals Races - Denizli	U18TR
Ecenur Alakaş				
Edanur Tulum				
Hürkan Koç				
Edanur Tulum	4x400m Mix	3:33.66	European DNA U20 Clubs Competition	U20TR
Zehra Oral				
Cem Özsu				



TENNIS

In International Tournaments;

Davis Cup

The Turkish national team, which included ENKA Sports Club athletes Altuğ Çelikkbilek, Cem İlkel and Yankı Erel and is coached by our head coach Bora Gerçeker has made it to the World Group I for the first time in history. ENKA Sports Club athletes Altuğ Çelikkbilek and Cem İlkel represented Türkiye in the Davis Cup World Group I, which was held in Colombia between 12-18 September, 2022.

Billie Jean King Cup

The Turkish national team, which included ENKA Sports Club athletes İpek Öz, Zeynep Sönmez and Ayla Aksu achieved successful results in the Billie Jean King Cup Europe/Africa Group I. İpek Öz winning three of her four singles games and the İpek Öz-Ayla Aksu duo winning their doubles games played an important role in the victories against Denmark and Estonia. Playing at the national tram level for the first time, Zeynep Sönmez performed well with a doubles win. These wins allowed the Turkish women's national tennis team to remain in Europe/Africa Group I.

In WTA, ATP Challenger, 50.000\$+ ITF Tournaments

ENKA Sports Club athlete Altuğ Çelikkbilek and his partner Dmitry Popko defeated the Daniel Cukierman-Emilio Gomez duo in 6-7, 6-4 and 10-6 to win the ATP Challenger Malaga Open held in the Spain.

At the ATP Challenger Porto Open, Altuğ Çelikkbilek defeated Christopher O'Connell 7-6, 3-1 (ret.) and won the tournament, in which he did not concede a set, for the second time in a row and earned the 3rd Challenger level and eighth all levels title of his career.

Reaching the final at the ITF W60 Brasov Open held in Romania between 30 May-5 June, ENKA Sports athlete İpek Öz set a new career record and rose to 165th place in world rankings.

Cem İlkel won 2nd place at the ATP Challenger Vilnius Open tournament, which he began in the elimination stage.

ITF Women's & Men's Tournaments

In the ITF W60-W25-W15-M25-M15 tournaments, ENKA Sports Club athletes İpek Öz, Çağla Büyükakçay, Melis Ayda Uyar, Zeynep Sönmez, Melis Sezer, Ayla Aksu, Sarp Ağabigün, Tuna Ziya Altuna, Umut Akkoyun won a total of 10 titles and 12 runner-up titles in singles and doubles tennis.

In ITF Junior Tournaments

In the ITF W60-W25-W15-M25-M15 tournaments, ENKA Sports Club athletes İpek Öz, Çağla Büyükakçay, Melis Ayda Uyar, Zeynep Sönmez, Melis Sezer, Ayla Aksu, Sarp Ağabigün, Tuna Ziya Altuna, Umut Akkoyun won a total

of 10 titles and 12 runner-up titles in singles and doubles tennis.

In Tennis Europe Junior Masters Tournaments

ENKA Sports Club athlete Kerem Yılmaz, who represented Türkiye at the Tennis Europe Junior Masters tournament, which is played among the eight best performing U16 players in Europe and was held this year at the Monte Carlo Country Club in Monaco between October 26-28, 2022, won 3rd place by defeating his Romanian rival Gabriel Ghetu 7-5, 3-6 and 6-3.

Ages 12-14 Masters Best Eight Tournaments

In the tournaments held in Bodrum which were played among the eight best players in their age group, ENKA Sports Club athlete Mustafa Ege Şık won the single boys title in the Age 14 Masters Tennis Tournament while ENKA Sports Club athletes Toprak Erçin won the Age 12 single boys title and Ayşe Bal was the runner-up in single girls.

In National Tournaments;

At the U18 Türkiye Team Championship held in İstanbul, ENKA Sports Club boys tennis team consisting of Erden Er, Birtan Duran, Kerem Yılmaz, Ege Yenilmez, Aksel Çakır and Mars Argun won the titles while the girls tennis team

consisting of Leyla Nilüfer Yılmaz, Deniz Turan, Ezgi Çağıl Özçelik, Aslı Dalli and Melis Mert were runners-up.

Winning both the men's and women's title in the Türkiye Tennis League 2022 season played in Trabzon between 12-18 December, ENKA Sports Club was the leading club in tennis in Türkiye. ENKA Sports Club athletes; Çağla Büyükakçay, Zeynep Sönmez, Başak Eraydın, Melis Sezer, Ayla Aksu, Mehmet Cem İlkel, Altuğ Çelikkbilek, Tuna Ziya Atuna, İlhan Sarp Ağabigün, Fahir Berk İlkel and Cengiz Aksu played in the Türkiye Tennis League.

In International Rankings;

As of 31st December, 2022, WTA and ATP rankings of ENKA Sports Club athletes were as follows: İpek Öz (182), Çağla Büyükakçay (270), Zeynep Sönmez (348), Ayla Aksu (582), Başak Eraydın (917), Altuğ Çelikkbilek (236) and Cem İlkel (378).

As of December 31, 2022; ITF Junior top 1000 rankings; Kerem Yılmaz (562) and Birtan Duran (713).

As of December 31, 2022; in Tennis Europe rankings; Kerem Yılmaz 16 Years No. 5 and Mustafa Ege Şık 14 Years No. 8.

SWIMMING

In Major International Organisations;

At the World Short Course Swimming Championships held in Melbourne, Australia, ENKA Sports Club athlete Merve Tuncel became world 5th in the 800m Freestyle with 8:17.89 and world 7th in the 1,500m Freestyle with a time of 15:58.05.

ENKA Sports Club athlete Merve Tuncel became the World Junior Champion by winning gold medals in 400 m, 800m and 1,500m Freestyle.

Merve Tuncel, who represented Türkiye at the European Seniors Swimming Championship in Rome won European 3rd place with a time of 8:24.33 in 800m Freestyle and became the first Turkish female athlete to earn the title.

At the European Juniors Championship held in Romania, ENKA Sports Club athletes;

- › Merve Tuncel won the European titles in 1,500m Freestyle with 16:13.68 minutes; 800m Freestyle with 8:28.32 minutes and 400m Freestyle with 4:07.30 minutes; and won European 3rd place in 200m Freestyle with 2:00.02 minutes.
- › Belis Şakar won European 2nd place in 400m Medley with 4:47.11 minutes.
- › Defne Coşkun won European 3rd place in 200m Breaststroke with 2:27.51 minutes.
- › The 4x200m Freestyle Relay Team that included Tolga Temiz won European 2nd place with 7:20.99 minutes.

At the European Junior Open water Championship held in Portugal, ENKA Sports Club athletes Kadem Göksu Erdağlı won 3rd place in 5 km with 1:07.49 minutes, while the 4x1250m Mixed Relay Team which included Muharrem Batu Servi and Umut Yıldırım became European 5th with 1:03.53, and Muharrem Batu became European 7th in 10km with 1:48.49 minutes.

At the 19th Mediterranean Games held in Algeria, ENKA Sports Club athletes;

- › Merve Tuncel won the title in 800m Freestyle with 8:26.80, thereby becoming the first Turkish female swimmer to win a gold medal at the Mediterranean Games; while also winning 3rd place in the 200m Butterfly Stroke with 2:12.59 minutes.
- › Viktoria Zeynep Güneş won 1st place in 200m Breaststroke with 2:26.48 minutes, 2nd place in 200m Medley with 2:12.26 minutes and 3rd place in 100m Breaststroke with 1:08.44 minutes.
- › Ekaterina Avramova won 3rd place in the 200m Backstroke with 2:12.72.

- › The 4x200m Freestyle Relay Team which included Merve Tuncel and Beril Böcekler won 3rd place with 8:05.41 minutes.
- › The 4x100m Medley Relay Team which included Ekaterina Avramova, Viktoria Zeynep Güneş and İlknur Nihan Çakıcı won 3rd place with 4:07.31 minutes.

At the 5th Islamic Solidarity Games held in Konya between 13-17 August, 2022, ENKA Sports Club athletes won a total of 30 medals in swimming competitions.

- › Merve Tuncel set three new games records and won a total of four gold medals, setting new games records in 200m freestyle with 2:02.09 minutes, 800m Freestyle with 8:40.14 minutes and 1,500m Freestyle with 16:27.63 minutes; and winning the 400m Freestyle with 4:12.93 minutes.
- › Ekaterina Avramova set two new games records in 200m Backstroke with 2:12.44 minutes and 100m Backstroke with 1:01.47 minutes and won the 50m Backstroke with 28.63 minutes to earn a total of three gold medals.
- › Viktoria Zeynep Güneş won three gold medals in 100m Breaststroke with 1:08.96 minutes, 200m Breaststroke with 2:29.55 minutes and 200m Medley with 2:15.92 and won two silver medals in 400m Medley with 4:56.42 minutes and 50m Breaststroke with 32.03 seconds.
- › İlknur Nihan Çakıcı won two gold medals in 50m Freestyle with 25.90 seconds and 100m Freestyle with 57.20 minutes.
- › Yiğit Aslan set a new games record and won gold in 400m Freestyle with 3:52.98 minutes and won two silver medals in 800m Freestyle with 8:15.90 minutes and 1,500m Freestyle with 15:54.33 minutes.
- › The 4x100m Medley Relay Team which included Ekaterina Avramova, Viktoria Zeynep Güneş and İlknur Nihan Çakıcı won gold and set a new games record with 4:11.52 minutes.
- › The 4x200m Freestyle Relay Team which included Merve Tuncel and Beril Böcekler won gold with 8:20.60 minutes.
- › The 4x200m Freestyle Relay Team won gold and set a new games record with 7:26.03.
- › The 4x100m Freestyle Relay Team which included Viktoria Zeynep Güneş, İlknur Nihan Çakıcı and Merve Tuncel won gold with 3:52.21 minutes.
- › Defne Taçyıldız won a gold medal in 200m Butterfly Stroke with a time of 2:14.62 minutes.
- › Beril Böcekler won two silver medals in 200m Freestyle with 2:04.34 and 400m Freestyle with 4:17.69 minutes.



- › Sudem Denizli won two silver medals in 100m Backstroke with 1:02.61 and 200m Backstroke with 2:14.32 minutes.
- › Kaan Korkmaz won a silver medal in 400m Medley with 4:26.74 minutes.
- › Defne Coşkun won a silver medal in 200m Breaststroke with 2.30.12 minutes.
- › Melikşah Düğen won a bronze medal in 200m Backstroke with 2:03.90 minutes.
- › Kaan Özcan won a bronze medal in 200m Butterfly Stroke with 2:01.32 minutes.

At the European Youth Olympics Festival (EYOF) held in Banská Bystrica, Slovakia, ENKA Sports Club athletes;

- › Tolga Temiz won a gold medal in 400m freestyle with 3:52.99 minutes and a silver medal in 200m freestyle with 1:51.23 minutes.
- › Belis Şakar won two silver medals in 200m Butterfly Stroke with 2:15.71 minutes and 200m Medley with 2:19.12 minutes.

At the Multinations Junior Swimming Meet held in Kranj, Slovenia between 9-10 April, 2022, ENKA Sports Club athletes;

- › Merve Tuncel won 1st place in 400m Freestyle with 4:11.46 minutes, 800m Freestyle with 8:33.32 minutes and 2nd place in 200m Freestyle with 2:00.91 minutes.

- › Defne Coşkun won 1st place in 200m Breaststroke with 2:29.41 minutes.
- › Mehlika Kuzeh Yalçın won 1st place in 200m Butterfly Stroke with 2:14.49 minutes.
- › Muharrem Batu Servi won 3rd place in 1,500m Freestyle with 15:52.00 minutes.

At the Gymnasiade held in France, ENKA Sports Club athletes;

- › Mehlika Kuzeh Yalçın won 1st place in 200m Butterfly Stroke with 2:15.02 minutes and 2nd place in 4x100m Mix Relay with 4:00.82 minutes.
- › Sudem Denizli won 3rd place in 100m Backstroke with 1:04.46 and 200m Backstroke with 2:16:60 minutes and 2nd place in 4x100m Medley Relay with 1:03:98 minutes.
- › Doğukan Arsen Tombul won 3rd place in 50m Backstroke with 26.56 seconds and 2nd place in 4x100m Mix Relay with 4x100m and 4x100m Relay with a time of 3:47.58.
- › Eren Sezgin won 3rd place in 200m Butterfly Stroke with a time of 2:03.69.
- › Yiğit Ekşioğlu won 3rd place in 4x100m Freestyle Mix Relay with a time of 3:40.46.

In National Organisations;

At the Türkiye Arena Inter-Club Long Course Junior and Open Age Swimming Championship and U15 Individual Swimming Championship hosted by the ENKA Sports Club, ENKA athletes won 1st place in the open age girls and junior women, 2nd place in junior men and 3rd place in open age boys.

Competing ENKA Sports Club athletes;

- › Tolga Temiz set the new 15-16 age Türkiye Record for 200m Freestyle with a time of 1:50.89.
- › The 4x50m junior Freestyle Relay Team consisting of Tolga Temiz, Doğukan Arsen Tombul, Kaan Cura and Yiğit Ekşioğlu won 1st place with a time of 1:35.24 and set new Türkiye Records in ages 17-18 and 19+.
- › The 4x50m open age relay team consisting on İmge Rosa Erdemli, İlknur Nihan Çakıcı, İpek Burcu Aydınır and Ekaterina Avramova won 1st place with a time of 1:45.23 and set a new Türkiye Record for age 19+.

Our athletes in the Ahmet Bozdoğan Türkiye Arena Inter-Club Short Course Junior and Open Age Swimming Championships and Stars Individual Swimming Competitions held in İstanbul between December 25-29, 2022;

- › Championship in Young Girls,
- › 2nd place in Open Age Girls,
- › 3rd place in Open Age Men,
- › They lifted the 2nd place trophy in Young Men.

Ahmet Bozdoğan Türkiye Arena Interclub Short Course Junior and Open Age Swimming Championships and Stars Individual Swimming Competitions, the individual rankings are as follows;

Results in the Open Age category;

Turkish Champions;

- › Ekaterina Avramova in 50m Backstroke, 100m Backstroke and 200m Backstroke
- › Merve Tuncel in 1500m Freestyle, 800m Freestyle and 400m Freestyle
- › İlknur Nihan Çakıcı in 50m Freestyle and 100m Freestyle
- › Girls Team in 4x100m Free Relay
- › Girls Team in 4x50m Free Relay

Türkiye Runners-up;

- › 100m Freestyle Ekaterina Avramova
- › Merve Tuncel in 200m Freestyle
- › Ergecan Gezmiş in 200m Medley, 400m Medley, 200m Butterfly and 200m Freestyle
- › Sudem Denizli in 100m Backstroke and 200m Backstroke
- › Yiğit Aslan in 800m Freestyle
- › Batuhan Filiz in 400m Freestyle
- › Girls Team in 4x100m Medley Relay
- › Girls Team in 4x50m Medley Relay
- › Girls Team in 4x100m Free Relay
- › Men's Team in 4x200m Free Relay
- › Men's Team in 4x50m Free Relay
- › 4x50m Mixed Relay Mixed Team

3rd in Türkiye;

- › İpek Burcu Aydınır in 200m Medley

- › Mehlika Kuzeh Yalçın in 200m Butterfly and 100m Butterfly
- › Sudem Denizli in 100m Medley
- › Defne Coşkun in 200m Breaststroke
- › Polat Uzer Crane in 200m Butterfly
- › Men's Team in 4x100m Free Relay
- › Girls Team in 4x200m Free Relay
- › Men's Team in 4x100m Medley Relay
- › Men's Team in 4x50m Medley Relay
- › Men's Team in 4x100m Free Relay
- › 4x50 Mixed Relay Mixed Team

The results in the youth category are as follows;

Türkiye Champion;

- › Merve Tuncel in 1500m Freestyle, 800m Freestyle and 200m Freestyle
- › İpek Burcu Aydınır in 200m Medley and 400m Medley
- › Doğukan Arsen Tombul in 50m Backstroke and 100m Backstroke
- › Sudem Denizli in 100m Backstroke, 100m Medley and 200m Backstroke
- › Mehlika Kuzeh Yalçın in 200m Butterfly and 100m Butterfly
- › Uluç Emre Cantürk in 200m Backstroke
- › Kemalata Akıncı in 50m Freestyle
- › Batuhan Filiz in 400m Freestyle
- › Men's Team in 4x200m Free Relay
- › Men's Team in 4x50m Free Relay
- › Men's Team in 4x100m Medley Relay

Türkiye Runners-up;

- › Sudem Denizli in 50m Backstroke
- › Belis Şakar in 400m Medley and 200m Butterfly
- › Batuhan Filiz in 800m Freestyle and 200m Freestyle
- › Tolga Temiz in 200m Freestyle
- › Defne Tanığ in 100m Medley and 200m Backstroke
- › Defne Coşkun in 200m Breaststroke
- › Girls Team in 4x100m Free Relay
- › Girls Team in 4x200m Free Relay
- › Girls Team in 4x100m Medley Relay

3rd in Türkiye;

- › Belis Şakar in 200m Medley
- › İpek Burcu Aydınır in 50m Breaststroke and 100m Medley
- › Defne Coşkun in 100m Breaststroke
- › Kemalata Akıncı in 50m Butterfly and 50m Breaststroke
- › Defne Tanığ in 200m Butterfly
- › Tolga Temiz in 800m Freestyle
- › Girls Team in 4x50m Free Relay
- › Girls Team in 4x50m Medley Relay
- › Men's Team in 4x100m Free Relay
- › Men's Team for 4x50m Medley Relay





At the Türkiye Arena Minors Long Course Individual Swimming Championship held in Sivas:

In individual races;

Türkiye 1st place for: Yavuz Ömer Ağa in 50m Butterfly Stroke (age 14 TR), 200m Medley and 100m Butterfly Stroke, Alisa Enercan in 200m Backstroke.

Türkiye 2nd place for: Yavuz Ömer Ağa in 400m Medley, Orhan Kaan Saygın in 200m Medley, Defne Su Altay in 100m Backstroke.

Türkiye 3rd place for: Defne Su Altay in 200m Backstroke, Orhan Kaan Saygın in 50m Breaststroke and 100m Breaststroke, Alisa Enercan in 100m Freestyle and 100m Backstroke and Berra Nur Yılmaz in 200m Freestyle.

In relay races;

Türkiye 1st place for:

- › Berra Nur Yılmaz, Alisa Enercan, Demir Alp Keler and Yavuz Ömer Ağa in 4x50m Mix Freestyle Relay
- › Ayda Sarpyıldırım, Orhan Kaan Saygın, Yavuz Ömer Ağa and Alisa Enercan in 4x50m Mix Medley Relay
- › Berra Nur Yılmaz, Defne Beler, Ayda Sarp Yıldırım and Alisa Enercan in 4x50m, 4x100m and 4x200m Freestyle Relay

Türkiye 2nd place for:

- › Zeynep Beler, Berra Nur Yılmaz, Defne Su Altay and Alisa Enercan in 4x100m Medley Relay
- › Mustafa Batu Şahan, Mehmet Ayaz Şaki, Poyraz Dönmez and Orhan Kaan Saygın in the U13 4x200m Freestyle Relay team

- › Demir Ayrikaya, Toprak Dursun, Eren Sabreden and Yavuz Ömer Ağa in the U14 4x200m Freestyle Relay team

Türkiye 3rd place for:

- › Yavuz Ömer Ağa, Demir Ayrikaya, Demir Alp Keler and Toprak Dursun in 4x100m Freestyle Relay
- › Yavuz Ömer Ağa, Selim Tüfekçibaşı, Demir Alp Keler and Toprak Dursun in 4x50m Freestyle Relay

At the Age 12 National Development Project Türkiye Finals held in Mersin with 674 athletes from 154 clubs from 39 cities participating, ENKA Sports Club athletes;

- › Duru Düzen won Türkiye 1st place in 50m Freestyle with 27.97 seconds; 2nd place in 200m Medley with 2:33.41 minutes; 200m Butterfly Stroke with 2:27.99 minutes and 3rd place in 100m Freestyle with 1:02.05 minutes.
- › Ceylan Naz Cireli won Türkiye 2nd place in 200m Backstroke with 2:28.12 minutes and 3rd place in 200m Medley with 2:35.58 minutes.
- › Berra Nur Özçelik won Türkiye 2nd place in 50m Butterfly Stroke with 30.45 seconds and 3rd place in 100m Butterfly Stroke with 1:08.21 minutes.
- › Su Yüksel won Türkiye 3rd place in 200m Breaststroke with 2:49.46 minutes.

In Relay races;

- › Age 12 Girls 4x50m Medley Team won Türkiye 1st place with 2:08.53 minutes (Ceylan Naz Cireli, Su Yüksel, Berra Nur Özçelik and Duru Düzen).
- › Age 12 Girls 4x100m Freestyle Team won Türkiye 2nd place with 4:16.04 minutes (Selin Karsu, Ceylan Naz Cireli, Berra Nur Özçelik and Duru Düzen).

New Türkiye Records Set by ENKA Sports Club Athletes in the 2022 Season:

Full Name	Branch	Placement	Pool	Meet	Record
Tolga Temiz	200m Freestyle	1:50.89	50m	Türkiye Arena Inter-Club Long Course Junior and Open Age Swimming Championships & U15 Individual Swimming Championships	Ages 15-16 TR
Yavuz Ömer Ağa	50m Butterfly	26.00	50m	Türkiye Arena Long Course U14 Individual Swimming Championships	Age 14 TR
	50m Butterfly	25.65	50m	Türkiye Stars Youth and Open Age Long Course National Team Selection	Age 14 TR
	100m Butterfly	57.40	50m	Türkiye Stars Youth and Open Age Long Course National Team Selection	Age 14 TR
Sudem Denizli	100m Back	59.63	25m	Türkiye Stars Youth and Open Age Long Course National Team Selection	Ages 17-18 TR
Demir Alp Keler					
Yavuz Ömer Ağa	4x50m Mix Freestyle	1:47.46	50m	Türkiye Arena Long Course Junior Individual Swimming Championships	Age 14 TR
Alisa Enercan					
Berra Nur Yılmaz					
Tolga Temiz					
Doğukan Arsen Tombul	4x50m Freestyle	1:35.24	50m	Türkiye Arena Inter-Club Long Course Junior and Open Age Swimming Championships & U15 Individual Swimming Championships	Ages 17-18, 19+ TR
Kaan Cura					
Yiğit Ekşioğlu					
İmge Rosa Erdemli					
İlknur Nihan Çakıcı	4x50m Freestyle	1:45.23	50m	Türkiye Arena Inter-Club Long Course Junior and Open Age Swimming Championships & U15 Individual Swimming Championships	Age 19+ TR
İpek Burcu Aydın					
Ekaterina Avramova					
Berra Nur Yılmaz					
Deniz Melek Öz	4x50m Freestyle	1:53.61	50m	Minor-U15-Junior and Open Age Time Qualifiers	Ages 13-14 TR
Ayda Sarpyıldırım					
Alisa Enercan					

WATER POLO

In Major International Organisations:

At the U19 European Championship Qualifier Competition held in Georgia between 22-24 April, 2022, the Turkish Water Polo Men's National Team which included ENKA Sports Club athletes Mert Meral, Hakan Ketenci, Emir Koçyiğit, Tuluhan Kosova and Salih Can, finished 2nd in their group. With this result, the Turkish U19 National Team qualified to compete in the European Championship.

At the LEN Champions League 1st Qualifier Round held in Montenegro, the Turkish National Team successfully represented Türkiye and qualified to participate in the LEN Challenger Cup groups round.

At the LEN Challenger Cup groups round held in Bosnia-Herzegovina between 11-13 November, 2022, the Turkish National Water Polo Team finished first in their group and went through to the quarter finals. Our Water Polo A Team will compete in the quarter-finals in 2023.

In National Organisations:

İstanbul Metropolitan Municipality Water Sports Festival: The ENKA U14 Water Polo Team finished the festival in 3rd place.

July 15th U12 Festival: The ENKA U12 Water Polo Team finished the festival in 2nd place.

August 30th U12 Festival: The ENKA U12 Water Polo Team finished the festival in 5th place.

U15 Türkiye Cup: The ENKA Water Polo Team won the cup.

U13 League: ENKA completed the U13 1st Division in 2nd place.

U15 League: ENKA completed the U15 1st Division in 3rd place.

U17 League: ENKA completed the U17 1st Division in 3rd place.

U19 League: ENKA completed the U19 1st Division as Champions.

Super League: ENKA's A Team completed the league in 2nd place.



ENKA İstanbul Schools

Founded in 1996, and well established within the Turkish educational system, ENKA İstanbul Schools educate a total of 1,191 students at pre-school, primary school, middle school and high school levels.

The ENKA İstanbul Schools are accredited by the Turkish Ministry of National Education (MEB) and are subject to its principles and regulations. In addition, ENKA Schools are internationally accredited by the Council of International Schools (CIS) and the New England Association of Schools and Colleges (NEASC). ENKA Schools is authorized by the International Baccalaureate Organization (IB) to offer the Primary Years Program (PYP), the Middle Years Program (MYP), and the Diploma Program (DP), making it a full K12 IB continuum school.

ENKA İstanbul Schools underwent the first stage of synchronized CIS/NEASC/IB re-accreditation and re-authorization in 2022 and will complete the process in September 2023.

ENKA İstanbul Schools are authorized to offer Advanced Placement (AP) courses and became an AP & SAT exam center in 2020. AP courses are offered to 11th and 12th grade students as elective courses. ENKA İstanbul Schools currently provide 12 AP courses.

All ENKA İstanbul High School Students meet the requirements for and receive a Turkish High School Diploma, study a third language from grades 5-12, and receive most of their instruction in English, with 55% of all courses taught in English for Grades 9-10 and 75% of all courses are taught in English for Grades 11-12.

Starting with the 2019-2020 school year, for their 11th and 12th grade curriculum, Grade 10 students must select one of the following pathways based on their career targets and academic ability:

- › Option 1: Turkish Diploma
- › Option 2: Turkish Diploma + Full IB Diploma
- › Option 3: Turkish Diploma + 3-6 AP courses

The breakdown of program selection for the Class of 2023 is:

- › 36% pursuing MEB (Turkish national curriculum)
- › 28% pursuing IB Diploma + MEB
- › 35% pursuing AP + MEB

Class of 2022 IBDP Results

ENKA's Class of 2022 performed exceptionally well on their IBDP Exams, beating the world average by 4.2 points. Our overall average was 36.17, with a 95% pass rate and with three students earning 43 out of 45 points.

Class of 2022 AP Exam Results

In the 2022 Advanced Placement (AP) exams, our students excelled impressively, with an average of 4.04 out of 5 in all exams, exceeding both the Turkish and world averages.

ENKA İstanbul Schools’ Faculty

The teaching staff at ENKA İstanbul Schools is made up of carefully selected, highly qualified, experienced educators from Türkiye and other countries. The school benefits from the stability provided by the many members of staff who have been with it for long years as well as from the dynamism and diverse blend of cultures provided by newly-arriving teachers. The recruitment of quality staff from around the world helps to drive continual improvements in the school's programs. As a community of life-long learners, the school thrives on the ideas and energy arising from incoming ideas and new collaborations.

In 2022, ENKA İstanbul Schools employed a total of 307 academic and administrative staff. The teaching staff of 203 included 59 international appointees from 16 countries and five continents. The overall student-teacher ratio is 6 to 1. The average ENKA İstanbul Schools teacher has 15 years of experience. Moreover, 55% of teachers hold a master's degree and 5% have a PhD.

The current male/female ratio of the faculty for 2022 was 87/163 with the following age ranges:

- › 20-30 years old=12%
- › 31-40 years old=37%
- › 41-50 years old=37%
- › 51 and over=14%

The staff retention rate is significant, with faculty tenure at ENKA with over 90% of staff having worked at the school for 5 years or more.

- › 0-1 years 1.4%
- › 1-3 years 3.2%
- › 3-5 years 0.5%
- › 5-10 years 11.5%
- › 10+ years 83.4%

ENKA İstanbul Schools Facilities

ENKA İstanbul Schools boast world-class facilities. The schools occupy an area of more than 33,680 m² within the ENKA Sadi Gülçelik Sports Complex, and the school buildings provide a total of 23,750 m² of usable space. The school facilities are housed in two main buildings. The primary school, middle school and high school buildings consist of four blocks. The pre-school is housed in a separate, specially designed building and has its own separate play area.

ENKA İstanbul Schools Boarding Facilities

Supporting its dedication to providing educational opportunities for all students, ENKA's boarding facilities opened in the 2019-2020 academic year as a 5-day facility accepting successful transfer students from across Türkiye. Transfer students are awarded full academic scholarships.

In the 2022-2023 academic year, the facility extended its operations to 7-day service.

The boarding facilities consist of two different buildings: a boys' hall and a girls' hall. The residential halls currently host 34 students from grades Prep to 12th grade: 13 female and 21 male. This number will increase annually with the acceptance of more scholarship students. The current capacity for the two residence halls is 112.

Many faculty members have additional expertise such as being IB trainers, workshop leaders, or curriculum reviewers; Apple/Google/Microsoft Certified Educators; TedX speakers, etc.



A dean of students, a residential life supervisor and six dormitory supervisors are responsible for the organization of boarding life on campus. The supervisory staff come from a range of disciplines to support the students in various areas; the staff includes teachers, health care professionals, and a nutritionist.

The boarding students can use the school building and all its auxiliary facilities such as the library, music rooms, art studios, and computer labs. They also have access to the ENKA Foundation facilities on campus, such as the swimming pools, fitness rooms, football fields, and basketball and tennis courts. Moreover, all ENKA Sanat events on campus are free of charge to the boarding students. This includes music and theater performances from national and international artists.

In addition to accessing campus resources, various social activities are organized both at school and off campus to improve the social skills of our boarding students. Examples include visiting the TUYAP Book Fair, taking a gastronomy excursion to Taksim, cooking lessons in the student kitchen for creating a Mother's Day meal, holding monthly birthday celebrations, and conducting a philosophy workshop.



The range of facilities exhibits the special importance ENKA İstanbul Schools place on contemporary education, sports and the arts. In addition to modern, purpose-built classrooms, the school's academic facilities include three full science laboratories, an auditorium, three libraries with 42,000 volumes in all, computer laboratories, two design rooms, and a multimedia room.

2022 improvements to facilities and infrastructure include:

- › Implementation of a DNS Security platform for students to make their internet connections more secure,
- › Implementation of a Cloud Disaster Site for minimal service interruption. Activation planned for January 2023,
- › Launch of a new Online Store,
- › Installation of 9 LED touch screens in the classrooms.

Professional Development

The school's capacity for visionary thinking and planning is staunchly supported by its board, which tasks the school with being a pioneer in education, not just for its own students, but to provide intellectual leadership to the wider community. İstanbul ENKA's faculty and leadership team served as presenters at online and face to face academic conferences nationally and internationally.

ENKA İstanbul Schools serve as a certified national training center for Turkish schools wishing to learn how to implement the IB curriculum. The school offered 18 IB workshops in 2021-2022 and will offer 22 IB workshops in 2022-2023.

For 22 years, ENKA has hosted the Spring Teachers' Conference, a free professional development opportunity for

public school teachers nationwide in which ENKA teachers provide training in best practice, latest pedagogy, educational technologies, and other topics. This event was not run in 2022 due to the pandemic but is slated to resume in 2023.

On October 22, 2022, ENKA İstanbul Schools hosted the 24th Autumn Teachers' Conference, which aims to share experience and knowledge by bringing together educators from schools providing at least one international education program in Türkiye.

This year, 921 teachers from 55 different schools heralding from different provinces throughout Türkiye participated in this symposium in which 185 presentations were given, 128 in Turkish and 57 in other languages.

The event, hosted by ENKA İstanbul Schools, featured exemplary practices in line with ENKA's sustainability vision. The printed conference program booklets usually distributed to participants in previous years were digitalized this year and shared online via a mobile conference application prepared with the support of ENKA İnşaat. In addition, glass water bottles were gifted to all participants to prevent the consumption of plastic cups at the event.

ENKA İstanbul Schools has a strong culture of peer-to-peer PD within the school, with staff trainings provided onsite and available asynchronously.

Staff are also encouraged to take initiative to identify professional development opportunities which support their professional targets or the school's developmental plan. In 2021-2022, 165 independent PDs were requested, approx-

imately 80% of which were approved, resulting in more than 1,700 hours of external professional development time.

In addition to this, the school's board and Senior Leadership Team serve on the Turkish Private Schools Association (TÖZOK), which is a member of ECNAIS and serves as an educational vanguard for the country. ENKA İstanbul Schools' board chair serves on TÖZOK's High Advisory Board; the high school, middle school, and primary principals serve on their respective school division committees; the dean of students serves on the International Programs Committee; and the middle school principal serves on the IT Committee.

ENKA İstanbul Schools' overseas college consultancy team participated in the International CIS Forum held on November 3-4, 2022, establishing connections with universities from many different countries, representing the school and raising its profile with a promotional table at the event.

Clubs & Activities

Clubs, community service activities, extra-curricular activities, and school teams all play an important role as academic pursuits in the program of education. Activities like these emphasize the development of leadership and communication skills, promote a sense of responsibility, and stimulate self-confidence and a taste for discovery. They provide opportunities for students to develop their individual aptitudes and interests and help them prepare for their futures. They also help ensure that ENKA students become

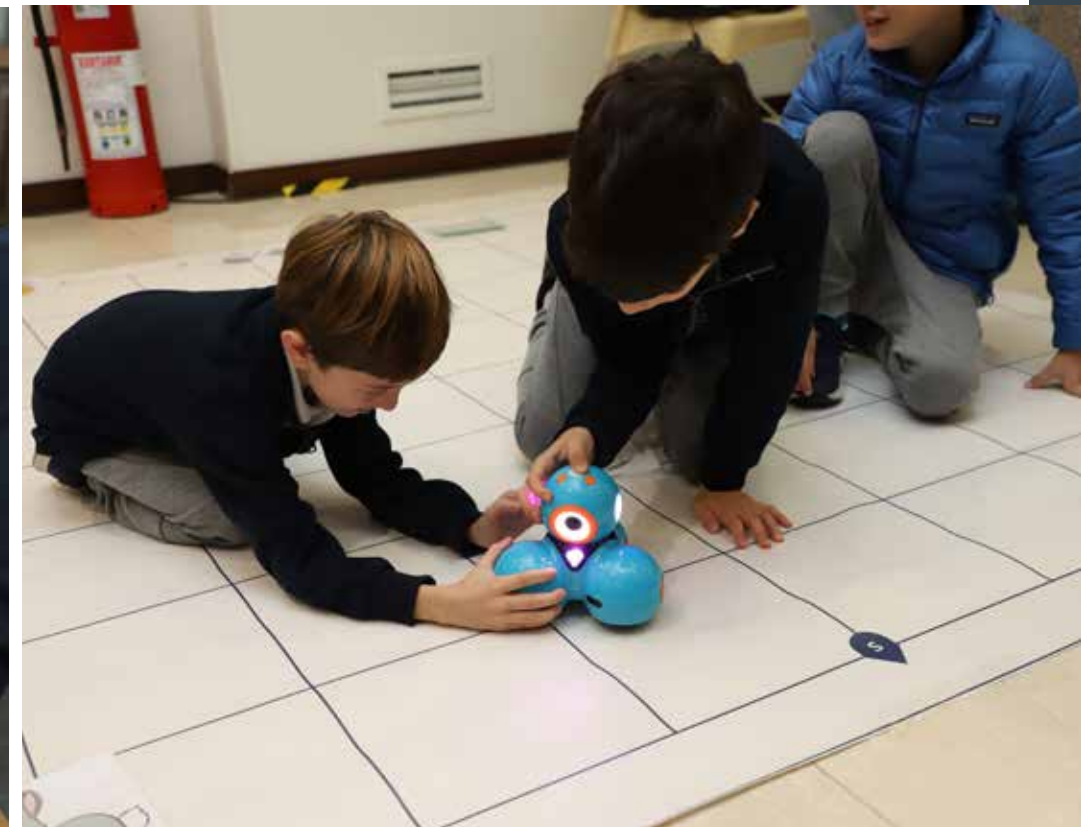
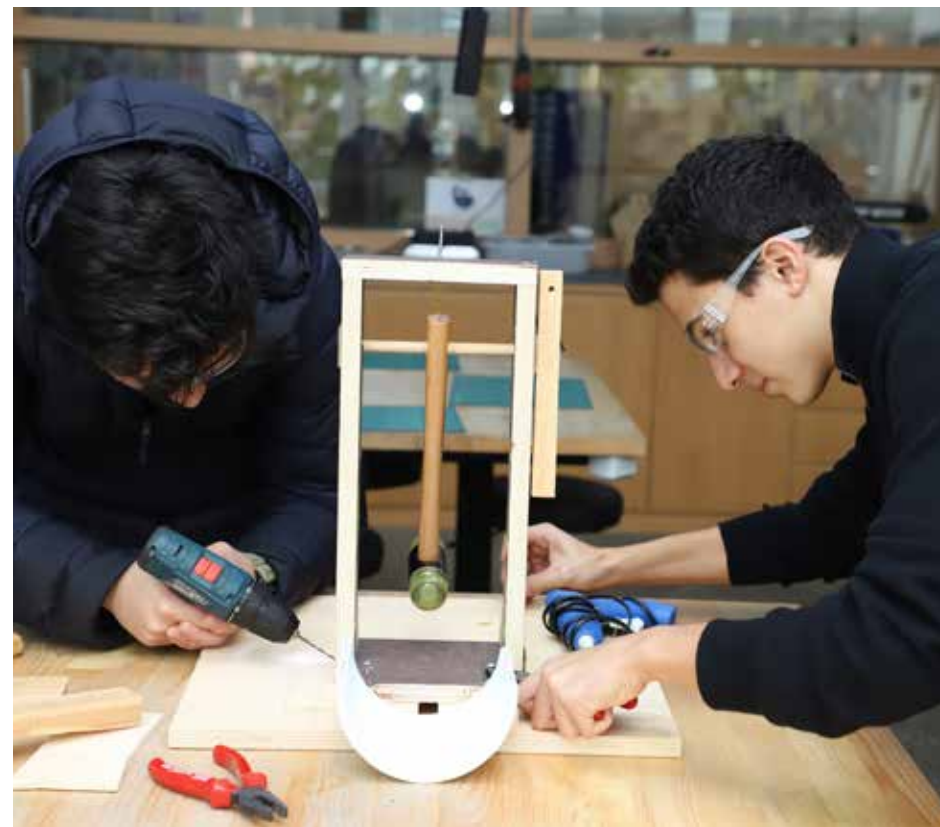
responsible citizens sensitive towards populations in need. The school offers clubs for each school division, with 26 clubs in High School, 17 in Middle School, and 33 in Primary School, including the Model United Nations Chess teams, the debating society, Scientific and Technical Research Council of Türkiye (TÜBİTAK) teams, the student literary magazine (Oceanus), the student radio station, English Drama, Film Production, Dance, Yoga, Ceramics and more. ENKA students represent ENKA İstanbul Schools throughout Türkiye and abroad via many of these clubs and activities.

Students have achieved both national and international rankings and records in math, chess, golf, archery, basketball, volleyball, football, tennis, swimming, skiing, gymnastics, judo, sailing, fencing, modern pentathlon, rock climbing, water polo, and equestrian sports.

Health, Safety & Security

First Aid Training and Certification was provided for staff. This is an option the school offers on a regular basis for interested employees and for certain staff members who have specific roles in the Emergency Preparedness plan.

In 2022, 38 staff members were given first aid certification, which brings the total number of first aid certified employees to 57, or 19% of staff. This is a 12% increase over previous years. The school continually aims to increase this number for increased risk management capacity.





ENKA Adapazarı Schools

ENKA Adapazarı Schools were founded by ENKA Foundation on October 24th 1999 to provide opportunities for a free education to children who lost their parents in the 1999 Marmara Earthquake.

ENKA Adapazarı Schools still give priority to children who have lost their parents for various reasons and provide equal opportunities by covering their educational expenses. Additionally, financial aid is provided to students who cannot afford tuition.

ENKA Adapazarı Schools are subject to the regulation of the Ministry of National Education. The Primary Education Curricula of the Ministry of National Education is considered based on the inquiry within the framework of the International Baccalaureate Organization (IB) Primary Years Program (PYP).

ENKA Adapazarı primary school authorized by the PYP in 2012 had the PYP assessment visits in 2015 and 2020.

As of 2017, when the school had received the IB Middle Years Program (MYP) authorization, educational activities and teacher professional development programs have been carrying out at MYP standards.

Education started in prefabricated buildings within 56,500 m² campus area and continues in permanent structures completed as of 2016. Also, there are 22 studio flats for accommodation needs of the school teachers.

In addition to the school buildings, the campus offers a wide living area to its staff and students with its indoor swimming pool, sports hall, tennis courts, lodgings, social

facility, computer and science labs, three libraries with a total of 60,333 books, dining hall and auditorium.

By offering equal opportunities in education, ENKA Adapazarı Schools aim to raise creative, inquisitive and internationally minded individuals who use critical thinking and communication skills in all disciplines, express themselves in different languages and respect differences.

Technology education in ENKA Adapazarı Schools continue from kindergarten to high school. Students are enabled to practice during education given in smart classrooms and laboratories. Many educational technology tools such as Microsoft SharePoint, Apple School, Seesaw, Google School, Britannica School Edition, Toddler and Turnitin are actively used by both students and teachers. Students have been using their own iPads as an educational tool for all lessons since 2014. The school teachers have attended training sessions by the authorized Apple educators. Students take basic computer skills, operating systems, computer based graphic web design, programming, coding and technical drawing training courses before graduating high school. The school personnel take professional development sessions in line with developing training technologies. 11 teachers completed the required procedures and were qualified to become Apple Teachers. There are 2 Apple Distinguished Educators (ADE), 3 Apple Professional Learning Specialists (APLS), 16 Apple Teachers and 1 Microsoft certified teacher among our teaching staff. Within the PYP studies our vice principal attended “Head of School” workshop, 29 of the teachers attended in-school workshop and our school principal attended IB Global Conference.



Project-based learning are carried out in the school to support students in improving their skills in creative and scientific thinking, research, teamwork, technology use, self-regulation and self-management as well as their worldview with purposeful activities so they can produce solutions to problems they will be facing in the future.

With this goal in mind, 45 students came up with 26 projects which they submitted to the Scientific and Technological Research Council of Türkiye (TUBITAK) and TECHNOfEST. One of the students ranked 3rd in Maths in the regional finals and one student ranked 3rd in Sociology in national finals. Currently, 83 students are working collaboratively on 53 projects.

ENKA Adapazarı Schools aim to ensure that students feel confident when speaking a foreign language and use it effectively in the learning process, and use what they have learned in their daily lives without hesitation.

In addition to these activities, students are offered overseas exchange student programs that can be important milestones in their future education and careers. Accordingly, 4 students continued their high school education by staying with volunteer families in a different country through the AFS exchange program and became part of an extraordinary intercultural learning and exchange experience.

Academic staff of the school consists of highly qualified teachers in their fields who are open to development and innovation. Aiming to raise students who are inquirers, critical thinkers, respectful of differences, internationally minded

and creative, the school teachers follow technological developments in education and adopt an approach centered on students.

The schools’ age average is 38 and ranges are as follows:

- › Age 20-30: 14.06%
- › Age 31-40: 47.66%
- › Age 41-50: 34.38%
- › Age above 51: 3.91%

Teaching staff and staff retention are important at ENKA Schools. More than 60% of the staff have been working for Adapazarı ENKA Schools for more than 5 years. The working year range is as follows:

- › 0-1 year 5.47%
- › 1-3 years 12.50%
- › 3-5 years 20.31%
- › 5-10 years 22.66%
- › 10+ years 39.06%

ENKA Adapazarı Schools provide education to a total of 645 students with the full-time teaching staff of 94 included 6 international appointees and 11 part time teachers. The overall student teacher ratio is 6 to 1.

28% of ENKA Adapazarı Schools teachers hold master or doctorate degrees. In addition, to encourage our teachers to participate in professional development opportunities that support their professional goals or the school's development plan, 77 different Professional Development programs were offered in 2021-2022 Academic Year.



The school believes that extra-curricular activities are important to develop students' lifelong skills and creative aspects, and to enable them to have different hobbies.

The planned arts, sports and cultural activities help students to realize themselves through positive psychological effects such as self-esteem and self-control, as well as enabling the development of skills and competencies that are extremely important for social life.

The extra-curricular activities that students choose, help them to develop responsibility, entrepreneurship, leadership and time management skills. Participation in extra-curricular activities not only makes students active individuals inside and outside the school, but also provides them with an environment where they can develop their social skills.

In this context, the school has 76 students clubs such as Model United Nations (MUN), European Youth Parliament (EYP), Debate, Dance, Chess, Yoga, Swimming, Darts, Tennis, Basketball, Organic Living, International Schools Theatre Association (ISTA), Future Problem Solving International (FPSI), Drama, Short Film, Linguistics, Coding, School Magazine (Yazadurmak), English Debate, STEM Workshop and the TÜBİTAK Project Club.

As ENKA Adapazarı Schools, our main goal in the Higher Education Institutions Examination (YKS) studies is to support our students to continue their education in the most relevant place for them. For this reason, studies are carried out throughout their high school education to create opportunities for students to discover their interests and talents at every grade level and to ensure that they are placed in the best higher education programs relevant to them.

Within the academic program of the school, students who aim to get a university education in Türkiye are also offered university courses for the purpose of preparing for the university entrance exams. The program is planned for 11th and 12th grade students and is conducted by experienced teachers in their fields.

The school counseling department organizes promotional activities of various professions with the participation of experts in their fields and graduates. They conduct studies to minimize the effects of the concerns that the exam concept may cause on students, their learning and exam performance. They help the students to apply to the best school and department according to their interests and abilities after the exam.

In addition, students who want to continue their education abroad are supported during university research, application and exam preparation processes.

The additional studies organized to prepare students for international exams such as TOEFL, SAT, IELTS continue throughout the year with the teachers of the Mathematics Department and the native teachers of the Foreign Languages Department.

ENKA Adapazarı Schools produced its first cohort of graduates in 2004 and graduates continue their education at top universities in Türkiye including Boğaziçi (Bosporus) University, Middle East Technical University, İstanbul Technical University, Koç University, Sabancı University, Bilkent University and Bilgi University. 77 out of 685 students, who continue to receive the support of ENKA Foundation throughout their university education, are also employed by ENKA companies.

ENKA Adapazarı Schools also aim to be a school community committed to life-long learning, to be aware of social problems and to generate solutions for them.

The school implements "Eco-Schools Programme" to provide environmental awareness, environmental management, and sustainable development education to its students. Our school has been awarded "TSE White Flag" and "My School is Clean" certificates to improve school health, the quality of life and raise healthy generations with adequate education.

The main accomplishments of ENKA Adapazarı Schools in 2022 are listed below:

- › 2nd place in Sociology area in Türkiye, TÜBİTAK 53rd High Schools Research Contest
- › 3rd place in Maths in district area in Türkiye, TÜBİTAK 53rd High Schools Research Contest
- › 2nd place in DesignFest 22, code designing contest

Inter-school Junior Swimming Competitions:

- › 1st place in the province - Junior Girls team
- › 1st place in the province - Junior Boys team

Inter-school Star Swimming Races;

- › 1st place in the province - Stars Girls team

School Sports Stars Swimming Group Tournaments;

- › 2nd place in region - Stars Girls team
- › 5th place in Türkiye - Stars Girls Team

School Sports Sakarya Chess Championship:

- › 1st place in the province - Stars Girls team

- › 2nd place in the province - Stars Boys team
- › 3rd place in the province - Junior Boys team

School Sports Junior Chess Provincial Championship:

- › 3rd place in the province - Junior Girls team

Inter-school Regional Championship:

- › 1st place - Stars Girls team

School Sports Türkiye Chess Championship:

- › 2nd place - Stars Girls team

Türkiye Stars Chess Championship:

- › 8th place in Türkiye in 14 years old girls category

Provincial Championships of Minors and Juniors School Sports Athletics:

- › 1 student 1st place
- › 2 students 2nd place
- › 5 students 3rd place
- › 3 students 4th place with medal

School Sports Basketball Provincial Championship:

- › 1st place in the province - Little Boys Basketball team
- › 3rd place in the province - Junior Girls Basketball team
- › 3rd place in the province - Star Girls Basketball team

School Sports Basketball Regional Championship:

- › 1st place in the region - Little Boys Basketball team

School Sports Basketball Provincial Championship:

- › 2nd place in the province - Young Boys Basketball team.



Sustainability

ADENMUN Conference: High School ADENMUN Club students organized a conference consisting of four committees where global issues were discussed and solutions were found in order to give students outside their school the opportunity to experience the atmosphere of the United Nations in the context of community service.

EYP Regional Session - Sakarya'22: At the conference organized by the High School IED Club students, students found solutions to the relevant problems in the committees serving the Development Goals of Good Health and Well-Being, Peace Justice and Strong Institutions, Gender Equality.

Climate Communication: A workshop on Understanding and Confronting the Climate moderated by Prof. Dr. Nezir Orhon was held for high school students.

2C1N: The high school students carried out work in the committees on Quality Education, Gender Equality, Clean Water and Sanitation for 30 days to contribute to the Sustainability Development Goals Report organized by the Simurg Association.

Brave Blue World: A Perfect Storm For Water: The Brave Blue World documentary was shown to Preparatory class students to inspire innovative ideas for water consumption awareness and conservation.

Genuine and Independent Women Workshop: Genuine and Independent Women Workshop was held in which high school female students carried out the work on committees titled Gender Roles in Society, Perception of Feminism and Feminazi, Sexual Health and the Female Body, and Violence of Women against Women within the scope of International Women's Day.

2204A TÜBİTAK Mathematics Project: The high school student ranked 3rd in the İstanbul Asia Region with a study that serves the goal of Life on Land by mathematical modelling with regular polygons to make the extinguishing forest fires more efficient.

2204D TÜBİTAK Climate Project-I: The high school students were entitled to participate in the Türkiye Finals with the project that serves the Global Goal, Sustainable Cit-

ies and Communities by creating a farm to make the fire ponds used in extinguishing forest fires more sustainable.

2204D TÜBİTAK Climate Project-II: The high school students prepared a mechanism by using renewable energy that allows algae to photosynthesize at night as well in order to raise awareness about the contribution of algae in solving the problem of air pollution. The students were entitled to participate in the Türkiye Finals with the project that serves the Global Goal, Climate Action by increasing the air quality.

Human Rights and Child Rights Symposiums: The "Human Rights Symposium" organized by the 11th grade students is held for high school students across the province. In this year's symposium, the issues on the agenda were discussed in the committees of "Women in Society, Refugee Rights, Ethnic Rights, Education-Justice and Children's Rights" and the papers consisting of solution suggestions were shared with the participants at the general assembly of the symposium.

As part of the Human Rights and Democracy Week activities, the Social Studies Department held a workshop with the middle school students called "Reading the Iranian Revolution" and "Free Türkiye in the Footsteps of Atatürk". It was aimed to raise awareness in the school community by drawing attention to quality education.

Sexual Health Education: An interactive discussion was held with all high school and middle school students to inform them about sexually transmitted diseases, sexual development stages, and social gender roles.

World Philosophy Day Activities: Philosophy Day is celebrated around the world on the third Thursday of November every year. We are made to realize once again the importance and necessity of asking questions and questioning. In this year's event, the students engaged in inquiry based on the scenes they played from the book "Lord of the Flies" written by William Golding. At the same time, they had the opportunity to examine the works exhibited in our corridor and library throughout the week.

Philosophy Olympics: The twenty-seventh of the Turkish Philosophy Olympics, organized by the Turkish Philosophy Institution for high school students every year, was

held at Adapazarı ENKA Schools on Sunday, 4 December, 2022. Our school, which is the application center, was represented by our two 10th grade students. The students who will represent our country in the World Philosophy Olympics will be determined according to the results of the language exam to be given to the top ten students.

Debate Trainings: Debating, the most valued extracurricular activity in the world, gives students many different abilities as well as making them better people. It opens the door to a better world with the skills it creates in students such as respecting different opinions, tolerance, constructive discussion culture and empathy. It also equips students with the skills they may need most in today's business world. In this way, students have many abilities such as complex problem solving, critical thinking, creativity, people management and teamwork, reasoning and decision making, and mental flexibility.

In addition to these, students gain knowledge in many different disciplines; they argue in many fields such as law, international relations, social integration, individual freedom, animal rights, environment, and sports. While they gain all this knowledge, they also gain the rhetoric skills to express this knowledge effectively and properly. As Adapazarı ENKA Middle School Debate Club, a 12-week training was received in cooperation with the "Argument Factory".

High School English Debate and Debate Club students receive regular training from the "Argument Factory" throughout the year. In order for the Debate, MUN, EYP Club students to improve, compare and argue their knowledge of Brexit, they received training from Dr. Hasan Turunç, TÜSIAD London Representative, via Skype.

Club students also received training titled "Immigrants, Refugees and Human Rights" from Berfin Nur Osso, who is carrying out her PhD in the field of "International Migration Law and Human Rights" at the Faculty of Law at Helsinki University.

After all these and similar training, Debate Club students brought together high school and secondary school students at the provincial level with basic debating and advanced content training with the "Debate Academy" event they organized.

Peer Bullying Awareness Program: As the Guidance Department, we organized the "Peer Bullying Awareness Program" in order to display a common attitude about bullying, which students are highly affected by at school, in virtual and social environments, to produce solutions with the same approach, and to consciously support children, who are our future, when they encounter such difficult situations. Within the scope of this program, a series of workshops were held with Developmental Psychologist Dr. Ayşe Başak Erk and all middle school students and their parents.

Climate Strike: Within the scope of MYP Community Service activities, students carry out awareness campaigns on the school campus in support of the climate strike every September, at the same time with the whole world. The motto of this year is: Don't forget our planet is in the middle of an ecological crisis!

Nature Discovery Activities: In 2019, a curriculum was systematically prepared in the kindergarten and nature discovery activities were started. Before that, nature classes were included in the program with excursions and special events carried out on campus. As we observed the positive effect of nature on our students during these activities, it was included in the program of the 1st and 2nd grades in 2021 with the Nature Discovery Activities Curriculum.

An increase in the time spent in nature positively affects the areas such as curiosity, exploration, research, self-confidence development, communication and questioning in students, as well as supporting and improving their psychomotor development, social development, self-care skills, thinking and problem-solving skills, and independent acting skills. In addition, our students' awareness of connecting with nature, understanding nature, spending time in nature, understanding and meeting their needs in nature is increasing.

Our Nature Discovery Activities are planned every week for the kindergarten and once every 15 days for the 1st and 2nd grades, and the activities are carried out with 141 students.



Private ENKA Vocational and Technical Anatolian High School - Kocaeli

ENKA Vocational and Technical Anatolian High School (ENKA Technical Schools) is the first private vocational school in Türkiye in which all students study on full scholarships. It was established in 2008 in a temporary building then moved to its main campus in 2010. The school is currently educating 375 students in three major disciplines; industrial automation, machinery technologies, and chemical technologies.

The school is established in order to provide training for the required areas of professions using the modern and high technological equipment with up-to-date methods, to meet both the social and cultural needs of students, and to instill a sense of responsibility, work ethic, moral values and sensitivity; to fulfill the objectives of the industrial sectors, to raise individuals, with the top level of information and experience, who will take part in R&D units in the future, to provide added value to their production and to meet the needs of vocational and technical education institutions.

The vision of the school is; with the education to be given in a way worthy of the name “ENKA”, being the first in its field in Türkiye, to set a good example for other similar educational institutions by being aware of the responsibility it has undertaken, and to have a say in the field of vocational technical education in the country and in the world.

All of the students in the school study with full scholarship. All services such as education, transport, and meals are provided free of charge and the university preparatory course is also given free of charge in the school.

The school, which implements its own original training program, has technical facilities and qualified teaching staff. The school building has a covered area of 15,000 m² and is situated amid greenery on a 30,750 m² plot donated by Kocaeli Machinery Specialized Organized Industrial Zone. The school building has 27 classrooms, 5 laboratories, 13 workshops, machinery technologies, industrial automation and chemical technologies, a dining hall and a gym. The school premises, equipment, and educational program have been developed in cooperation with other institutions abroad, especially the ones in Germany. The school has physics, chemistry, and biology laboratories equipped with the latest technology to support the practical training of students, and it also has a LEGO robot studio, model aircraft-drone workshop, science center, visual arts studio and a studio for the school orchestra and music bands to rehearse.

Students receive an exceptional level of technical education with project-based educational philosophy in state-of-the-art CNC machines, high-level chemistry laboratory devices, and mechatronics workshops in accordance with industry 4.0. They can easily implement the projects they designed with the wide workshop machinery park and 3D printer facilities offered in the computer laboratory.

Students produce 3D printers, 3-axis and 5-axis CNC machines, and mechatronics test sets which they use in their own workshops. Technical trips to the factories are organized for students to integrate with the industry, to gain production culture, and to see the production on the site.

The mutual relations with the vocational schools abroad are strengthened by the sister school project. Every year a certain number of students are sent to Germany for vocational internships. Guest students from the sister schools are hosted at ENKA Technical School in Türkiye.

In order to improve the foreign language proficiency of the students, every year a certain number of students are sent to language schools at Canterbury, England under the sponsorship of the Regional Directorate of Machinery Specialized Organized Industry.

The school has the ISO 9001: 2015 Quality Management Certificate and the “Clean School Healthy School” Certificate given by Turkish Standards Institution.

The European Union Erasmus Projects, which have been successfully completed twice before, are ongoing with the third project. This new robotics project named “Europe drives together programmed to the target – development, and production of a programmable vehicle in the context of robotics”, which will last for 3 years with Poland, Belgium, Germany, Italy and Hungary started in 2021 and the design and first prototype of the robot was realized in Italy in 2022.

In June 2022, 92 students graduated from the school and 9 graduates of the school managed to be among the first 1,000 students in Türkiye in Higher Education Institutions Exam (YKS).

Zeynep Dila Kuyucu became the 1st in Türkiye in both TYT and English language fields. All the graduates of the school were placed in the best undergraduate fields of the top rank universities. 49 students were placed in engi-

neering and architecture faculties, 11 students in medical faculties, 5 students in dentistry, 6 students in economics and administrative sciences, and 21 students in various faculties.

The graduates, under the umbrella of the graduates’ association which they established, keep on living the ENKA Culture and cooperate in areas such as the provision of internship opportunities, the circulation of job opportunities and the implementation of social responsibility projects.

Students participate in many national and international competitions every academic year and achieve great successes.

In the Mathematics Competition organized by Akdeniz University, 340 students from Türkiye, who passed the first stage, were invited to the 2nd stage which held face-to-face in Antalya. The 16 students from the school who were invited to the second stage received a total of 10 medals: 2 gold, 7 silver and 1 bronze.

In the competition, the finals of which were held in Antalya, the students of Anatolian Technical High School together with the students of Science and Technology High School, received the highest number of medals in Türkiye.

The school constantly receives more achievements in vocational fields every year.

In previous academic years, we used to buy the electronic cards which are used to control robots in robotics competitions, now the cards designed by the teachers and students in the school are being used.



Zeynep Dila Kuyucu became the 1st in Türkiye in both TYT and English language fields.



A multifunctional electronic educational board “The #ENKAtron Modular Robotics Board” was designed and produced by Industrial Automation Department teachers and students at the school. The board, which can be programmed with Arduino IDE, is a professional microcontroller development board that can be used easily in middle and high level projects. The students, who have achieved great successes in assertive areas such as university entrance exams, Science Olympiads, and TÜBİTAK projects, continue to work at the same pace in R&D studies, too.

Students received the best mentor, finalist, quality, and durability awards in the FRC Pendik Off Season 2022 competition with the robot they prepared in the school workshops. School robotics teams had the opportunity to develop their skills in the fields of analytical thinking, problem-solving, communication, engineering knowledge, instant decision-making, programming, etc.

The school applied with 14 projects to the 2022 Teknofest competitions, the pre-selections of which were held in various provinces of Türkiye and 6 projects managed to qualify for the finals. The school received 2nd place in Türkiye in the Health Technologies Healthy Life category in the final competition held in Samsun with the artificial hand mechanism project developed by the students for individuals with amputation; and also got Teknofest presentation special award in the robotics teams category with its other robot project.

The school participated in the robotics competitions organized by the Ministry of National Education in Sivas with six projects and received the 2nd prize in the categories of environmental and energy technologies, health technologies, and social technologies.

Eight different teams from the school participated in the other robotics competition organized by the Ministry of National Education in Şanlıurfa. While one team received a design award in the excellence category, the drone team advanced to the quarter finals, and the teams competing in the themed category ranked 4th and 5th.

The project prepared by the students in the robotics competitions held at Gebze Technical University won the 1st prize in the field of health and biomedical thematic in the free category.

Seven projects from the school passed the pre-selection and reached the finals among 155 projects participating in the "I Have a Patent Idea" project competition, hosted by Gebze Güzeller Organized Industrial Zone and Private Adem Ceylan Final Technical College, with the support of Marmara Technopolis, Patent Movement Association and Adress Patent firm. Among the 30 finalist projects the projects prepared by the students showed great success and received the 1st, 2nd, 3rd and 6th prizes.

The project, that won the 1st place, was invited to the 1 Idea 1 World International Innovation, Design and Startup Competition organized by TUMMIAD (All Inventors Invention, Innovation and Research Association), which also serves as the WIIPA Representatives of Türkiye (World Invention Intellectual Property Associations). The project received a silver medal in the evaluations made at the end of the competition.

There were participants from various cities of Türkiye in the İstanbul tournament, which was the first of the four VEX Robot Tournaments organized throughout Türkiye. In the competition held with bilateral alliances, the robot designed by the school students reached the quarter finals by fulfilling the tasks in the competition and received the "Robot Design Award", one of the awards given in the competition.

Among the participation of eight countries, “The Excellence Award” was received in the VEX category at the Steam Festival organized by the Azerbaijan Ministry of National Education. The students were deemed worthy of this award based on the criteria such as the design of the robot, engineering score, and mastery of the robot and its construction.

Cooperation protocols covering education, science, arts, sports and cultural fields were signed between the school and Sabancı University and Gebze Technical University in order for students to conduct scientific studies, research and projects in cooperation with universities, and to benefit from social facilities such as laboratories, libraries, conference halls and sports halls.

According to the results of the first qualifying round of the High School Students Research Project Competition organized by TÜBİTAK every year, 25,095 projects were applied from all over Türkiye, while 1,212 projects passed the first qualifying round and were selected for regional exhibitions. In the İstanbul, Asia region, 101 projects were selected for the regional exhibition out of 1,150 project applications. On behalf of the school, having passed the first elimination, 6 out of 25 projects were selected for the regional exhibition. In the regional competition, one of the school students Atilla Akkuş in the field of mathematics; Rana Babacan, Mücahid Rafet Helvacı, Fethullah Orhan Karaman achieved 2nd place with the projects they prepared in the field of Technological Design.

In the school sports Türkiye competitions, organized by the Ministry of Youth and Sports, the school chess team participated in the Bolu Regional Finals as the Champion of the Kocaeli province. They completed the Bolu regional in the 1st place with full points and represented the region in the Türkiye finals held in Sivas.



In the inter-school tennis competitions organized by Kocaeli Provincial Directorate of Youth and Sports, the girls team got the 3rd place and the boys team won the 4th place.

The school magazine named "ENKA'nın Sesi", which is completely prepared by the students of the school, continues its publication life by being published twice a year. All issues of the magazine are published on the school's website and can be read at the <https://www.enka.k12.tr/kocaeli/okulda-yasam/okul-dergileri/>.

Within the framework of the support which the school gives to its students in club activities, activities are carried out in many areas such as Model United Nations, English Drama activities, and social responsibility projects. Under the theme of a sustainable campus, sustainability activities are organized together with Private ENKA Science and Technology High School and other ENKA schools.

Every year, the school participates in Model United Nations Simulation (MUN) studies by visiting various schools in various countries in Europe, the USA, and Türkiye. During the pandemic, while participating in MCDCMUN, KFL-MUN, TED ANKARA MUN, BBALMUN, and TBMUN conferences online, the students went to Germany to take part in face-to-face BERMUN 2022 thanks to the lessening of the pandemic effects. At these conferences, Batu Uğur-tay received the “Best Delegate” and “Best Position Paper” awards, while Enes Yavuz, Efe Bekteş, and Sermet Sevil received the “Honorable Mention” awards.

Within the scope of Youth and Sports Day in the week of 19th May, the students organized the fourth ENKAFEST youth festival at the school campus.



Private ENKA Science and Technology High School - Kocaeli

In the school, established in 2014 with a modern education campus, qualified teaching staff, and equipped with laboratories, 120 students are currently being educated. The most important goal in founding the school is to educate qualified individuals who can navigate Türkiye to its well-deserved place in the future. The school has a five-year educational program that starts with a one-year English language preparatory class. German is taught as a second foreign language.

The main objectives of ENKA Science and Technology High School are:

- › Providing project-based education,
- › Providing students an academic education for further study in leading departments of top universities,
- › Providing advanced foreign language education,
- › Providing up-to-date technological education,
- › Providing the intellectual level of students by means of education and activities organized in the fields of culture, arts and social.

The school is located in the same building with Private ENKA Vocational and Technical High School that has a total covered area of 15,000 m² and is situated in a green field on a 30,750 m² plot in the Kocaeli Machinery Specialized Organized Industrial Zone. Students share the dining hall, sports hall, tennis court, football pitch, and other campus areas with students of Private ENKA Vocational and Technical Anatolian High School.

All of the students get full scholarships. All services including education, transport and meals, and preparation courses for the university entrance examination are all provided free of charge.

In addition to the science high school curriculum, elective courses are given in line with the goals and tendencies of the students from 10th grade onwards. Students who are inclined to study medicine are taught genetics in the genetics laboratory, and students who are thinking of studying engineering are taught mechatronics and computer programming languages in workshops.

A number of students are sent to a language school in the city of Canterbury in the United Kingdom during the summer vacation to enhance their foreign language skills with the sponsorship of the Directorate of the Machinery Specialized Organized Industrial Zone.

Students are able to follow 12 periodicals in the school library with 15,835 books, including digital sources such as Encyclopedia and Britannica ImageQuest.

In addition to applied sciences laboratories equipped with the latest technology for physics, chemistry and biology, the school has a LEGO robotics studio, a model aircraft/drone workshop, a science center, a visual arts studio and a music studio where the school orchestra and bands rehearse.

A total of 19 students from ENKA Science and Technology High School and ENKA Vocational and Technical Anatolian



High School achieved great success by winning medals at the 29th National Science Olympiads award ceremony organized by TÜBİTAK. Students received 1 gold, 4 bronze in mathematics; 2 silver, 6 bronze in physics; 2 silver, 2 bronze in chemistry and 2 bronze medals in biology.

Success continued in the first stage exams of the 30th TÜBİTAK Science Olympiads. A total of 37 students, 11 in physics, 7 in astrophysics, 9 in biology, 5 from chemistry, 4 in mathematics, and 1 in computer, have been successfully qualified to participate in the second stage.

In 2022, the school ranked first in Türkiye with the highest number of students successfully passing the first stage in the Science Olympiads.

Three students in the fields of mathematics, biology and physics were selected for the Turkish Science Olympiads national teams. In the field of biology, Sude Filiz Diren won a bronze medal in the 33rd International Biology Olympiad held in Armenia, while Mehmet Can Baştemir received a silver medal in the 63rd International Mathematics Olympiad held in Norway in the field of mathematics.

In the Inter-School Intelligence Games Championship organized throughout the country by the Turkish Intelligence Foundation, Science High School team came 3rd in Türkiye and Anatolian Technical team came 2nd in Türkiye.

Approximately 300,000 students from about 4,000 schools from around the world participated in the AMC exam, which is organized throughout the world by the American Mathematical Society. In the online exam consisting 25 questions in 75 minutes, 6 students out of 16 succeeded and were invited to the American Invitational Mathematics Exam (AIME).

In the Mathematics Olympic Competition organized by Akdeniz University, 2 students received a gold medal, 6 students a silver medal, and 1 student a bronze medal.

Mehmet Can Baştemir and Efe Kaan Keremoğlu ranked 6th in the world in the 10th grade category among 26 students who participated in the Canadian-origin Waterloo University Mathematics Competition.

The school team named ENKA STARS participated in the Purple Comet Math Meet competition, which was held online by the University of Wisconsin USA, and in which 3,998 teams from 62 countries participated (middle school and high school). The team answered 23 questions correctly and ranked 1st among 8 teams in the High School Mixed Teams category.

In 2022, graduates of Science and Technology High School achieved great success in the university entrance exams. In the Higher Education Institutions Examination (YKS), 13 students featured among the top 1,000 students according to their placement score types. According to the placement results, 10 students were placed in the faculty of engineering, 6 students in the faculty of medicine, 4 students in the faculty of economics, 2 students in dentistry, and 2 students in other types of undergraduate education.

In order to support the students in making their career choices, the school organizes a careers introduction event with the participation of professional associations, universities, and representatives of organized industrial zones. This event gives students the opportunity to find out some information about a wide range of occupations in detail.

ENKA Sanat

ENKA Sanat Undertakes Two Major Productions

ENKA Sanat continued sponsoring its series of documentary productions on the lives of cherished artists intended to leave a permanent record in the archives of the theatre and to convey the inspiring stories of great artists to future generations with actress Yıldız Kenter in 2022. The documentary film “Caniko” on the artistic life of Yıldız Kenter, the lodestar of Turkish theatre premiered to the acclaim of art lovers. The premiere was attended by Prof. Dr. Dikmen Gürün, the consultant for the documentary, director Selçuk Metin, screenwriter and journalist Zeynep Miraç, voice artist Ayça Bingöl and composer of the score Murat Evgin, as well as many theatre lovers, critics, dramaturgs, actors and reporters. The documentary relies on the testimony of Kenter’s fellow actors, members of her family and students. Conveying a private theatre’s struggle for survival, the documentary narrates the changing cultural climate in Türkiye and the history of the Kenter Theatre and features many photographs and records never before made public. The documentary will be screened throughout the year and is expected to reach a wider audience when it is broadcast on the Netflix platform the next year.

The theatre play “Nuh’un Gemisini Aramak”, which ENKA Sanat has produced this year as part of the Joint Productions project has premiered at the 26th İstanbul Theatre Festival. Written by Gökhan Erarslan, directed by Ayşe Draz and with Özlem Hemiş as dramaturg, the play has attracted much attention from theatre circles and the press. The play invites viewers to contemplate illusion through the themes of “memory”, “observing” “being observed” and “testimony” and narrates the story of two brothers who must travel to the small town of their birth in an old truck they inherited from their father facing up to the past. “Nuh’un Gemisini Aramak” casts award winning actor Yılmaz Sütçü of 2017’s “Hedwig and Angry Inch”, Kutay Kunt who is well-known for his work on TV series and movies such as “Ayak İşleri”

and “Tutunamayanlar” and rising star Tutku Erten. The play that was selected during the pandemic to support cultural accumulation in Türkiye and the production and staging of new works for the theatre will continue to be staged in the coming year.

Support For Young Talent Project ENKA Sahne Turns Two!

The ENKA Sahne Gala Concert, which ENKA Sanat has been putting on for two years to support talented young classical musicians with the motto “Arts with youth for a better future” was held as part of the commemoration of Şarık Tara. Young and talented musicians Arcan İsenkul (viola), Kağan Berişa (French horn), Tuna Bilgin (piano), Deniz Neva Ertürk (piano), Bade Daştan (violin) and Ege Dikbiyık (cello) played at the ENKA Auditorium under the artistic direction of Cihat Aşkın. The project, which has viola player Efdal Altun, violin virtuoso, composer and academic Cihat Aşkın, pianist and academic Gökhan Aybulus, pianist and composer Ayşe Deniz Gökçin, pianist and composer Fazıl Say and cello player and academic Dilbağ Tokay on its consultation board will continue featuring new musicians in coming years. The recording of the concert will reach many listeners on the first day of the new year on Borusan Klasik radio, as part of the now traditional ENKA Sahne New Year’s Concert. Performances at ENKA Sahne may be viewed any time on ENKA Sanat’s YouTube channel. The ENKA Sahne project provides financial support to young artists, in addition to allowing them to gain concert playing experience, convey their performances to a mass audience through visual and audio recordings and most importantly to add professional recordings to the artists’ portfolios, which hold a very significant place in their education and career. One of this year’s participating artists, Deniz Neva Ertürk (piano) won the 1st price in the 4th International Competition for Pianists (Poland), which she entered with the recording of her performance at the ENKA Sahne Gala Concert.





Best Forms of Art at Venues Throughout the Year

Throughout 2022, ENKA Sanat has opened its doors to the most striking theatre play and classical music concerts, modern dance performances and the newest examples of world music, offering a full programme. Nearly 20,000 people attended the 42 events held at the Auditorium and Open Air Theatre. At every event, young people and children attending thanks the CSOs, university students as part of cooperation with student clubs, music school students through academic and artists, management and administrative personnel from all ENKA subsidiaries, athletes, teachers, pupils and other guests were in attendance as part of ENKA Sanat's social responsibility work. The year's most attention catching event was the İstanbul premiere of world famous pianist and composer Fazıl Say's latest composition "PORTRELER opus 101" for piano and the flute. At the concert which drew much attention from the press, Fazıl Say on the piano was accompanied by master musician Bülent Evcil on the flute and Yekta Kopan, who presented the pieces. Among the figures portrayed in music by Say were Şarık Tara, a lifelong support of the arts and artists, esteemed business person and one of the founders of ENKA, as well as Fikret Otyam, Ahmet Say, Nejat Eczacıbaşı, Yıldız Kenter, Yaşar Kemal, Türkan Saylan and Tarık Akan. At the end of the concert, Say presented the signed sheet music for the Şarık Tara composition to Lale Tara.

The "Yıldız'ın Yıldızları" concert, in honour of Turkish theatre's unforgettable actress Yıldız Kenter brought together famous names in Turkish theatre on the same stage under the direction of pianist and composer Çiğdem Erken. At

the night honouring the legendary actress, Derya Alabora, Emre Altuğ, Can Başak, Ayça Bingöl, Özge Borak, Selçuk Borak, Atılgan Gümüş, Engin Hepileri, Kadriye Kenter, Yeşim Koçak, Fırat Tanış and Bennu Yıldırımlar were on the stage. The event was well attended by Kenter's friends, students, theatre lovers and the press.

In another significant event of the year, famous pianist and artist of the state Gülsin Onay drew a minutes-long standing ovation with a very special recital. The musician, who has supported many young talents through the training she has provided all around Türkiye for many years, invited İstanbul ENKA Schools student Yaman Öner to the stage for the first time to perform two pieces. Yaman Öner, who attended the Masterclass at the Gümüşlük International Music Festival ran by ENKA Sanat with the support of ENKA Foundation and won over the liking, admiration and sympathy of trainers has won many awards and first place in the 4th International Piano Competition (IPC).

Among other events that drew the attention of viewers were Zuhul Olcay & Çiğdem Erken, Borusan Quartet & Gökhan Aybulus, Nükheth Duru & Pow Trio, Fatma Turgut, Bulutsuzluk Özlemi, Sertab Erener, Gülsin Onay and ENKA Sahne Gala Concerts; Cimri, Kral Übü, İki Kişilik Hırgür, İstirab Korosu, Nuh'un Gemisini Aramak ve Dirmiş, Türk Tiyatrosunun Kutup Yıldızı: Caniko (Yıldız Kenter), Tiyatroya Adanmış Bir Yaşam: Genco (Genco Erkal) and Yaparsın Şekerim (Haldun Dormen) documentary films and Metin Akpınar ile Muhabbet interview which the artist attended. The selection of films screened in cooperation with Başka Sinema became much in demand activities for summer nights.

Colourful Activities For Children And Young People

The Aridu-Galaktik DJ event for April 23rd in cooperation with Atta Festival and the Sermet Erkin Illusions Show for summer sports club students which constituted this year's children's programme drew a lot of attention. Young jazz pianist Hakan Başar played for İstanbul ENKA Schools students on International Jazz Day, while the Cel-lo Paradiso team appeared before high school, middle school and primary school students at the Open Practice event held specially for Adapazarı ENKA Schools. The concert held in the evening was attended by school administrators, teachers and many music lovers from Adapazarı and surrounding provinces. At the Open Practice event held for İstanbul ENKA Schools students, Gülsin Onay played a concert with students of different ages and then answered questions. At the ENKAFEST held in Adapazarı ENKA Schools with the organisation support of ENKA Sanat, Fatma Turgut played a concert for students.

ENKA Schools Painting Collection Gets New Permanent Home

A very special selection donated to the İstanbul ENKA Schools from the Lale & Şarık Tara collection, which students got to view in recent years thanks to ENKA Sanat, now has a permanent venue. The A Block ground floor now houses the works of famous Turkish artists Orhan Peker and Naci Kalmukoğlu, A Block third floor houses a work by Orhan Taylan and the Auditorium foyer walls display paintings by İbrahim Safi, Orhan Peker and Faruk

Cimok. ENKA Sanat has managed all curation processes, including selecting paintings and the spaces where they will be displayed, as well as maintenance and installation work.

International Productions In İstanbul For The First Time!

Two leading international dance troupes have performed for ENKA Sanat audiences this year at the İstanbul Fringe Festival. The Japanese-American joint production "Pythagorean Peas" and the Brazilian Giro8 Dance Company's "Sr. Will" performances drew much attention from viewers of performance arts. ENKA Sanat will continue to stage international productions and to strengthen its ties with young arts lovers in coming years.

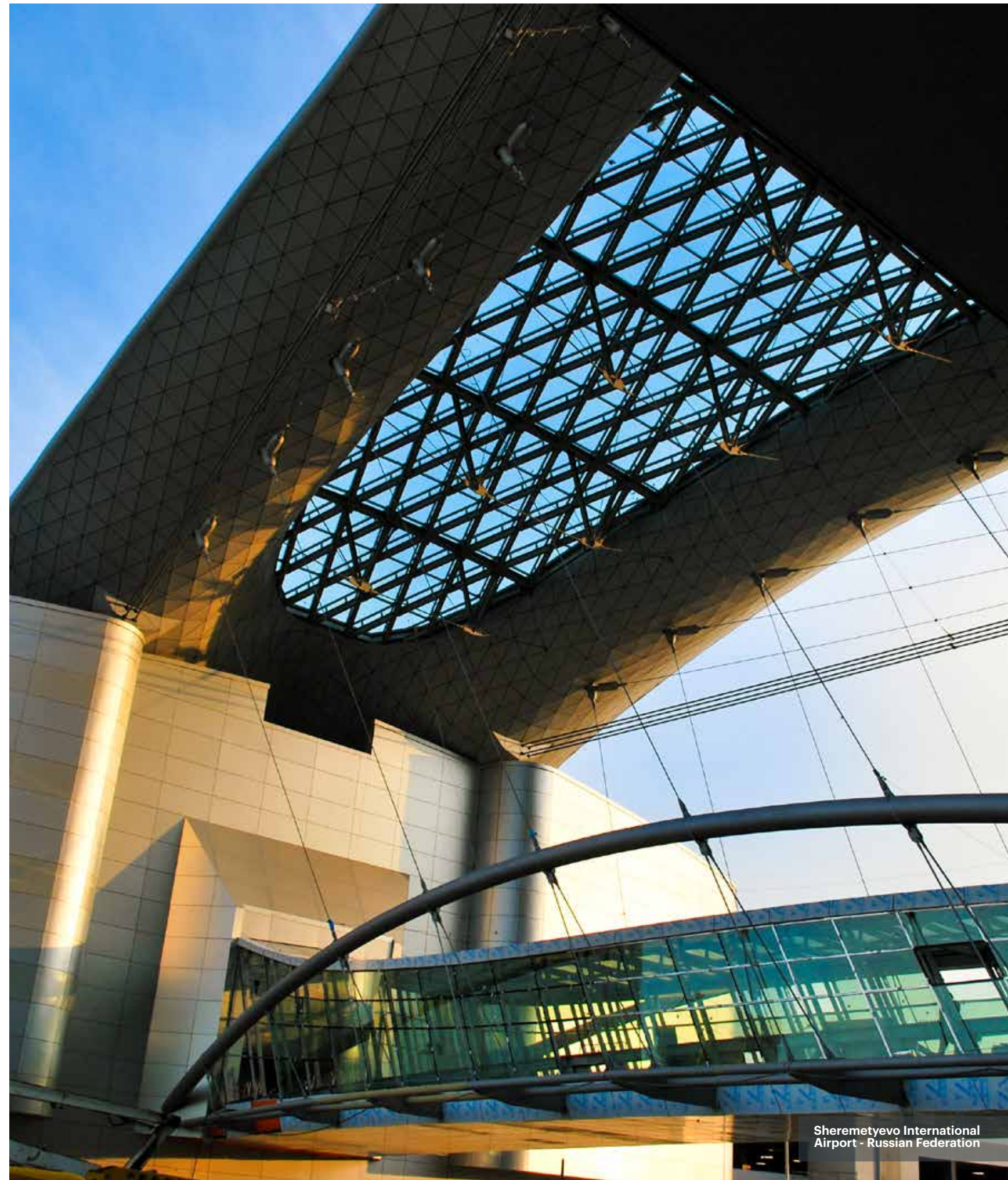
ENKA Foundation has supported two major international productions as high contributing event sponsor of the 26th İstanbul Theatre Festival, curated this year by Işıl Kasapoğlu, one of the most significant figures in Turkish theatre over the least 40 years. Among the productions staged with ENKA Foundation's support were the new choreography "Jungle Book" by Akram Khan, one of the indisputably most important choreographers and dancers working today and "Pasolini: Secret Fires" which reimagines in dance form the unique word of the famous director Pier Paolo Pasolini on the centenary of his birth. The two performances were among the most spoken about events of the festival. ENKA Sanat manages all the sponsorship processes for ENKA Foundation.

REPORTS

[Corporate Governance Principles Compliance Report](#)

[Sustainability Principles Compliance Report](#)

[Independent Auditor's Report](#)



CORPORATE GOVERNANCE

SECTION I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Corporate Governance Committee of the company is elected by the resolution of the Board of Directors dated 25.03.2022 and Board Members Fatih Osman Tar (Chairman) and Erdoğan Turgut (Member) as well as Gizem Özsoy (Member) which has the Capital Market Activities Advanced Level License and the Corporate Governance Rating Specialists License are selected. According to the same resolution it is decided that scope of activities of Nominating and Compensation Committee will be carried out by the Corporate Governance Committee. Principles and responsibilities of the committees are approved by the Board of Directors on 28.05.2012 and have been announced to the public.

On 11.06.2014, the duties and working principles of the committees were revised to ensure compliance with the legislation and were declared on company's official website. There are no compulsory principals, which are stated on the annex to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 and which are not applied. For the non-compulsory ones, principles 1.5.2, 3.3.8, 4.2.5, 4.2.8, 4.4.7, 4.5.5, 4.6.1 and 4.6.5 are not being applied by our company and the reasons for not applying them are explained in the relevant sections of the Corporate Governance Compliance Report. There is no conflict of interest in our Company due to not fully complying with these non-compulsory principles.

Corporate Governance Committee's main objectives are; to present the proposals for the corporate governance policies of the company, enhance the quality of the corporate governance applications and inform the Board of Directors about the effective pursuit of the legislation of the Capital Markets Board related to the corporate governance principles and the generally accepted corporate governance principles of the international capital markets, and about implementing those principles which it deems applicable. The Corporate Governance Principles Compliance Report and Corporate Governance Information Form of the Corporate Governance Committee has been presented to the review of our stakeholders in the Annual Report and website as well as at the company information page of the Public Disclosure Platform (PDP).

SECTION II - SHAREHOLDERS

2.1. INVESTOR RELATIONS UNIT

The Investor Relations Management was established in 2002 within the structure of ENKA İnşaat ve Sanayi A.Ş., for the purpose of arranging the relations with the shareholders.

The Investor Relations Department reports to İlhan Gücüyener, the Member of the Executive Committee of the company and reports on activities.

The main activities conducted by the unit can be summarized as answering the questions on financial statements, activities of the company, conditions to participate in the company's General Assemblies, announcements to public, capital increases, information on issuance of new share certificates and preparation of the company's annual reports. The numerous applications to the unit and the responses to the investors are generally made through telephone. The members are; Sinan Yavuz Aktürk, Leyla Yüksel, Ali Aslan and the manager Gizem Özsoy of the Investor Relations Unit. Gizem Özsoy holds Advanced Level License (205945) and the Corporate Governance License (700865). The Investor Relations Unit can easily be accessed through the general telephone numbers of our company, which is +90 212 376 10 00.

2.2. AMENDMENTS TO THE ARTICLES OF ASSOCIATION, SHARE CAPITAL AND SHAREHOLDING STRUCTURE

Amendments to the Articles of Association

After the disclosure made at the PDP on June 1, 2022 for the capital increase in the amount of TL 400 million, the Article 6 of the Articles of Association titled "Capital" has been amended to reflect this change and it was published on June 3, 2022 and 10591 numbered Turkish Trade Registry Gazette.

Share Capital

The Ceiling of the Registered Share Capital of the Company is TL 10,000,000,000 (Say: Ten Billion Turkish Liras) which is divided into total 10,000,000,000 Shares, each having a nominal value of TL1 (Say: One Turkish Lira). The total emitted Share Capital of the Company amounts to TL 6,000,000,000 (Say: Six Billion Turkish Liras) and is fully paid up. The emitted Share Capital of the Company is divided into total 6,000,000,000 Shares, each having a nominal value of TL1 (Say: One Turkish Lira).

Shareholding Structure

The list of the shareholders of ENKA İnşaat ve Sanayi A.Ş. having 5% and above shareholding as of December 31, 2022 is as follows:

Shareholder	%
TARA Holding A.Ş.	49.80
Vildan Gülçelik	7.99
Sevda Gülçelik	6.43
ENKA Spor Eğitim ve Sosyal Yardım Vakfı	5.87
Free Float and Others	29.91
Total	100.00

The details of the changes in the Capital and the Shareholding Structure within the year has been given under the Capital section of the Independent Audit Report.

2.3. DIVIDEND RIGHT

The Profit Distribution Policy of ENKA İnşaat ve Sanayi A.Ş. which has been approved at the General Assembly held on March 27, 2014 is as follows:

The Board of Directors of ENKA İnşaat ve Sanayi A.Ş ("the Company") takes into account the performance of the Company of that year, economic conditions, the finalized projects, investments and the cash flow of the Company as well as Turkish

Commercial Code, the relevant articles of Capital Markets Law, regulations and the practices of the Capital Market Board when presenting the profit distribution proposal to the General Assembly.

The principal policy adopted and applied by the company in aspect of profit distribution is to act always in compliance with the applicable criteria as provided in the Capital Markets Legislation while considering a fair balance between the interests of the Company and that of the shareholders thereof. In this manner, at least 20% of the distributable profit which is calculated in accordance with the Capital Markets Board regulations and other relevant legislation is distributed as cash and/or bonus shares.

Under the framework determined by profit distribution policy and the Capital Markets Board, after reserving the 1st dividend pursuant to the provisions of Article 36 of the Articles of Association, dividends are distributed to the Bonus Certificate holders as per the rate stated in the Articles of Association (total 7.5%).

Dividends are distributed equally at once to all existing shares as per their rates regardless of date of issuance and acquisition dates. Distribution of cash dividends is planned to be paid no later than one month after the General Assembly where the date of dividend distribution is resolved by the General Assembly.

The place and date of the profit distribution, agreed upon during the General Assembly in accordance with the relevant legislation provisions, is announced to the shareholders through the Public Disclosure Platform and by the announcement on the website of the Company.

The Board of Directors may distribute dividend advance if it is authorized by the General Assembly as well as in compliance with the regulations of the Capital Market. The authorization given to the Board of Directors by the General Assembly is limited with that year in which the authorization is given.

The distribution of profit, which takes place in the Annual Report, is made within the period required by the provisions of the Capital Market Law, as set forth in the Profit Distribution Policy. Until this day, profit distributions have been done without any delays.

Basing on the power vested in the Board of Directors by the Ordinary General Assembly for year 2020 held on March 30, 2021, the Board of Directors resolved to distribute, a total of TL 1,120,000,000 from the net profit of the current period as indicated on the financial statements comprising the interim period from 01.01.2021 to 30.09.2021, as Dividend Advances at a rate of, to the holders of share certificates representing the share capital amounting to TL 5,600,000,000. And dividend was distributed on January 05, 2022.

Additionally, based on the Group's Ordinary General Assembly held on 25 March 2022; In addition to dividend advance distributed on 5 January 2022, regarding to the distribution of the year 2021 profit, it has been resolved to distribute dividend to its in total TL 2,800,000,000; further it has been resolved to distribute TL 61,026,539 as cash dividend to founder shares. The Dividend decided to be distributed was distributed on 13 April 2022.

Based on the Group's Ordinary General Assembly held on 25 March 2022; The Group has decided to increase its capital from TL 5,600,000,000 to TL 6,000,000,000. The entire amount of TL 400,000,000 to be increased was covered from dividends.

2.4. DONATION AND AIDS

In 2022, within the framework of the existing Donation and Aids Policy; ENKA İnşaat ve Sanayi A.Ş. on its own has donated TL 55.965.497 while its subsidiaries have donated TL 19.041.851.

SECTION III - STAKEHOLDERS

Employee Training

Within the scope of ENKA Academy, a total of 11,987 person-hours of training was carried out in 2022 with approximately 566 hours of training.

Personnel Training Hours by Category of Gender at ENKA Headquarters:

	Woman	Man
Total Hours of Training	14,384	132,239
Training Hours Per Employee	41.5	44.3

	Blue Collar	White Collar
Total Hours of Training	96,884	49,739
Training Hours Per Employee	51	34.7

Employee Rights and Employee Satisfaction

- › All ENKA employees have the pension rights and rights to maternity/paternity leave specified in the laws.
- › All ENKA employees have the right to a 50% discount at ENKA Sports, which is one of Türkiye’s leading sports clubs.
- › All ENKA employees have the right to a 20% discount for events organised by ENKA Culture & Arts, which hosts a variety of well-respected artistic performances.
- › One day of volunteer leave right in a month is provided to employees who want to take part in volunteering projects.
- › Every year, sailing programmes are organised especially for employees with and without sailing experience, at basic and advanced levels.
- › Health services in clinics established at the head office and projects are offered free of charge.
- › Suitable menus are being prepared for vegetarians and for employees needing special diets.

SECTION IV - THE BOARD OF DIRECTORS

4.1. STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

The target in determining the company’s board members is to create a structure which will enable the members to make productive and constructive activities, to take decisions quickly and rationally, and to form committees in order to organize their activities in an effective way. Although the aim is to have one female member at the Board of Directors, the proposal of the Board Members submitted to the General Assembly has been formed in line with the above-mentioned targets. The Board of Directors which is approved by General Assembly consists of 5 members; as two executive members, one non-executive member and two independent non-executive members.

Regarding the independent members, 2 nominees were submitted to Corporate Governance Committee, which undertook authority of Nominating Committee on January 03, 2022 and were approved on the same day by the Board of Directors.

Declaration of Independent Members of the Board of Directors about their independency is as follows:

In the context of my nomination being “Independent Member of the Board of Directors” at ENKA İnşaat ve Sanayi A.Ş.’s (“ENKA”) Ordinary General Assembly Meeting of 2021 which will be held in 2022;

- › No relationship was formed in employment, in capital or in important trading activities, neither by me nor by my spouse, nor by my blood or affinity relatives up to the 3rd degree within last five years did not have any direct or indirect relationship with ENKA, 3rd parties in relation with ENKA or legal entities who have relation with shareholders of ENKA having a share of 5% or more,
- › Within the last five years, I have not been a partner (5% or above), employed as an executive having a significant duty and responsibility, or as a member of the board of directors in a company, which is primarily serving as auditing (tax audit, legal audit and including any internal audit), consulting and rating of ENKA, which undertakes material business activities under an agreement, in the period where the services or goods have been purchased or sold,
- › As being an independent member of the board of directors, I have the required professional training, knowledge and experience for undertaking the duties of the position,
- › I will not to be a full-time employee of public authorities and institutions after being elected, except being an academic mem-

ber at university provided that is in compliance with the relevant legislation.

- › I am a resident in Türkiye in accordance with the Income Tax Law no 193 dated 31.12.1960,
- › I have strong standards of ethics, professional reputation and experience for adding positive contribution in activities of ENKA, for securing my independency about subjects in relation with the conflicts of shareholders and for making independent decisions with taking into account of stakeholders’ rights,
- › I will be able to spend necessary time for fulfilling the requirements of the position and monitoring processes of the activities of the company,
- › I have not been on the board of ENKA for more than six years within the last ten years,
- › I am not an independent board member in more than three of the companies which are controlled by ENKA or its controlling shareholders and in more than five companies listed on the stock exchange,
- › I am not registered as a board member elected for the legal entity,

I hereby declare my independency within the framework of relevant legislation in force, articles of association of ENKA and criteria mentioned above.

In accordance with the Articles of Association of the company, the Board of Directors is responsible for the management of ENKA İnşaat ve Sanayi A.Ş. and its representation. Validity of all documents to be given by ENKA İnşaat ve Sanayi A.Ş. and all the agreements to be concluded require the names of two persons authorized to represent the company under the official heading and per the signature circular of ENKA İnşaat ve Sanayi A.Ş.. The Board of Directors assembles at the beginning of each fiscal year and divides up the tasks as well as the management and representation authorizations between the board members. With Ordinary General Assembly resolution dated March 25, 2022, the Board of Directors has been resolved to a tenure of one year with a task division as below:

Board of Directors		
Name, Surname	Profession	Position
A. Mehmet Tara	Civil Engineer	Chairman of the Board
Cem Çeliker	Lawyer	Vice Chairman of the Board
Erdoğan Turgut	Civil Engineer M.Sc	Member of the Board (Non-Executive Member)
Mehmet Mete Başol	Economist	Member of the Board (Non-Executive & Independent Member)
Fatih Osman Tar	Business and administration professionals	Member of the Board (Non-Executive & Independent Member)

Executive Committee has been formed as follows:

Members of the Executive Committee		
Name, Surname	Profession	Position
A. Mehmet Tara	Civil Engineer	President and Chairman of the Executive Committee
Zafer Gür	Civil Engineer	Vice Chairman of the Executive Committee
Cem Çeliker	Lawyer	Member of the Executive Committee
Özger İnal	Civil Engineer	Member of the Executive Committee
Bekir Burak Özdoğan	Civil Engineer	Member of the Executive Committee
Salim Oğuz Kırkgöz	Civil Engineer	Member of the Executive Committee
Hasan Fehmi Bayramoğlu	Mechanical Engineer	Member of the Executive Committee
İlhan Gücüyener	Certified Public Accountant	Member of the Executive Committee
Hakan Kozan	Civil Engineer	Member of the Executive Committee
Mehmet Ertem	Electrical Engineer	Member of the Executive Committee



Curricula Vitae of Board of Directors, which were also announced at the official internet site prior to the General Assembly, are as follows:

A. MEHMET TARA Chairman of the Board (Executive Member)

Mehmet Tara, born in 1983 in İstanbul, graduated in 2006 from the Wentworth Institute of Technology Civil Engineering Department in the USA. He is fluent in English. Having joined ENKA in 2006 when he was assigned to ENKA's jobsite in Russia as field engineer, Mehmet Tara worked as Deputy Project Manager of ENKA Russia WSOC Project between 2007-2008, as Vice President of ENKA Moscow Projects between 2008-2009, as Board Member of ENKA Russian Projects & Real Estate Developments between 2010-2012. Since 2012, he acts as General Manager and Chairman of the Executive Committee of Enka İnşaat ve Sanayi A.Ş., and started to act as the Chairman of the Board of ENKA İnşaat ve Sanayi in 2022 in addition to these duties. In addition, he is a TÜSİAD Board Member and Vice President, TEV Board of Trustees Member and GIF Member.

Mehmet Tara, being an Executive Board Member within the scope of the Corporate Governance Principles as applied by the Capital Markets Board, is not an Independent Member of the Board of Directors. He was within the last seven years and currently is in charge in the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. and of the affiliated group companies thereof.

CEM ÇELİKER Vice Chairman of the Board (Executive Member)

Cem Çeliker, born in 1980 in İstanbul, graduated in 2001 from the Nottingham University BSc. in Law, and in 2003 from the Columbia Law School LL.M. He is fluent in English. He started his legal career in the London office of Shearman & Sterling LLP in 2004. His practice focused on the international project development and financings, including those in the infrastructure, power and oil and gas sectors. He started working as a Lawyer at ENKA in 2010, and since 2010 he has acted as Chief Legal Counsel, Deputy General Manager, and Member of the Executive Board of ENKA İnşaat ve Sanayi A.Ş. Starting to act as a Member of the Board of ENKA İnşaat ve Sanayi A.Ş. in 2022, Cem Çeliker is a member of the New York and England Bar, the Vice Chairman of the Turkish Construction Industry Association (İNTES) and a member of TÜSİAD.

Cem Çeliker, being an Executive Board Member within the scope of the Corporate Governance Principles of the Capital Markets Board, is not an Independent Member of the Board of Directors.

ERDOĞAN TURGUT (Non-Executive Member)

Erdoğan Turgut, born in 1953, graduated in 1977 from the Aegean University, Department of Civil Engineering, and completed thereafter in 1979 his Master of Science (M.Sc.) Degree Program in Soil Mechanics at the London University Kings College, so that he is fluent in English. After having worked as Deputy Project Manager in the company Koray Al Mutamidoon İnşaat A.Ş. in Saudi Arabia between 1981 and 1986 during the construction of the Intercontinental Hotel, Erdoğan Turgut acted between 1986 and 1991 as General Manager in the company Koray – Turser A.Ş. when the latter constructed the 5 Stars Sheraton Hotel & Karum Shopping Center in Ankara, and between 1991 and 1993 as Board Member of the Kavala Group of Companies, and as the partner in the company PMS A.Ş. between 1993 and 1995. Between 1995 and 2010 he acted as Foreign Relations Manager, Deputy Chairman of the Executive Board and Group Coordinator in and of the company Koray Yapı Endüstrisi ve Ticaret A.Ş. Erdoğan Turgut, being a Non-Executive Board Member within the scope of the Corporate Governance Principles of the Capital Markets Board, is not an Independent Member of the Board of ENKA İnşaat ve Sanayi A.Ş. and acted between 2012 - 2022 as a Non-Executive Board Member.

MEHMET METE BAŞOL (Non-Executive Independent Member)

M. Mete Başol, born in 1957, graduated from Arizona State University, Department of Economics and started his banking career in 1984 at Inter- bank at the Mid-term Loans department by making economic evaluation of various investment projects as well as preparing sector reports. He has moved to Turkish Merchant Bank which was established as an investment bank jointly by Bank-

ers Trust Co. New York and T. Is Bankası, as the Treasury, Fund Management and Foreign Relations Manager. In 1992 he has also assumed the responsibility of the group of capital markets as Assistant General Manager. In 1995, he was elected as a Member of the Board of Directors and the Credit Committee following the purchase of the entire bank by the Bankers Trust. The name of the bank was changed to Bankers Trust A.Ş. and between 1997 - 2001 he has undertaken the Chairman of the Board of Directors and General Manager task of the bank. Between 2001 and 2003, he became the Managing Director of the joint Board of Directors of the public banks (TC Ziraat Bankası, T. Halk Bankası, T. Emlak Bankası) which was established by the law. After this assignment he established Tridea Consulting with two partners and gave financial and administrative consultancy services to SME's. He continued his consultancy services under his own company after 2009. He was a Member of the Board of Directors at Galatasaray Sportif A.Ş. (2011-2012), at T. İş Bankası A.Ş. (2011-2014), at Dedeman Holding A.Ş. (2008-2014), at Dedeman Turizm Otelcilik Yatırım A.Ş. (2012-2014), at Enerji Yatırım Holding A.Ş. (2015-2021), at Enerya Gaz Dağıtım A.Ş. (2015-2021) and at Enerya Gaz Ticaret A.Ş. (2015-2021). Currently, he is a Member of the Board of Directors at, and Nurol Investment Bank Inc. (2014). He was an Independent Board Member at Coca-Cola İçecek A.Ş. (2012-2018), Anadolu Efes Brewery and Malt Sanayii A.Ş (2012-2018) and at Hacı Ömer Sabancı Holding A.Ş (2018-2021). Currently, he is an Independent Board Member at Kimteks Poliüretan Sanayi ve Ticaret A.Ş (2021-) and Dardanel Önentaş Gıda Sanayi A.Ş. (2022-). M. Mete Başol meets the criteria applicable to Independent Board Members within the scope of the Corporate Governance Principles of the Capital Markets Board.

FATİH OSMAN TAR (Non-Executive Independent Member)

Born in 1953, Fatih O. Tar graduated from Robert College and then Boğaziçi University, Department of Business Administration in 1975. His professional life started in 1975 at Enka Pazarlama İhracat İthalat A.Ş., Foreign Trade Co. and then he worked as Sales Manager at Binex JV Construction Materials Company between 1977 and 1980, Procurement Manager at Enka Holding between 1979 and 1981, Assistant General Manager for Marketing and Sales at Güney Sanayi Tekstil İşletmeleri between 1981 and 1983, as General Manager at Enka Dış Ticaret between 1983 and 2003, as Board Member at Pimaş between 1985 and 1987, as Board Member at Enka Teknik between 2002 and 2010, as Chairman of Azen Oil Company (Netherlands) between 2003 and 2008, as Chairman and CEO of Binagadi Oil Company (Azerbaijan) between 2003 - 2008, as Deputy General Manager of Oyak Holding between 2010 and 2013, as Group Chairman and Managing Director of Eregli Demir Çelik, Iskenderun Demir Çelik & Group of Companies between 2010 and 2013, as Board Member at Yücel Boru Group between 2013 - 2015 and the President and CEO of Yücel Boru Group since 2015. Fatih Osman Tar meets the criteria applicable to Independent Board Members within the scope of the Corporate Governance Principles of the Capital Markets.

4.2. OPERATIONAL PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors which was approved at the Ordinary General Assembly dated March 25, 2022 made 13 meetings until the end of report period and the average of attendance rate is 96%. Prior to each meeting, the secretariat of Board Directors personally informs board members about the meeting agenda. Since the IPO of ENKA İnşaat ve Sanayi A.Ş., no divergent views have been suggested by board members. There are no privileged voting rights for any member of the Board of Directors.

The Board of Directors were authorized at the Ordinary General Assembly for execution of written transactions listed in articles No. 395 and 396 of the Turkish Commercial Code and to transactions were done with this authority.

In 2022, there were no administrative and judicial sanctions imposed on the Company's governing body and members due to practices contrary to the provisions of the legislation.

The Board of Directors of the Company had discussed about the Affiliated Company Report and the declaration is as follows: "On such date on which the relevant legal steps as mentioned in the report have been taken, always a proper counteract has been undertaken for/towards each of such legal steps in accordance with such terms and conditions and circumstances as being to our knowledge. In this aspect, there is neither any measure to be taken or to be avoided to be taken nor any loss to be suffered by the company."

4.3. NUMBER, STRUCTURE AND INDEPENDENCE OF THE COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Three committees officiate in affiliation with the Board of Directors of ENKA İnşaat ve Sanayi A.Ş.. The committees assemble as often as it is necessary. Board of Directors' resolution dated 25.03.2022 about these committees is as follows:

For the Audit Committee to elect for a tenure of one year:

Fatih Osman Tar (Chairman) and Mehmet Mete Başol (Member)

For the Corporate Governance Committee to elect for a tenure of one year:

Fatih Osman Tar (Chairman), Erdoğan Turgut (Member) and Gizem Özsoy (Member)

For the Early Identification of Risks Committee and to elect for a tenure of one year:

Mehmet Mete Başol (Chairman) and Erdoğan Turgut (Member)

Also, it has been resolved that according to the structure of the Board, the issues falling within the scope of activities of the Nominating Committee and the Remuneration Committee to be carried out by the Corporate Governance Committee and for the working principles of the committees and task fields to be identified by the committee members and to be submitted to the Board of Directors. Purposes of committees as established thereof, have been stated below:

Purpose of the Audit Committee:

It is to ensure the duly supervision of the independent audit of the accounting system and financial data of the company as well as of the functioning and efficiency of the internal control system.

Activities of the Audit Committee:

The Audit Committee convened 5 times during the year. Committee;

- › Review options for the independent auditor for the fiscal year 2022 and submitted KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to the Board of Directors’ for approval.
- › Reviewed the interim and annual financial reports of the Company and submitted the reports to the Board of Directors for the approval of the Board of Directors after detecting that they reflect the truth.
- › It examined the reports submitted to them as a result of the audits conducted by the Internal Control Unit with the Corporate Quality, Finance, Sustainability & Compliance, Human Resources and HSE departments within the scope of internal audit.

Purpose of the Corporate Governance Committee:

It is to propose suggestions regarding the corporate governance of the Company; to ensure the increase in quality of the corporate governance applications; to pursuit efficiently the legislation of the Capital Markets Board regarding the 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 make the necessary workings for the nomination, assessment and training of the proper candidates for 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 in this aspect.

Purpose of the Early Identification of Risks Committee:

It is to early identify any potential risks that might jeopardize the existence, development and continuation of the Company, and to take and implement the necessary measures and preventive actions for the elimination of such detected potential risks as well as to perform any workings related to risk management and to review at least once a year any applied risks management systems.

Due to the formation of the Board of Directors as being in total 5 people, some of the members of the Board of Directors are assigned in more than one committee.

In 2022 Audit Committee made 5 meetings, Corporate Governance Committee made 2 and the Early Identification of Risks Committee made 6 meetings within the months stated below.

	January	February	March	April	May	June	July	August	September	October	November	December
Audit Committee			✓✓		✓			✓			✓	
Corporate Governance Committee	✓						✓					
Early Identification of Risks Committee	✓		✓		✓		✓		✓		✓	

Moreover, in addition to these committees, Executive Ethics and Compliance Committee, Sustainability Committee, OHS (Occupational Health and Safety) Board, Information Security Committee, Risk Management Working Group under the Board of Directors continue their activities. These committees also report annually to the Board of Directors regarding their activities.

Purposes of the Executive Ethics and Compliance Committee:

The Executive Ethics and Compliance Committee reporting to the Board of Directors is formed to ensure the Corporate Values to be supported by the Ethics and Compliance Program. This Committee, furthermore, provides support to the Company in the application of an effective Ethics and Compliance Program, in the determination of the basic principles of such Program as well as in the continuously promotion of creation of a Corporate Culture that attaches importance to ethical business conduct and compliance with laws.

Purpose of the Sustainability Committee:

The Sustainability Committee (the Committee) was formed to assess 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 Chairman of the Board of Directors and reports results obtained from all sustainability efforts to ENKA's senior management.

The Sustainability Committee which consists of managers of different units and departments at the Company and subsidiaries representing all main functions, continued its activities in 2022 by reviewing the sustainability strategy, ensuring ownership of sustainability goals and activities at every level and monitoring the sustainability performance.

Purpose of the Information Security Committee:

The Information Security Committee was established to support the execution of the necessary works within the framework of the operation, maintenance and efficiency of the company's information security management system and to report the performance of these efforts to the Board of Directors.

In this context, the Information Security Committee is primarily responsible for; ensuring the confidentiality, integrity and accessibility of information belonging to ENKA and its stakeholders, protecting information assets, satisfying information security requirements within the scope of applicable terms and conditions and international standards, determining and systematically managing information security risks, performing monitoring and measurement activities, improving information security management system performance, and implementing and promoting information security policies and procedures within the company.

The Information Security Committee, which consists of asset and risk owners that may affect the information security, meets once a year.

Purposes of the OHS (Occupational Health and Safety) Board:

The OHS Board, consisting of the Employer Representative, OHS Specialists, Workplace Physician/Nurse, Human Resources Specialist, Administrative Affairs Officer, Employee Representatives and any related experts as to be assigned pursuant to the relevant agenda items, and holding its meetings in 3 months intervals, is formed for the purpose of properly identification and assessment of any potential risks related to occupational health and safety at Head Office and accurately determination and assessment of any measures to be taken there against, and reporting the same to the Board of Directors.

Besides the OHS Board, in all our projects, also HSE Boards are formed under the guidance of the relevant Project Managements and the Project Health, Safety and Environment (HSE) Departments. These Boards hold regularly on weekly and monthly basis the so-called “Zero Accident Team Meetings” and review the HSE performance of the project and decide on any main actions required to be taken.

4.4 RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Internal Control Unit within the structure of the company, which periodically inspects the projects and the group companies in advance and proposes the necessary solutions for any deviations from the objectives, as well as all of the potential risk factors to the management. The internal control systems and its structure is organized in a way that can eliminate all risks to be encountered by the company, especially the ones which could adversely affect the activities and proactively works for the solution without encountering any problems even in the crisis period. Increasing strength of the company's financial position is an indication of this system working effectively.

Purposes of the Risk Management Working Group:

The Risk Management Working Group is formed in accordance with the Resolution of the Company's Executive Ethics and Compliance Committee dated 28.11.2017 in order to ensure the properly identification of any corporate risks of ENKA, the accurately determination of the applicable risk mitigation methods and the precisely assessment and review of such risks as identified.

Amongst the basic tasks of the Risk Management Working Group is the application of an effective Risk Management Program throughout the Company, the identification of the principles and methods underlying such Risk Management Program, and the assurance of continuous development of Risk Management as a Corporate Culture extending to and through the projects, units and individuals.

The main risks faced by the Company and the policies related to the management of these risks are given in detail under 34rd note of the Independent Audit Report in the following headings.

- › Capital risk management
- › Interest risk
- › Foreign currency risk
- › Credit risk
- › Liquidity risk

4.5. MISSION, VISION AND OBJECTIVES OF THE COMPANY

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 Vision:

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

Our Performance Objectives:

- › To be open to innovations, using advanced technologies and always seeking the better,
- › To be prudent and sensitive about work security and environment protection,
- › To train our young employees in accordance with our culture as creative, hardworking and honest employees and to ensure that our employees work as individuals who have self-confidence, are able to communicate and use discretionary power and take responsibility, and
- › To seek our competitive power and profit in perfecting our management and technical skills.

Pursuit of the Objectives and Achievement of Goals:

The objectives that reflect of our sensitivity about completing the works before the end of the planned time frame and delivering to the client are pursued very diligently at the highest and most detailed level. The members of the Executive Board pursue the objectives and the degree of their achievement in relation to the projects carried out in those countries where they are responsible and periodically resolve in the Executive Board to find out the leading motives of the deviations, whether the deviations affect the result of the project and if it is necessary to create new targets and to take the necessary measures about the personnel who have responsibility in such delay.

4.6. FINANCIAL BENEFITS

For stand-alone ENKA İnşaat ve Sanayi A.Ş.; total wages paid for the members of the Board of Directors is TL 9,633,314 the social security payments is TL 270,805 and the accrued retirement pay provisions as of December 31, 2022 are TL 256,163. The total amount of the fees and similar benefits provided to the top managers such as the general manager, general coordinator and vice general managers is TL 64,591,135 the social security payments is TL 3,888,944 and the accrued retirement pay provisions as of period end are TL 8,618,184. There are no payments made to the members of the Board of Directors and top managers in the way of shares, derivative products originating from shares, share buying options or payments not made in cash such as house or car whose proprietorship bestowed and/or allocated for their use. ENKA İnşaat ve Sanayi A.Ş. is not in any sort of debt relation whatsoever with any of the members of the board or any top managers. The Remuneration Policy Applicable to the Board Members and Administratively Responsible Managers was submitted to the shareholders at the General Assembly dated March 27, 2014 which was published on our internet site is as follows:

1. Objective and Scope

The purpose of the policy described hereunder is to determine, in compliance with and under consideration of such regulations, obligations and principles as specified in the Capital Markets Legislation and the Capital Markets Board’s corporate governance principles, any rules, requirements, principles and modus of implementation applicable to the remuneration of the Board Members and Administratively Responsible Managers of ENKA İnşaat ve Sanayi A.Ş. as approved by the Board of Directors thereof. Any rights, benefits and remunerations to which the Board Members of the Company are entitled to, and any modus of and requirements applicable to the payment thereof are defined in the Articles of Association of the Company, and such rights, benefits and remunerations are concluded and fixed each year by the General Assembly thereof in its annual meeting under a separate item of agenda and the same are published thereafter in the website of the company. The remuneration policy hereunder aims the sustainability and enhancement of the performances of the Board Members and Administratively Responsible Managers of the Company.

2. Principles Applicable to Remuneration

Remunerations Payable to the Members of the Board of Directors

Independent Members and Non-executive Board Members: The Independent Members and Non-executive Board Members of the Board of Directors are entitled to a monthly attendance fee as honorarium in such amount as to be determined each year by the General Assembly. The amount of such monthly attendance fee is not fixed on the basis of the performance of the Company so that the independency thereof is not impacted of the Independent Members thereby.

Executive Board Members: The Executive Board Members are paid a monthly attendance fee in the same amount as payable to the Independent Members as aforesaid, besides such below mentioned bonuses as payable to the same on the basis of their performances and contributions to the company as well as their level of reaching the targets as set.

Remunerations Payable to Administratively Responsible Managers

Remunerations payable to Administratively Responsible Managers include performance determined bonuses besides the fixed pays to be determined and calculated in accordance with the scope of duties and responsibilities thereof under consideration of the requirements and the experiences designated for each position. Executive Committee Members are entitled to a monthly attendance fee as honorarium as well as bonuses and fixed pays.

3. Performance and Remuneration Methods

Fixed Pays:

In the determination of the attendance fees payable to the Members of the Board of Directors as well as of the fixed pays to the Administratively Responsible Managers as aforesaid, the preservation of the company’s internal balances and the compliance thereof with strategic targets and the ethical values of the company are always considered. The amount of the fixed pays is determined and calculated for each position in accordance with the scope of duties and responsibilities of the relevant payee under consideration of various factors such as economic conditions in the market, the size of the company, any long-term targets and the level of realization thereof as well as the position and the level of experience of the relevant payee. In the determination and calculation of the remunerations payable to the Board Members and Administratively Responsible Managers of the Company, no short-term performance-based payment plans such as Company’s profit or income shall be applicable.

Performance Pays (Bonus Payments):

Also, in the determination and calculation of the performance-based bonus payments, various factors such as bonus policies applicable in the market to any staff in similar or equivalent position, the level of reaching and realization of the company targets and the individual performances are taken into account, and they are determined and calculated so that the equity of the company is not impacted thereby. Within the scope of this policy, no Board Member or Administratively Responsible Managers of the Company is lent any money or granted any loan or any personal credit by virtue of any third parties or provided any securities or guarantees. Any remunerations and benefits paid to Board Members and Administratively Responsible Managers of our company are disclosed to public in the Annual Report thereof.

SECTION V – FINANCIAL POSITION

As of 31.12.2022, it is concluded that the Company's debt structure is suitable for the continuation of activities in a healthy manner with a debt-to-equity ratio of 0.31.

As of 31.12.2022, the backlog amount and basic ratios are given below and detailed financial information is given in the Independent Auditor's Report.

Backlog as of 31.12.2022 (Million US Dollars)

Backlog (Million US Dollars)		%
Country	Amount	Ratio (%)
Special Projects	1,210	29.4%
Russian Federation	651	15.8%
United Kingdom	547	13.3%
Kazakhstan	224	5,4%
Germany	193	4.7%
Finland	140	3.4%
USA	116	2.8%
Mexico	49	1.2%
The Bahamas	47	1.1%
Türkiye	46	1.1%
Others*	899	21.8%
Total	4,122	100%

**The "Others" group consists of the following countries: Brazil, China, Croatia, Iraq, Ireland, Ireland, Ireland, Ireland, Ireland, Poland, Saudi Arabia, Serbia, Spain, Sweden.*

BASIC RATIOS (Thousand US Dollars)

	31.12.2022			31.12.2021		
Current Ratio:						
Current Assets	3,536,158	=	238.6%	5,106,689	=	290.8%
Current Liabilities	1,481,853			1,755,791		
Cash Ratio:						
Cash & Cash Equivalents + Financial Investments	4,597,104	=	310.2%	5,265,431	=	299.9%
Current Liabilities	1,481,853			1,755,791		
Leverage Ratio:						
Total Liabilities	2,034,099	=	23.7%	2,360,750	=	25.9%
Total Assets	8,580,537			9,102,333		
Total Equity to Total Assets Ratio:						
Total Equity	6,546,438	=	76.3%	6,741,584	=	74.1%
Total Assets	8,580,537			9,102,333		
Current Assets to Total Assets Ratio:						
Current Assets	3,536,158	=	41.2%	5,106,689	=	56.1%
Total Assets	8,580,537			9,102,333		
Non-current Assets to Total Assets Ratio:						
Non-current Assets	5,044,379	=	58.8%	3,995,644	=	43.9%
Total Assets	8,580,537			9,102,333		
Return on Assets (ROA) Ratio:						
Net Income	118,394	=	1.4%	609,567	=	6.7%
Total Assets	8,580,537			9,102,333		
Net Income to Revenue Ratio:						
Net Income	118,394	=	3.2%	609,567	=	21.3%
Revenue	3,730,788			2,859,411		
Total Liabilities to Total Equity:						
Total Liabilities	2,034,099	=	31.1%	2,360,750	=	35.0%
Total Equity	6,546,438			6,741,584		

*Based on the financial statements prepared in accordance with the Turkish Financial Reporting Standards (“TFRS”) put into effect by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”).

	Corporate Governance Compliance Report	Company Compliance Status					Explanation
		Yes	Partial	No	Exempted	N/A	
1.1.	FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
	1.1.2 - Up-to-date information and disclosures which may affect the exercise of share-holder rights are available to investors at the corporate website	X					
1.2.	RIGHT TO OBTAIN AND REVIEW INFORMATION						
	1.2.1 - Management did not enter into any transaction that would complicate the con-duct of special audit.	X					
1.3.	GENERAL ASSEMBLY						
	1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
	1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
	1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Share-holders' Meeting.	X					
	1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
	1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				Although there is no restriction on the participation of stakeholders and media in the General Assembly meetings, stake-holders participated in the meeting held in 2022 but the media did not have any request for participation..
1.4.	VOTING RIGHTS						
	1.4.1 - There is no restriction preventing shareholders from exercising their sharehold-er rights.	X					
	1.4.2 - The company does not have shares that carry privileged voting rights.	X					
	1.4.3 - The company withholds from exercising its voting rights at the General Share-holders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5.	MINORITY RIGHTS						
	1.5.1 - The company pays maximum diligence to the exercise of minority rights	X					
	1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			In our company, minority rights are de-fined in regulated rates in the Turkish Commercial Code (TTK) and there are no plans to change this.
1.6.	DIVIDEND RIGHT						
	1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
	1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of divi-dend distributions in the future.	X					
	1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the rel-evant agenda item.					X	Our company regularly distributes profit.
	1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7.	TRANSFER OF SHARES						
	1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1.	CORPORATE WEBSITE						
	2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
	2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
	2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2.	ANNUAL REPORT						
	2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
	2.2.2 - The annual report includes all elements listed in Corporate Governance Prin-ciple 2.2.2.	X					

	Corporate Governance Compliance Report	Company Compliance Status					Explanation
		Yes	Partial	No	Exempted	N/A	
3.1.	CORPORATION'S POLICY ON STAKEHOLDERS						
	3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
	3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
	3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
	3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2.	SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
	3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
	3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3.	HUMAN RESOURCES POLICY						
	3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
	3.3.2 - Recruitment criteria are documented.	X					
	3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
	3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
	3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				The Human Resources have been working as a representative of ENKA, for coordination and relation between the employer and employees of the company. However, there is no trade unionin our company.
	3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
	3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
	3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.			X			Although there is no association or trade union in the company, there is no restrictive practice.
	3.3.9 - A safe working environment for employees is maintained.	X					
3.4.	RELATIONS WITH CUSTOMERS AND SUPPLIERS						
	3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
	3.4.2 - Customers are notified of any delays in handling their requests.	X					
	3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
	3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5.	ETHICAL RULES AND SOCIAL RESPONSIBILITY						
	3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
	3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1.	ROLE OF THE BOARD OF DIRECTORS						
	4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
	4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2.	ACTIVITIES OF THE BOARD OF DIRECTORS						
	4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
	4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
	4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
	4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
	4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			X			Chairman of the Board of Directors, Agah Mehmet Tara, continues to carry out his current CEO position in line with the targets of the company.

	Corporate Governance Compliance Report	Company Compliance Status					Explanation
		Yes	Partial	No	Exempted	N/A	
	4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
	4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			Damages caused by the faults of the members of the Board of Directors during their duties in the company are not insured.
4.3.	STRUCTURE OF THE BOARD OF DIRECTORS						
	4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Within the framework of corporate governance principles, a target of at least 25% has been set for the rate of female members in the Board of Directors of our company, but a policy has not yet been established in line with this target.
	4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4.	BOARD MEETING PROCEDURES						
	4.4.1 - Each board member attended the majority of the board meetings in person.	X					
	4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
	4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	In 2022 meetings, The board members that could not attend the meeting, did not submit their opinion in written format.
	4.4.4 - Each member of the board has one vote.	X					
	4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
	4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
	4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			The Board Members are able to spend necessary time for fulfilling the requirements of the position and monitoring processes of the activities of the company.
4.5.	BOARD COMMITTEES						
	4.5.5 - Board members serve in only one of the Board's committees.			X			Due to the formation of the Board of Directors as being in total 5 people, some of the members of the Board of Directors are assigned in more than one committee. All committee members ensure adequate participation in the activities of the committee in which they are members.
	4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
	4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	
	4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6.	FINANCIAL RIGHTS						
	4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			Performance evaluation is made within the Board of Directors but not in written format.
	4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
	4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			The disclosure is not done individually, but the total amount and the remuneration policy has been provided under the financial benefits section of the Annual Report.

Corporate Governance Information Form		
1.	SHAREHOLDERS	
1.1.	Facilitating the Exercise of Shareholders Rights	
	The number of investor meetings (conference, seminar/etc.) organised by the company during the year	25
1.2.	Right to Obtain and Examine Information	
	The number of special audit request(s)	0
	The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3.	General Assembly	
	Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/915484
	Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	General Assembly Notices and related materials are disclosed at the same time.
	The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no transaction in the context.
	The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-171)	There is no transaction in the context.
	The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-171)	There is no common and continuous transactions in the context.
	The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.enka.com/tr/yatirimci-iliskileri/sirket-politikalari/
	The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/198439
	The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 24
	Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Company employees
1.4.	Voting Rights	
	Whether the shares of the company have differential voting rights	Hayır (No)
	In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
	The percentage of ownership of the largest shareholder	49,8%
1.5.	Minority Rights	
	Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Hayır (No)
	If yes, specify the relevant provision of the articles of association.	-
1.6.	Dividend Right	
	The name of the section on the corporate website that describes the dividend distribution policy	https://www.enka.com/investor-relations/company-policies/
	Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend distribution was made.
	PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends.	Dividend distribution was made.

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
25/03/2022	0	76%	0%	76%	Investor Relations / General Assembly / General Assembly Meetings	-	14	0	https://www.kap.org.tr/tr/Bildirim/1006962 https://www.kap.org.tr/tr/Bildirim/1013170

2.	DISCLOSURE AND TRANSPARENCY	
2.1.	Corporate Website	
	Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	About Us / CompanyProfile, Investor Relations, Sustainability
	If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	Investor Relations /Corporate Articles and Documents / Shareholding Structure
	List of languages for which the website is available	Turkish - English - Russian

2.2.	Annual Report	
	The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
	a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Corporate Governance / 4.1 Structure and Formation of The Board of Directors
	b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance / 4.3 Number, Structure And Indepence of The Committees Established Within The Board of Directors
	c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance / 4.2 Operational Principles of The Board of Directors
	ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Independent Auditors' Report / Basis of Presentation of The Consolidated Financial Statements
	d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Independent Auditors' Report / Commitments
	e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	-
	f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no cross ownership subsidiary.
	g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Corporate Governance / Section 3 Stakeholders
3.	STAKEHOLDERS	
3.1.	Corporation's Policy on Stakeholders	
	The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.enka.com/investor-relations/company-policies/
	The number of definitive convictions the company was subject to in relation to breach of employee rights	490
	The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Director of Quality, HSE, Sustainability & Integrity
	The contact detail of the company alert mechanism	+90 (212) 376 10 10
3.2.	Supporting the Participation of the Stakeholders in the Corporation's Management	
	Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
	Corporate bodies where employees are actually represented	-
3.3.	Human Resources Policy	
	The role of the board on developing and ensuring that the company has a succession plan for the key management positions	-
	The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Corporate Groups / Human resources
	Whether the company provides an employee stock ownership programme	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
	The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Corporate Groups / Human resources
	The number of definitive convictions the company is subject to in relation to health and safety measures	3
3.5.	Ethical Rules and Social Responsibility	
	The name of the section on the corporate website that demonstrates the code of ethics	Sustainability / Ethics & Compliance
	The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Sustainability / Publications / Developing Communities
	Any measures combating any kind of corruption including embezzlement and bribery	Sustainability / Ethics & Compliance / Fighting bribery and corruption
4.	BOARD OF DIRECTORS-I	
4.2.	Activity of the Board of Directors	
	Date of the last board evaluation conducted	It is held once a year before the General Assembly.
	Whether the board evaluation was externally facilitated	Hayır (No)
	Whether all board members released from their duties at the GSM	Evet (Yes)
	Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Agah Mehmet TARA - Chairman of the Board, Cem ÇELİKER - Vice Chairman of the Board, Erdoğan TURGUT - Member of the Board, Mehmet Mete BAŞOL - Member of the Board, Fatih Osman TAR - Member of the Board
	Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	27
	Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Corporate Governance / Risk Management and Internal Control Mechanism
	Name of the Chairman	Agah Mehmet Tara
	Name of the CEO	Agah Mehmet Tara
	If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	https://www.kap.org.tr/tr/Bildirim/1013366
	Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
	The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
	The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Interdependency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
AGAH MEHMET TARA	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	25/03/2022	-	Değerlendirilmedi (Not considered)	İlgisiz (Not applicable)	-
CEM ÇELİKER	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	25/03/2022	-	Değerlendirilmedi (Not considered)	İlgisiz (Not applicable)	-
ERDOĞAN TURGUT	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	11/04/2013	-	Değerlendirilmedi (Not considered)	İlgisiz (Not applicable)	-
FATİH OSMAN TAR	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	28/03/2018	-	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
MEHMET METE BAŞOL	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	28/03/2018	-	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)

4.	BOARD OF DIRECTORS-II	
4.4.	Meeting Procedures of the Board of Directors	
	Number of physical board meetings in the reporting period (meetings in person)	13
	Director average attendance rate at board meetings	97%
	Whether the board uses an electronic portal to support its work or not	Hayır (No)
	Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Depending on the agenda.
	The name of the section on the corporate website that demonstrates information about the board charter	Investor relations / Corporate articles and documents/ Articles of Association - Article 17
	Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no upper limit.
4.5.	Board Committees	
	Page numbers or section names of the annual report where information about the board committees are presented	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
	Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/366204

Composition of Board Committees-I				
Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Denetim Komitesi (Audit Committee)	-	Fatih Osman Tar	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)	-	Mehmet Mete Başol	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Mehmet Mete Başol	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)	-	Erdoğan Turgut	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Fatih Osman Tar	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Erdoğan Turgut	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)	-	Gizem Özsoy Bayramoğlu	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)

4.	BOARD OF DIRECTORS-III	
4.5.	Board Committees-II	
	Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
	Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
	Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
	Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
	Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance / 4.3 Number, Structure And Independence of The Committees Established Within The Board of Directors
4.6.	Financial Rights	
	Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Corporate Governance / Mission, Vision and Objectives Of The Company
	Specify the section of website where remuneration policy for executive and non-executive directors are presented	Investment Relations / Company Policies
	Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	-

Composition of Board Committees-II					
Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Denetim Komitesi (Audit Committee)		100%	100%	5	5
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		100%	50%	6	6
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		66,6%	33,3%	2	2

Sustainability Principles Compliance Report

The Company's Environmental, Social and Governance (ESG) systems, efforts, performance, and goals are presented to all stakeholders under the heading "Sustainability Principles Compliance Report" of the Annual Report. Information on the Company's ESG practices provided in this report and all other statements on sustainability are presented in detail in ENKA Sustainability Report published in June of every year, at the latest.

The scope of the Sustainability Principles Compliance Report is parallel with the Company's annual Sustainability Report. The list of the companies included in the scope is listed below. Environmental data of the companies marked with (*) in the following list were not included in the calculations of quantitative values shared in respect to the Environmental Principles in the report. Policies shared within the ESG system are applicable to all companies covered by the Annual Report. This report covers the period between January 1st, 2022 and December 31st, 2022.

- › ENKA İnşaat ve Sanayi A.Ş.
- › Çimtaş Çelik İmalat Montaj ve Tesisat A.Ş.
- › Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.
- › Cimtas Boru İmalatları ve Ticaret Ltd. Şti.
- › Çimtaş Hassas İşleme Sanayi ve Ticaret Ltd. Şti.
- › Cimtas (Ningbo) Steel Processing Co. Ltd.
- › Adapazarı Elektrik Üretim Ltd. Şti.
- › Gebze Elektrik Üretim Ltd. Şti.
- › İzmir Elektrik Üretim Ltd. Şti.
- › MosENKA
- › Moskva Krasnye Holmy
- › ENKA Holding Investment S.A.
- › City Center Investment B.V.
- › Limited Liability Company ENKA TC
- › ENKA Pazarlama İhracat İthalat A.Ş.
- › LLC ENKA Flex Office*
- › ENKAMOS Region B.V.*

ENKA, with its sustainability management approach, manages its social, environmental and economic impacts resulting from its operations in different sectors, including engineering, construction, energy, real estate and trade in different parts of the world in a responsible, effective and transparent manner. For this purpose, it identifies environmental, social and corporate management risks and opportunities; determines material sustainability issues with the participation of different stakeholder groups every two years and updates its policies, strategies and procedures established in this regard. ENKA's ESG policies can be found on ENKA's corporate website (www.enka.com).

ENKA updated its Sustainability Strategy in line with these policies and strengthened its sustainability targets. ENKA's Sustainability Strategy and the Sustainability Targets set for 2030 and 2050 can be accessed via the links below. The Company's 2022 performance against these targets are summarized in ENKA Sustainability Targets table at the end of the Sustainability Principles Compliance Report.

Sustainability Strategy:

<https://www.enka.com/sustainability/home/strategy/>

ENKA Sustainability Targets:

<https://www.enka.com/sustainability/sustainability-targets/>



ENKA Sustainability Committee, which was established in 2017 in order to integrate sustainability into the company's business strategies and lead the actions towards this regard with the participation of managers of different units and departments in ENKA Headquarters and subsidiaries representing ENKA's all main functions. The Committee leads the Company's strategies and efforts in the fields of environment, climate change, human rights, social responsibility and ethics and ENKA's Chairman of the Board, who leads the committee, has the primary responsibility for the issues referred above.

ENKA, which has been a signatory of the United Nations Global Compact since 2017, publicly shares its sustainability performance, goals and activities every year through its Sustainability Report. In addition to this report prepared based on the Global Reporting Initiative (GRI) standards, ENKA also reports annually to the public within the scope of Climate Change and Water Security programs of the Carbon Disclosure Project (CDP). Material sustainability issues that define the framework of ENKA's Sustainability Report are linked to the following goals of the United Nations 2030 Sustainable Development Goals (SDGs).

ENKA, with its sustainability performance in 2022, continues to be included in Dow Jones Sustainability Index and FTSE4Good Index as well as Borsa Istanbul Sustainability Index.



As part of the verification of sustainability statements, greenhouse gas emissions arising from the operation of ENKA Energy companies are audited by accredited organizations every year in accordance with applicable legislation. In addition, ENKA's sustainability report receives limited external assurance for selected energy, greenhouse gas emissions, water and occupational health and safety indicators. The audit process regarding 2022 energy, water, greenhouse gas emissions and occupational health and safety is in progress and audit reports are included in ENKA's Sustainability Report and CDP report every year.

Environmental Principles

ENKA establishes and conducts its environmental management and its commitments in this direction in accordance with the laws of the countries where it operates and in line with international environmental management standards. The Company's environmental management complies with ISO 14001:2015 Environmental Management System Standard.

ENKA is aware that risks and opportunities related to the climate change is very important. Risks related to climate change are assessed by the Early Identification of Risks Committee and the Risk Management Working Group. ENKA closely monitors legal and technological developments within the scope of transition risks related to climate change and carries out various practices at the points where there is a risk. Thus, ENKA realizes the importance of good management of all Environmental, Social, Governance (ESG) risks, including climate change, in terms of reputation, foreign investment and financing and it implements appropriate policies and strategies.

ENKA believes that not only transitional risks, but also physical risks pertaining to climate change are of critical importance. As both acute and chronic physical impacts of climate change are increasing worldwide day by the day, especially in our country and in all regions ENKA operates, the intensity of acute effects such as extreme climate events, heatwaves and heavy rains have increased in recent years.

Scenario analyses are conducted in ENKA İnşaat operations against these risks and weather conditions are meticulously monitored. In all ENKA İnşaat projects, assessments are carried out for the environmental and social impacts of the project. Specifically, in the projects where work activities are conducted in close proximity to water bodies, watershed regulations are considered and additional emergency procedures are intently applied against incidents such as flooding. ENKA regularly keeps records of the energy and fuel consumptions of its subsidiaries and it has been regularly calculating its carbon footprint and the amount of reduction achieved as a result of improvement efforts and measures undertaken since 2016.

The greenhouse gas emissions resulting from ENKA's operations and energy consumption in 2022 as compared with previous years are presented in the table below. Direct (Scope-1), indirect (Scope-2) and other indirect (Scope-3) greenhouse gas emissions from 2022 activities of ENKA were included in the calculations. Greenhouse gas emissions resulting directly from ENKA's activities are categorised as "Scope-1 – direct greenhouse gas emissions", while greenhouse emissions due to energy consumption from externally sourced electricity, heat and steam are categorised as "Scope-2 – indirect greenhouse gas emissions due to energy consumption". The methodologies used for calculating were the ISO 14064-1 and the GHG Protocol Corporate Accounting and Reporting Standards. For conversion factors IPCC, DEFRA, EPA, T.C. ETKB, Climate Transparency Report, IEA and IRENA data were used.

Energy Consumption by Years*			
Energy Consumption (TJ)	2020	2021	2022
Fuel Consumption	676	68,779	48,076
Electricity Consumption	939	1,093	1,197
Consumption for Heating Purposes (Hot water or district heating)	397	450	538
Steam Consumption	-	171	5
Total	2,012	70,493	49,816

ENKA Scope-1, Scope-2 and Scope-3 Emissions by Years*			
Greenhouse Gas Emissions (tCO ₂ e)	2020	2021	2022
Scope-1	53,512	4,025,525	2,900,441
Scope-2	206,475	173,813	143,900
Scope-3	877,043	1,567,009	2,367,671
Total	1,137,030	5,766,347	5,412,012

ENKA transparently publishes all environmental impacts stemming from its operations on public platforms through its Sustainability Report and CDP reports. Within the scope of ENKA's environmental reporting, all environmental issues (greenhouse gas emissions, energy management, water and wastewater management, air quality, waste management, and biodiversity activities) are included and reported for three years comparatively. ENKA, which realizes high investments and carries out various projects every year to reduce its environmental impacts, transparently discloses the amount of reduction and savings in greenhouse gas emissions, energy consumption, water consumption and waste generation in its Sustainability Report.

Aside from the environmental impacts arising from its own operations, ENKA considers the minimization of effects resulting from the products and services it provides as an important part of its sustainability strategy. ENKA, which works to completely prevent the damage that may be caused to people and nature in all investments, has carried out 14 of its projects in accordance with LEED or equivalent green building certification programs. Two multi-functional shopping centers operated by ENKA Real Estate in Russia have Russian Green Building certificate and have set precedents in this sense. Within the scope of power plant projects with the high expertise of ENKA, the highest level of efficiency is achieved in constructed power plants and during construction activities.

It is ensured that all suppliers and subcontractors working with ENKA are expected to act just as sensitively, training opportunities are provided and audits are carried out within this scope. The environmental approach and performance that ENKA expects from its suppliers are clearly stated in ENKA Supplier Code of Conduct and in the supplier selection, evaluation and auditing procedures.

Social Principles

ENKA is committed to comply with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and the legal frameworks and legislation regulating the employment and human rights in Türkiye through ENKA Code of Business Conduct. The Code of Conduct, which is the ethics policy of the company, includes issues on compliance with human rights, non-discrimination, prevention of forced labour and child labour and combating bribery and corruption and details regarding the implementation of the relevant policy. Code of Business Conduct has been translated into 7 languages and published on the corporate website. The Supplier Code of Conduct has been published and communicated in order to encourage these practices in the Company's value chain.

In line with the Sustainability Strategy, an Employee Loyalty and Satisfaction Survey is conducted every two years by covering all the employees of ENKA and its subsidiaries. The results of the "ENKA Employee Loyalty Survey" which was conducted by an independent research company in 2021 indicated that the level of employee loyalty was 90% across all ENKA group companies and 91% at ENKA İnşaat.

In ENKA Academy, which was established to improve the professional competences, process awareness, technical knowledge, and leadership and management skills of employees, trainings are organized in 3 main categories; namely management training, technical training and social skills training. Approximately 566 hours of training were given and a total of 11,987 person-hours of training in engineering development and social skills was provided during the reporting period. In addition to ENKA Academy, Project Training Departments, which are established separately at each project and are in constant communication with the İstanbul Headquarters, have provided approximately 11.363 million person-hours of training to date. These training programs also include informative trainings on the Company's ESG policies and practices.

ENKA maintains an Ethics Hotline and an email to ensure open and transparent communication and make it possible for employees, local communities, and all parties engaged in a business relationship (suppliers, subcontractors, employees of subcontractors, customers, business partners etc.) to be able to report behaviour that violates the Code of Business Conduct or company policies and to receive advice for matters that are unclear to them. Reports made to the Ethics Hotline and email are categorised and reported

* The values for 2022 are the values before the external assurance audit, verified values will be published in the Sustainability Report for 2022.

to the Executive Ethics and Compliance Committee. All reports within the execution area of the Ethics Hotline are assessed, investigated and concluded and the complainant is informed accordingly.

The Occupational Health and Safety (OHS) structure at ENKA begins with the strong commitment by the senior management. This strong commitment forms the basis of all activities and the management system and it is shared with all stakeholders through the Health, Safety, Social and Environment Policy (HSSE Policy). The commitment clearly described in the HSSE policy is effectively implemented through internal procedures and training courses, workshops, plans, instructions, checklists, forms and other instruments that are developed in line with these procedures. Areas that are open to improvement are identified through audits, management system is reviewed based on the results of the audits and necessary actions are taken in line with the principle of continuous improvement.

More than 989,564 person-hours of HSE training was provided to ENKA employees in 2022. A total of 184 recordable incidents occurred among all ENKA employees and its subcontractors. 34 of these incidents were recorded as lost time incidents. The total number of lost days due to occupational incidents were 547, Lost Time Incident Frequency Rate and Lost Time Incident Severity Rate were 0.09 and 1.53 respectively.

ENKA's OHS Statistics			
Total (Company and Subcontractor)	2020	2021	2022
Number of Lost Time Incidents	17	39	34
Lost Time Incident Frequency Rate	0.06	0.12	0.09
Lost Time Incident Severity Rate	2.86	2.57	1.53
Number of Fatalities	0	1	1

Lost Time Incident Frequency Rate is calculated by using the formula (Number of Lost Time Incidents/Total working hours)*200,000 while Lost Time Incident Severity Rate is calculated by using the formula (Number of lost days/ Total working hours)*200,000. These formulas provide the number of incidents per 100 employees and severity rates of lost time incidents. While calculating the recordable incident frequency ratio, incidents at the first-aid level are excluded; all incidents requiring medical treatment, restricted work cases, lost day incidents and incidents involving fatalities were included. The lost time incident ratio was calculated based on calendar days. Lost times were calculated starting from the day following the incident.

ENKA Social Responsibility and Social Investment

The total social investment made by ENKA Foundation and ENKA İnşaat as well as its subsidiaries in 2022 in the fields of education, health, sports, social and environment in line with the material sustainability issues of ENKA has exceeded 159 million TL. Social responsibility efforts in 2022 are included in the ENKA corporate website and in Sustainability Report published every year.

ENKA Sustainability Targets

ENKA shares its performance against the Sustainability Targets and the change in this performance over the years in its annual Sustainability Report and CDP responses. The company's performance against some of these targets are summarized below.

2030 GLOBAL TARGETS	
Our Business and Principles	2022 Performance
We will conduct at least 1 audit to prevent corruption and bribery per year, in all projects and subsidiaries.	1 audit took place at each project. 100% of subsidiaries were audited.
We will conduct Sustainability Audits (covering environment, ethics and compliance, human rights, social compliance and occupational health & safety) on 10% of "high risk" suppliers and subcontractors.	38% of suppliers were evaluated in terms of sustainability. Sustainability audits took place at 1% of suppliers.
We are committed to have at least 25% women members in our Board.	The rate of female employees working in the senior management positions is 16%. Efforts continue for the target of the board of directors.
We have set our sights on organizing and assembling "ENKA Sustainability Congress" in 2027 with participants from various sectors and societies.	2027 Sustainability Target.
ENKA Schools will continue their support of education by conducting partnerships and collaboration at least once a year with a public school in close proximity regarding sustainability activities and training.	Target has been met.
We aim to provide ENKA Code of Business Conduct training to 100% of our employees in the primary risk group.	62% of the related employees completed the training.
Our aim is to have our customer satisfaction rate at 95% in all group companies.	89.4%

2030 GLOBAL TARGETS	
Our People and Community	2022 Performance
We aim to have women employees comprise 35% of all ENKA Group white collar employees by 2030.	27.9%
All ENKA İnşaat projects are expected to complete at least 2 social responsibility projects in their lifetime.	Target has been met.
We intend to conduct an employee loyalty survey once every two years and to increase satisfaction ratio to 90% by 2030.	90%
Being the most important of our stakeholders, we genuinely care about our employees and intend to increase our training investment per year by 5% every year until 2030.	30.5% increase was achieved.
Health & safety of our employees is a core value in every work activity we conduct. We will continue to work in accordance with our Zero Incident Policy with no compromises at all.	Target has been met.
We encourage our employees to take part in corporate volunteering and aim to have 5% of our white collar employees participate in corporate voluntary projects.	2%
In order to generalize sustainability studies, we will continue supporting development of youth by sponsoring student assemblies at least 2 times every year.	There has been an achievement above this target through the 6 events attended and sponsored by ENKA İnşaat and other collaborations of ENKA subsidiaries.
Intending to generalize corporate volunteering and voluntary approach in our community, we aim to conduct at least 5 voluntary work projects every year.	10 projects were conducted.
We will ensure that each and every student in ENKA Schools to participate in at least 1 social responsibility project every year.	Target has been met.
ENKA Foundation intends to increase voluntary community investment amount by 20% by 2030.	Compared to 2021, 94% increase were achieved.
ENKA Schools Teacher’s Symposium, which is open for public school teachers, participant amount is meant to be increased by 10% by 2030.	921 teachers attended the symposium.
As ENKA Group we aim to collaborate at least 5 times every year with NGOs and other organizations that conduct sustainability studies.	There has been an achievement above this target through 17 collaborations by ENKA İnşaat and other collaborations of ENKA subsidiaries.
Our Planet	2022 Performance
To decrease our blue water footprint, we plan on realizing at least 2 projects that aim water reuse within ENKA Group.	2 projects were conducted.
Working with diligence, we are committed to never encountering a Tier III (>20m3) environmental incident in any ENKA subsidiary.	Target has been met.
Addressing the needs of our planet, we intend to conduct at least 2 projects within ENKA Group to increase renewable energy use.	4 projects were conducted.
We strive to decrease our carbon footprint and commit to contributing to carbon offsetting by supporting at least 1 forestation project ever year.	2 projects were conducted.
As ENKA Group, we intend to never compromise from our policy that banned PET bottle usage.	The policy of banning plastic bottles has been gradually reapplied.

The Sustainability Principles Compliance Report, which was prepared following the formats determined by the CBM's Decision dated 23.06.2022 and numbered 34/977 and approved by the Company's Board of Directors, is attached to the ENKA 2022 Annual Report (pages 174-183). The relevant document is also accessible from the Company page on the Public Disclosure Platform.

		Compliance Status				Explanation	Report/Link Where Related Information is Disclosed Publicly
		Yes	No	Partial	N/A		
A.	GENERAL PRINCIPLES						
A1.	Strategy, Policy and Goals						
A1.1	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.	X					Company's material ESG issues, risks and opportunities are disclosed in its Sustainability Report. https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Board of Directors of the company.	X				Policies have been released upon their approval by the President and Chairman of Executive Committee. In addition to its corporate website, policies have been disclosed via the Sustainability Report which is open to public and published on PDP.	Sustainability Policy: https://www.enka.com/sustainability/home/strategy/sustainability-policy/ Environmental Management Approach and Policy: https://www.enka.com/sustainability/home/health-safety-environment/environment-management-approach-policy/ Health and Safety Management Approach and Policy: https://www.enka.com/sustainability/home/health-safety-environment/health-safety-management-approach-policy/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf ENKA Supplier Code of Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Supplier_Code_of_Conduct_en.pdf Information Security Principles and Policy: https://www.enka.com/allfiles/media/posters/Information_Principles_Eng.pdf https://www.enka.com/allfiles/media/posters/Information_Policy_ENG_Signed.pdf Quality Policy: https://www.enka.com/allfiles/media/posters/QUALITY_POLICY_ENG.pdf
A1.2	Short and long term goals set within the scope of ESG policies have been disclosed to the public.	X					Company's ESG goals are published on its official website, Sustainability Report and "Sustainability Principles Compliance Report" section of this report. https://www.enka.com/sustainability/sustainability-targets/
A2.	Implementation/ Monitoring						
A2.1	The committees and/or units responsible for the implementation of ESG policies and the highest level officials in the company related to ESG issues and their duties have been identified and publicly.	X					Available in the "Corporate Governance" section of the Annual Report.
	Activities carried out within the scope of policies by the responsible committee and/or unit were reported to the Board of Directors at least once a year.	X					Available in the "Corporate Governance" section of the Annual Report.
A2.2	In line with the ESG targets, implementation and action plans have been created and publicly disclosed.	X					All actions taken in line with the goals are available in the Sustainability Report and CDP responses. ENKA's Sustainability Targets and Net Zero Roadmap: https://www.enka.com/sustainability/sustainability-targets/
A2.3	ESG Key Performance Indicators (KPIs) and level of achieving them yearly basis have ben publicly disclosed.	X					The achievement level of identified ESG KPIs are available in the Sustainability Report and CDP responses. https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
A2.4	Activities to improve the sustainability performance of business processes or products and services have been publicly disclosed.	X					Data pertaining to all R&D and Design Center activities are outlined in the annual Sustainability Report. ENKA's 2021 Sustainability Report: (page 54-55) https://www.wenka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf

		Compliance Status				Explanation	Report/Link Where Related Information is Disclosed Publicly
		Yes	No	Partial	N/A		
A.	GENERAL PRINCIPLES						
A3.	Reporting						
A3.1	In the annual reports, information regarding the sustainability performance, targets and actions of the company have been provided in a clear, accurate and sufficient manner.	X					Available in "Sustainability Principles Compliance Report" section of ENKA's 2022 Annual Report.
A3.2	Information on which of its activities are related to the United Nations (UN) 2030 Sustainable Development Goals has been disclosed publicly by the company.	X					Available in "Sustainability Principles Compliance Report" section of ENKA's 2022 Annual Report.
A3.3	Lawsuits filed against and/or concluded related to ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	X					Available in annual Sustainability Report. (page 40, 101) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
A4.	Verification						
A4.1	Company's ESG Key Performance metrics have been verified by an independent third party and publicly disclosed.		X			Greenhouse gas emissions arising from the operations of ENKA's power plants are inspected by accredited organizations every year in accordance within the framework of the relevant regulations. In addition, ENKA receives limited external assurance for its selected energy, greenhouse gas emissions, water withdrawal and occupational health and safety indicators included in its Sustainability Report. Verification process for 2022 is currently ongoing and the audit reports will be included in the Sustainability Report and CDP responses.	The verification report for 2021 can be found in the 2021 Sustainability Report. (page 120) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B.	Environmental Principles						
B1	Company has made its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs publicly disclosed.	X					ISO 14001 Certificate: https://www.enka.com/sustainability/home/health-safety-environment/environment-management-approach-policy/
B2	The scope of the report, reporting period, reporting date, and limitations regarding the reporting conditions have been disclosed to the public regarding the environmental reports prepared to provide information on environmental management.	X					ENKA Sustainability Report: (page 6-7) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B3	Provided in A2.1.	X					
B4	Environmental targets included in the rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Directors, managers and employees) have been disclosed to the public.	X					Disclosures are available in Company's CDP answers. (page 6-7) https://www.enka.com/sustainability/wp-content/uploads/2022/06/ENKA_INSAAT_VE_SANAYI_AS_CDP_Climate_Change_Questionnaire_2022.pdf
B5	Company discloses how environmental issues are integrated into business objectives and strategies.	X					Available in annual Sustainability Report. (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B6	Provided in A2.4.	X					
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies including the operational process throughout the company's value chain, including suppliers and customers.	X					Available in annual Sustainability Report. (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B8	For the environmental issue, whether relevant organizations and non-governmental organizations are involved in the policy-making processes and the collaborations with these institutions and organizations have been disclosed to the public.	X					Available in annual Sustainability Report. (page 28, 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B9	Company periodically reports, in a comparable manner, information about environmental effects in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and waste water management, waste management, biodiversity effects).	X					Available in detail in ENKA's Sustainability Report and CDP answers. ENKA 2021 Sustainability Report: (page 100-117, 128-130) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf ENKA CDP Answers 2022: https://www.enka.com/sustainability/wp-content/uploads/2022/06/ENKA_INSAAT_VE_SANAYI_AS_CDP_Water_Security_Questionnaire_2022.pdf

		Compliance Status				Explanation	Report/Link Where Related Information is Disclosed Publicly
		Yes	No	Partial	N/A		
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data have been publicly disclosed.	X					ENKA 2021 Sustainability Report: (page 7, 105) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B11	Compared to previous years, the increase or decrease of environmental indicators for the report year has been disclosed to the public.	X					ENKA 2021 Sustainability Report: (page 100-117, 128-130) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B12	Short and long-term targets have been determined to reduce its environmental impacts, and the progress against these targets and the targets set in previous years has been disclosed to the public.	X					ENKA's Sustainability Targets: https://www.enka.com/sustainability/sustainability-targets/
B13	Strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X					Management, strategy, risk and opportunity assessments and metrics related to climate change are publicly disclosed in the annual Sustainability Reports and CDP responses. ENKA 2021 Sustainability Report: (page 24-25, 41-43, 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B14	Programs or procedures have been established in order to prevent or minimize the potential negative impact of products and/or services on the environment and disclosed to the public.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
	Actions have been taken to reduce greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X				Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B15	The environmental benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B17	Public disclosure has been made about the electricity, heat, steam and cooling produced in the reporting year.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B18	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity have been made and publicly disclosed.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B19	Renewable energy production and usage data have been publicly disclosed.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been publicly disclosed.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf

		Compliance Status				Explanation	Report/Link Where Related Information is Disclosed Publicly
		Yes	No	Partial	N/A		
B21	Water consumption, if any, amounts of water withdrawn, recycled and discharged from/to underground or above ground, its sources and procedures have been disclosed to the public.	X					Available in Company's Sustainability Report and CDP responses. ENKA 2021 Sustainability Report: (page 100-117) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
B22	Company publicly discloses whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	X				ENKA operations are not included in any carbon pricing system.	
B23	Company publicly discloses information on carbon credit accumulated or purchased in the reporting period.				X	No carbon credit transaction was conducted within the reporting period.	
B24	If carbon pricing is applied within the partnership, the details are disclosed to the public.				X	Carbon pricing is not applied within the partnership.	
B25	The platforms where the company discloses its environmental information are publicly disclosed.	X				ENKA Sustainability Report and Carbon Disclosure Project (CDP) responses.	
C.	Social Principles						
C1.	Human Rights and Employee Rights						
C1.1	The Corporate Human Rights and Employee Rights Policy has been established in a manner to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, those responsible for the implementation of the policy have been determined and the policy and those responsible have been disclosed to the public.	X					ENKA Code of Business Conduct and Human Rights Approach: https://www.enka.com/sustainability/home/ethics-compliance/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (such as non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in its policy on employee rights.	X					ENKA Code of Business Conduct, Supplier Code of Conduct and Human Rights Approach: https://www.enka.com/sustainability/home/ethics-compliance/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf Supplier Code of Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Supplier_Code_of_Conduct_en.pdf
C1.3	Measures taken along the value chain regarding the protection of groups (low income groups, women, etc.) sensitive to certain economic, environmental, social factors or minority rights/equality of opportunity have been publicly disclosed.	X					ENKA Code of Business Conduct, Supplier Code of Conduct and Human Rights Approach: https://www.enka.com/sustainability/home/ethics-compliance/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf ENKA 2021 Sustainability Report: (page 60-82) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed to the public.	X					ENKA Code of Business Conduct, Supplier Code of Conduct and Human Rights Approach: https://www.enka.com/sustainability/home/ethics-compliance/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf
C1.5	Investment in employees (education, development policies), compensation, fringe benefits, right to establish unions, work/life balance solutions and talent management have been covered in the employee rights policy.	X					ENKA Code of Business Conduct, Supplier Code of Conduct and Human Rights Approach: https://www.enka.com/sustainability/home/ethics-compliance/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf
	Dispute resolution processes have been determined by establishing mechanisms for employee complaints and resolution of disputes.	X					For detailed information on Ethics Hotline: https://www.enka.com/sustainability/home/ethics-compliance/enka-ethics-hotline/ ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf
	Activities carried out within the reporting period to ensure employee satisfaction have been disclosed to the public.	X					ENKA 2021 Sustainability Report: (page 86-96) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf

		Compliance Status				Explanation	Report/Link Where Related Information is Disclosed Publicly
		Yes	No	Partial	N/A		
C1.6	Occupational health and safety policies have been established and publicly disclosed.	X					Occupational Health and Safety Management Approach and Policy: https://www.enka.com/sustainability/home/health-safety-environment/health-safety-management-approach-policy/
	Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.	X					ENKA 2021 Sustainability Report: (page 92-96) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C1.7	Personal data protection and data security policies have been established and disclosed to the public.	X					Information and Clarification Notice Regarding Protection of Personal Data: https://www.enka.com/sustainability/home/ethics-compliance/#1512028525874-3ab96480-OdOf https://www.enka.com/tr/gizlilik-politikasi/
C1.8	Ethics policy has been established and disclosed to the public.	X					ENKA Code of Business Conduct: https://www.enka.com/allfiles/media/pdfs/ENKA_Code_of_Conduct_en.pdf
C1.9							
C1.10	Meetings and training programs have been organized for employees on ESG policies and practices.	X					ENKA 2021 Sustainability Report: https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C2.	Stakeholders, International Standards and Initiatives						
C2.1	Customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X					Quality Policy: https://www.enka.com/allfiles/media/posters/QUALITY_POLICY_ENG.pdf
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) has been publicly disclosed.	X					ENKA 2021 Sustainability Report: (page 29-33) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C2.3	International reporting standards adopted in reporting have been explained.	X					ENKA 2021 Sustainability Report: (page 7) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C2.4	Principles adopted and international organizations, committees and principles of which the company is a signatory or a member regarding sustainability have been disclosed to the public.	X					ENKA 2021 Sustainability Report: (page 28, 122) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
C2.5	Improvements have been made and studies have been carried out in order to be included in the sustainability indices of BIST and/or international index providers.	X					ENKA 2021 Sustainability Report: https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
D.	Corporate Governance Principles						
D1	Opinions of stakeholders were sought in the determination of measures and strategies in the field of sustainability.	X					ENKA 2021 Sustainability Report: (page 20-21, 29-33) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf
D2	Social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X					ENKA 2021 Sustainability Report: (page 80-82, 89-90) https://www.enka.com/allfiles/pdf/ENKA_Sustainability_Report_2021.pdf

**ENKA İNŞAAT VE SANAYİ
ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL
STATEMENTS AS AT AND FOR THE
YEAR ENDED
31 DECEMBER 2022 WITH
INDEPENDENT AUDITORS’ REPORT**



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Independent Auditors' Report

To the Shareholder’s of Enka İnşaat ve Sanayi Anonim Şirketi,

Opinion

We have audited the consolidated financial statements of Enka İnşaat ve Sanayi Anonim Şirketi (“the Company”) and its subsidiaries and joint operations (collectively referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, the consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (*including International Independence Standards*) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Turkey and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition generated from construction contracts

Refer to Note 2.4 and 2.5 to the consolidated financial statements for summary of significant accounting policies and significant accounting assessments, estimates and assumptions for revenue recognition generated from construction contracts.

Key Audit Matter	How the matter was addressed in our audit
Revenue from construction contracts constitutes 50% of the Group's total revenue. The subsidiaries of the Group operate in the construction sector have revenues that is obtained amounting to USD 1,858,704 thousand against costs of USD 1,358,643 thousand as at 31 December 2022. The recognition of the amount and timing of the revenue generated from construction contracts in the period in which they are incurred calculated and accounted for by using the input method under IFRS 15 Revenue from Contracts with Customer. By using the input method revenue is recognized by comparing the costs incurred by the Group for the fulfillment of performance obligations in a construction project to the expected total costs for the fulfillment of the performance obligation in the consolidated financial statements. The measurement of contract revenue and estimation of the contract costs are based on a variety of uncertainties that depend on the outcome of future events and demand of revision to the projects which requires significant management's estimates and judgements. Revenue recognition from construction contracts was determined as key audit matter, due to the significant management estimates and the level of judgement applied by management.	Our audit procedures for testing revenue recognition included below: - We evaluated and tested the design and implementation of controls over the relevant processes regarding the accuracy and timing of revenue recognized in the financial statements. - We assessed the terms and conditions of the significant contracts in order to evaluate the management's estimate whether revenue is recognized within the appropriate financial period. - We evaluated the variation orders are included in the contract revenues in accordance with the relevant accounting policies and the effects of these variations on project costs. - The costs incurred by the Group in ongoing construction projects have been tested by using sampling method. - The mathematical accuracy of the contract revenue calculated by the stage of completion method associated with the construction contract have been tested by using recalculation method. - We assessed the management's ability to deliver contracts within budgeted margins by analysing the historical accuracy of forecasting margins and the relationship of cost versus billing status on contracts. - We assessed the adequacy of the disclosures of revenue in the notes to consolidated financial statements.



Fair value measurement of investment property

Refer to Note 2.4 and 2.5 to the consolidated financial statements for summary of significant accounting policies and significant accounting assessments, estimates and assumptions for fair value measurement of investment properties.

Key Audit Matter	How the matter was addressed in our audit
As of 31 December 2022, the investment properties represent 22% of the Group's total assets. The Group recognizes the investment properties at fair value. The Group uses independent valuation firms to determine the fair values of investment properties. Valuation of investment property is determined as key audit matter, due to significant management estimates and judgement used in valuation methods to determine fair value of investment properties.	Our audit procedures for testing fair value measurement of investment property included below: - We evaluated the capabilities and competence of the external valuers appointed by the Group for valuation of investment property. - We involved valuation specialist to assist in examining the appropriateness of the key assumptions such as long term growth rates used in the calculations, discount rates used to determine present value of future cash flows. - We examined the appropriateness of key inputs used in valuation reports such as rental income, duration, management fee, yields and occupancy rate. - We assessed the adequacy of the disclosures of investment properties in the notes to consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



Gökhan Atılğan, SMMM
Partner

22 March 2023
Istanbul, Turkey

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ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS AT 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

ASSETS	Notes	31 December 2022	31 December 2021
Current Assets		3,587,871	5,106,690
Cash and cash equivalents	6	1,026,291	2,061,707
Financial investments	7	1,478,120	2,207,993
Trade receivables	9	312,974	275,795
Other receivables			
Other receivables from related parties	10,32	-	2
Other receivables from third parties	10	7,146	13,512
Costs and estimated earnings in excess of billings on uncompleted contracts	12	28,255	22,371
Prepaid expenses	16	232,424	185,854
Inventories	11	423,752	255,739
Other current assets	20	62,376	63,417
		<u>3,571,338</u>	<u>5,086,390</u>
Assets held for sale	29	16,533	20,300
Non-Current Assets		5,435,750	3,995,644
Financial investments	7	2,092,693	995,731
Trade receivables	9	-	8,759
Investment properties	13	2,028,224	2,030,204
Property, plant and equipment	14	1,210,959	887,418
Right of use assets	15	59,524	39,744
Intangible assets			
Other intangible assets	15	16,674	18,938
Prepaid expenses	16	6,045	1,533
Deferred tax assets	30	21,563	13,239
Other non-current assets		68	78
TOTAL ASSETS		<u>9,023,621</u>	<u>9,102,334</u>

The accompanying notes form an integral part of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS AT 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

LIABILITIES	Notes	31 December 2022	31 December 2021
Current Liabilities		1,481,853	1,755,791
Short-term borrowings	8	56,347	48,311
Current portion of long-term borrowings	8	4,908	12,041
Trade payables	9	451,180	348,309
Payables to employees	19	17,427	21,143
Other payables			
Payables to related parties	10,32	7	8
Payables to third parties	10	18,546	14,934
Billings in excess of costs and estimated earnings on uncompleted contracts	12	423,591	547,396
Deferred income	16	358,784	602,671
Taxation on income	30	59,001	27,368
Provisions			
Provisions for employee benefits	19	9,621	9,167
Other provisions	17	42,676	53,839
Other current liabilities	20	39,765	70,604
Non-Current Liabilities		637,872	604,959
Long-term borrowings	8	127,189	104,628
Other payables	10	24,674	24,520
Deferred income	16	4,528	3,128
Provisions for employee benefits	19	19,218	9,172
Deferred tax liabilities	30	462,263	463,511
EQUITY		6,903,896	6,741,584
Equity Attributable to Equity Holders of the Parent		6,828,511	6,674,694
Share capital	21	2,751,959	2,727,682
Treasury shares	21	(127,194)	(129,468)
Revaluation surplus	21	188,672	110,445
Currency translation difference		(1,348,825)	(1,429,824)
Other reserves		(5,933)	(700)
Legal reserves and accumulated profit		5,369,832	5,396,559
Non-Controlling Interests		75,385	66,890
TOTAL LIABILITIES AND EQUITY		9,023,621	9,102,334

The accompanying notes form an integral part of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

	Notes	1 January - 31 December 2022	1 January - 31 December 2021
CONTINUING OPERATIONS			
Revenue	5,22	3,769,514	2,859,411
Cost of revenues (-)	5,22	(2,924,417)	(2,089,102)
GROSS PROFIT		845,097	770,309
Administrative expenses (-)	5,23	(87,955)	(83,242)
Marketing, selling and distribution expenses (-)	5,23	(22,292)	(28,149)
Other operating income	5,25	34,827	50,314
Other operating expenses (-)	5,25	(48,389)	(105,986)
PROFIT FROM OPERATIONS		721,288	603,246
Income from investing activities	5,26	303,738	327,514
Expenses from investing activities (-)	5,26	(880,071)	(187,338)
OPERATING PROFIT			
BEFORE FINANCE EXPENSES		144,955	743,422
Financial income	5,27	134,888	94,392
Financial expenses (-)	5,28	(65,483)	(35,347)
Net monetary loss (-)		(103,254)	-
PROFIT BEFORE TAX			
FROM CONTINUING OPERATIONS		111,106	802,467
Current tax expense (-)	5,30	(187,710)	(121,789)
Deferred tax expense (-)	5,30	92,744	(79,239)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		16,140	601,439
NET PROFIT FOR THE YEAR		16,140	601,439
Attributable to:			
Non-controlling interests		9,253	(8,128)
Equity holders of the parent		6,887	609,567
		16,140	601,439
Earning per share from continuing operations			
- ordinary share certificate (full USD)	31	-	0.10
Weighted average number of shares (Weighted average number of shares of 1 Full TL each)		5,860,782,600	5,860,782,600

The accompanying notes form an integral part of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

	Notes	1 January - 31 December 2022	1 January - 31 December 2021
NET PROFIT FOR THE YEAR		16,140	601,439
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss		72,575	(1,417)
Gains / (losses) on revaluation of property, plant and equipment	21	77,327	5,214
Remeasurement of defined benefit plans	19	(3,262)	(480)
Changes in currency translation difference	21	3,188	(5,224)
Income tax relating items that will not be reclassified subsequently to profit or loss	30	(4,678)	(927)
Income tax relating to gains / (losses) on revaluation of property, plant and equipment	21,30	(5,330)	(1,023)
Income tax relating to remeasurement of defined benefit plans	30	652	96
Items that may be reclassified subsequently to profit or loss		87,744	(384,136)
Changes in currency translation difference		87,476	(384,445)
Gains (Losses) on financial assets measured at fair value through other comprehensive income		268	309
OTHER COMPREHENSIVE INCOME / (LOSS)		160,319	(385,553)
TOTAL COMPREHENSIVE INCOME		176,459	215,886
Attributable to:			
Non-controlling interests		8,793	(9,140)
Equity holders of the parent		167,666	225,026
		176,459	215,886

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

	Notes	Share capital	Treasury shares	Revaluation surplus	Currency translation difference	Other reserves	Legal reserves and accumulated profit	Total	Non-controlling interests	Total equity
Balance at 1 January 2021		2,727,682	(129,468)	111,729	(1,350,943)	(1,009)	5,335,550	6,693,541	76,588	6,770,129
Total other comprehensive income		-	-	(1,327)	(78,881)	309	(304,642)	(384,541)	(1,012)	(385,553)
Profit for the year		-	-	-	-	-	609,567	609,567	(8,128)	601,439
Total comprehensive income		-	-	(1,327)	(78,881)	309	304,925	225,026	(9,140)	215,886
Transfer of depreciation difference (net of deferred tax) of revaluation effect		-	-	43	-	-	(43)	-	-	-
Dividends paid		-	-	-	-	-	(243,873)	(243,873)	(558)	(244,431)
Balance at 31 December 2021		2,727,682	(129,468)	110,445	(1,429,824)	(700)	5,396,559	6,674,694	66,890	6,741,584
Balance at 1 January 2022		2,727,682	(129,468)	110,445	(1,429,824)	(700)	5,396,559	6,674,694	66,890	6,741,584
Hyperinflationary restatement to 1 January 2022	2	-	-	3,416	48,677	-	205,002	257,095	-	257,095
Restated opening at 1 January 2022		2,727,682	(129,468)	113,861	(1,381,147)	(700)	5,601,561	6,931,789	66,890	6,998,679
Total other comprehensive income		-	-	75,185	32,322	(5,233)	58,505	160,779	(460)	160,319
Profit for the year		-	-	-	-	-	6,887	6,887	9,253	16,140
Total comprehensive income		-	-	75,185	32,322	(5,233)	65,392	167,666	8,793	176,459
Increase (Decrease) through Treasury Share Transaction		-	2,274	-	-	-	-	2,274	-	2,274
Transfer of depreciation difference (net of deferred tax) of revaluation effect		-	-	(374)	-	-	374	-	-	-
Share capital increase	21	24,277	-	-	-	-	(24,277)	-	-	-
Dividends paid		-	-	-	-	-	(273,218)	(273,218)	(298)	(273,516)
Balance at 31 December 2022		2,751,959	(127,194)	188,672	(1,348,825)	(5,933)	5,369,832	6,828,511	75,385	6,903,896

The accompanying notes form an integral part of these consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated.)

	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Cash flows from operating activities			
Profit for the year		16,140	601,439
Adjustments to reconcile net income			
to net cash used in operating activities:			
- Adjustments related to depreciation and amortisation	24	107,491	82,628
- Adjustments related to provision for employment		5,196	2,020
- Adjustments related to allowance for doubtful receivables		48	440
- Adjustments related to provision for litigations		3,723	7,399
- Income / (loss) from fair value of forward transactions		(4,215)	(275)
- Adjustments to related to interest expense	28	7,154	2,395
- Adjustments to related to interest income	26,27	(112,852)	(91,813)
- Adjustments to related to dividend income	26	(23,809)	(22,375)
- Adjustments to related to provision for inventory impairment, net		1,895	(2,357)
- Adjustments to related to gain on sale or disposal of property, plant and equipment, net	26	(5,480)	(9,723)
- Adjustments to related to fair value increase in investment properties	26	83,274	(83,043)
- Adjustments to related to valuation of investment securities		623,113	72,770
- Interest accrual		223	16
- Tax expense	30	94,966	201,028
		<u>796,867</u>	<u>760,549</u>
Movements in working capital			
Change in trade and other receivables		(28,239)	66,129
Change cost and estimated earnings in excess			
of billings on uncompleted contracts		(5,884)	(6,750)
Change in inventory		(169,909)	14,346
Change in other current assets			
and other non current assets		(39,897)	(86,635)
Change in trade and other payables		102,871	180,570
Change in billings in excess of cost and estimated			
earnings on uncompleted contracts		(123,805)	233,842
Change provision for liabilities and other liabilities		(288,728)	272,901
		<u>(553,591)</u>	<u>674,403</u>
Income taxes paid	30	(156,077)	(113,899)
Employee termination benefits paid	19	(826)	(3,017)
Net cash generated from operating activities		<u>86,373</u>	<u>1,318,036</u>
Cash flows from investing activities			
Cash receipts from sales of equity or debt instruments of other entities		(990,202)	(221,311)
Proceeds on sale of property, plant and equipment		23,358	50,455
Purchases of property, plant and equipment, intangible assets			
and investment properties	5,13,14,15	(76,903)	(153,245)
Interest received		63,175	81,410
Dividend received	26	23,809	22,375
Net cash used in investing activities		<u>(956,763)</u>	<u>(220,316)</u>
Cash flows from financing activities			
Addition to borrowings	8	114,333	46,544
Addition to long-term borrowings	8	(1,718)	-
Repayments of borrowings	8	(116,044)	(73,979)
Purchase of treasury shares		2,274	-
Interest paid		(5,855)	(2,347)
Interest received		49,454	10,387
Dividend paid to non-controlling interests		(298)	(558)
Dividend paid		(273,218)	(243,873)
Net cash from (used in) financing activities		<u>(231,072)</u>	<u>(263,826)</u>
Translation reserve		65,046	(122,896)
Net increase / (decrease) in cash and cash equivalents		<u>(1,036,416)</u>	<u>710,998</u>
Cash and cash equivalents at beginning of the year	6	2,061,707	1,349,709
Cash and cash equivalents at end of the year	6	<u>1,025,291</u>	<u>2,060,707</u>

The accompanying notes form an integral part of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP

Enka İnşaat ve Sanayi Anonim Şirketi (“Enka İnşaat”) was established on 4 December 1967 and registered in İstanbul, Turkey, under the Turkish Commercial Code. The address of the head quarter and registered office of Enka İnşaat is Balmumcu, Zincirlikuyu Yolu No: 10, 34349 Enka Binası Beşiktaş, İstanbul, Turkey.

As of 28 June 2002, Enka İnşaat merged legally with its publicly traded shareholder company, Enka Holding Yatırım Anonim Şirketi (Enka Holding), which were under the common control of Tara Holding Anonim Şirketi and Tara and Gülçelik families. As of 31 December 2022, 8.83% of the shares of Enka İnşaat is traded publicly in İstanbul Stock Exchange (ISE).

As of 31 December 2022, the average numbers of white and blue-collar personnel are respectively 5,131 and 16,363 (31 December 2021 – 4,838 and 14,624).

For the purpose of the consolidated financial statements, Enka İnşaat, its consolidated subsidiaries and its joint operations are hereinafter referred to as “the Group”.

The Group operates in geographical areas below:

- i. Turkey:* engaged in diverse types of construction activities including construction of industrial and social buildings, motorways and construction and operation of natural gas fired electrical energy generation facilities. Additionally the Group is operating in trading activities.
- ii. Russian Federation, Georgia, Turkmenistan and Kazakhstan:* engaged in construction activities and also in investment and development of real estate properties and shopping malls in Moscow, Russia.
- iii.* Engaged in construction activities in Gabon, Kenya, Djibouti, Mauritania, Mocambique and Libya in Africa; Saudi Arabia, Sri Lanka, India, Iraq and Afghanistan in Asia, Mexico in North America, Paraguay, Brasil in South America and Bahamas in Carribean.
- iv. Europe:* engaged in construction and trading activities in Romania, the Netherlands, Switzerland, Greece, Germany, Serbia, Kosovo, United Kingdom and Italy.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP (cont’d)

As of 31 December 2022, Enka İnşaat has the following subsidiaries whose business and country of incorporation are provided below:

Name of Subsidiary	Nature of business activities	Country of incorporation	Year of establishment
Enka Pazarlama İhracat İthalat Anonim Şirketi (Enka Pazarlama)	Engaged in marketing and after-sales service of construction machineries, trucks, industrial products and spare parts.	Turkey	1972
Çimtaş Çelik İmalat Montaj ve Tesisat Anonim Şirketi (Çimtaş)	Engaged in manufacturing of structural steel works, installation and establishing of the technical equipment.	Turkey	1973
Titaş Toprak İnşaat ve Taahhüt Anonim Şirketi (Titaş)	Engaged in all kinds of excavation activities, excavation backfilling works and quarrying-crushing operation of highway projects.	Turkey	1974
Kasktaş Kayar Kalıp Altyapı Sondaj Kazık ve Tecrit Anonim Şirketi (Kasktaş)	Engaged in pile dwelling work, any kind of base and superstructure construction, slip form and construction of drilling and ground surveys.	Turkey	1975
Entaş Nakliyat ve Turizm Anonim Şirketi (Entaş)	The firm operates in organization of domestic and international conventions and seminars and also engaged in tour reservations and ticket sales.	Turkey	1976
Enet Proje Araştırma ve Müşavirlik A.Ş. (Enet)	Performs architectural design services.	Turkey	1980
Enka Teknik Genel Müteahhitlik Bakım İşletme Sevk ve İdare Anonim Şirketi (Enka Teknik)	Operates in the business of material handling and storage systems, auxiliary facilities, water treatment and environmental engineering, infrastructure and construction, control systems and instrumentation engineering.	Turkey	1981
Entrade GmbH (Entrade)	Manages foreign investments of the Company.	Germany	1984
Limited Liability Company Enmar (Enmar)	Engaged in ready-mixed concrete production and various construction works.	Russia	1994
Airenka Hava Taşımacılığı A.Ş.(Air Enka)	Engaged in all kinds of air transportation.	Turkey	2001
Enka Holding B.V.	Manages foreign investments of the Company.	Netherlands	2001
Enka Müteahhitlik Hizmetleri A.Ş. (Enka Müteahhitlik)	Engaged in construction activities.	Turkey	2002
Adapazarı Elektrik Üretim Limited Şirketi (Adapazarı Elektrik) (*)	Performs production and selling of electricity.	Turkey	2004
İzmir Elektrik Üretim Limited Şirketi (İzmir Elektrik) (*)	Performs production and selling of electricity.	Turkey	2004
Enka Santral İşletme ve Bakım Hizmetleri Anonim Şirketi	Performs repair and maintenance of the power plants.	Turkey	2004
Gebze Elektrik Üretim Limited Şirketi (Gebze Elektrik) (*)	Performs production and selling of electricity.	Turkey	2004
Enka Limited Liability Company (Enka LLC)	Manages the Company’s construction, engineering and design jobs.	Ukraine	2006

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP (cont’d)

Name of Subsidiary	Nature of business activities	Country of incorporation	Year of establishment
OMKH	Engaged in rental activities.	Russia	2017
Enka Renewables LLC	Engaged in energy investments.	Georgia	2016
Enka & Co LLC	Engaged in construction activities.	Oman	2010
Enka Enerji Ticaret A.Ş	Will perform sale of electricity	Turkey	2006
Enka Sakarya Elektrik Üretim A.Ş. (Sakarya Elektrik) (*)	Performs production and selling of electricity.	Turkey	2022
Enka Kırklareli Elektrik Üretim A.Ş. (Kırklareli Elektrik) (*)	Performs production and selling of electricity.	Turkey	2022
Ustyurt Kurylys LLC	Engaged in construction activities.	Kazakhstan	2017
Enka Flex Offices LLC	Engaged in rental activities.	Russia	2021
Enka Moskova Gayrimenkul Geliştirme A.Ş.	Engaged in rental activities.	Turkey	2021
Enkamos Center Invest LLC	Engaged in rental activities.	Russia	2022
Enka Systems Yazılım A.Ş.	Engaged in trading activities	Turkey	2017
Enka Global Construction LLC	Engaged in construction activities	Mongolia	2022

(*) Sakarya Elektrik, Kırklareli Elektrik, İzmir Elektrik, Adapazarı Elektrik and Gebze Elektrik here and after are also referred to as “the Power Companies”.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

1. ORGANIZATIONS AND OPERATIONS OF THE GROUP (cont’d)

The construction contracts are undertaken by Enka İnşaat alone or together with its affiliated companies or, in partnerships with other contractors through joint operations. As of 31 December 2022, Enka İnşaat has the following joint operations:

- Enka-Ustay Joint Venture (Turkey)
- Enka-Batys LLP Joint Venture (Kazakhstan)
- Bechtel-Enka Joint Venture (Kazakhstan) – Senimdy Kurylys
- Bechtel-Enka Joint Venture (Romania)
- Bechtel-Enka Joint Venture (Kosovo)
- Bechtel-Enka Joint Venture (Albania)
- Bechtel-Enka Joint Venture (Oman)
- Bechtel-Enka Joint Venture (Georgia)
- Bechtel-Enka Joint Venture (Serbia)
- Bechtel Enka Joint Venture (United Kingdom)
- Arge Joint Venture (Germany)
- Other (Europe, Africa, America, Asia)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Basis for preparation of the financial statements and significant accounting policies

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Uniform Chart of Accounts published by the Ministry of Treasury and Finance. The consolidated financial statements are presented in U.S. Dollars (“USD”) and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

Enka İnşaat and its subsidiaries which are incorporated in Turkey, maintain their books of accounts in accordance with the Turkish Commercial Code and Tax Law and the foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries where they are registered. The Company prepares its statutory consolidated financial statements in Turkish Lira (“TL”) in accordance with Turkish Financial Reporting Standards (“TFRS”) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) according to the Article 5 of the Communiqué as set out in the Communiqué serial II, No: 14.1 announcement of Capital Markets Board (“CMB”) dated 13 June 2013 related to “Capital Market Communiqué on Principles Regarding Financial Reporting”. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

The consolidated financial statements have been prepared on the historical cost convention as adjusted for the effects of inflation on Turkish Lira at the reporting date based on International Accounting Standard (“IAS”) No. 29 “Financial Reporting in Hyperinflationary Economies” except for financial assets at fair value through profit or loss, investment properties, land and buildings which are measured at fair values.

Approval of the financial statements:

The consolidated financial statements are approved by the Company’s Board of Directors on 02 March 2022. The General Assembly of the Company has the right to amend and relevant regulatory bodies have the right to request the amendment of these consolidated financial statements.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of presentation (cont’d)

Functional and presentation currency

As significant amount of construction operations of Enka İnşaat which form main part of the operations of the Group are carried out in U.S. Dollar or indexed to U.S. Dollar, this currency has been determined as the functional and the presentation currency of the Group in line with IAS 21. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies (i.e. any currency other than the functional currency) are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the Power companies’ operating in Turkey, was changed from U.S. Dollar to TL due to the changes in operations or activity in the economic environment as of 31 December 2019.

The functional currencies of foreign subsidiaries operating in Russia (Moscow Krasnye Holmy (MKH), Limited Liability Company Mosenka (Mosenka) and Limited Liability Company Enka TC (Enka TC) are Ruble. The functional currency of jointly managed subsidiaries established in Romania, Kosovo and Albania and Enka Pazarlama are the Euro. The functional currency of some subsidiaries incorporated in Turkey is TL. These companies reporting to Enka İnşaat in the currency of their respective currencies.

The assets and liabilities of the subsidiaries, joint operations and branches whose functional currency is other than U.S. Dollars are translated into U.S. Dollars at the rate of exchange ruling at the balance sheet date and their consolidated statement of profit or loss are translated at the average exchange rates for each quarter. The exchange differences arising on the translation are taken directly to a separate component of equity as currency translation difference.

Within Turkey, official exchange rates of the Turkish Lira (TL) are determined by the Central Bank of Turkey (CBT) and are generally considered to be a reasonable approximation of market rates.

The year-end and average rates for 2022 for one U.S. Dollar can be summarized as below:

	2022
U.S. Dollars/TL – as of balance sheet date	18.6983
U.S. Dollars/TL – yearly average	16.5659
U.S. Dollars/RUB – as of balance sheet date	70.3375
U.S. Dollars/RUB – yearly average	68.5494

Inflation accounting

The cumulative inflation over the past three years has risen to just above 100% in the first quarter of 2022. Based on this information, Turkey is considered a hyperinflationary economy for reporting periods ending on or after 30 April 2022. Accordingly, entities with operations whose functional currency is the Turkish Lira should expect to apply IAS 29 Financial Reporting in Hyperinflationary Economies (“IAS 29”) for those operations in the financial statements for reporting periods ending on or after 30 April 2022. Therefore, IAS 29 has been applied in the financial statements as at and for the year ended 31 December 2022.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of presentation (cont’d)

Accounting in hyperinflationary economies

Consequently, the financial statements of the entities whose functional currency TL are restated for the changes in the general purchasing power of the Turkish Lira as at 31 December 2022 based on IAS 29. The restatement is calculated by means of conversion factors derived from the Turkish countrywide consumer price index published by the TSI. For the last three years, such indices and conversion factors used to restate the accompanying consolidated financial statements are as follows:

Date	Index	Conversion factor
31 December 2022	1.128,45	1,000
31 December 2021	686,95	1,424
30 June 2021	547,48	1,786
31 December 2020	504,81	1,937
31 December 2019	440,50	2,220
30 June 2019	413,63	2,364

IFRS require the financial statements of an entity with a functional currency that is hyperinflationary to be restated in accordance with IAS 29 requirements whether they are based on a historical cost or a current cost approach and to be applied retrospectively, as if the currency had always been hyperinflationary. The basic principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the reporting date. Comparative figures for prior period are restated into the same current measuring unit.

The main procedures applied for the restatements mentioned above are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders’ equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.
- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts;
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date
- The effects of inflation on the net monetary positions of the Company, is included in the profit or loss statement as “monetary gain / (loss)”.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All corresponding figures as of and for the period ended 31 December 2022 are restated by applying the change in the index from 31 December 2021 to 31 December 2022.

In the reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 as if the economy had always been hyperinflationary. Therefore, in relation to non-monetary items measured at historical cost, the entity's opening statement of financial position at the beginning of the earliest period presented in the financial statements shall be restated to reflect the effects of inflation from the date the assets were acquired and the liabilities were incurred or assumed until the end of the reporting period. For non-monetary items carried at the opening statement of financial position at amounts current at dates other than those of acquisition or incurrence, that restatement shall reflect instead the effect of inflation from the dates those carrying amounts were determined until the end of the reporting period.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of presentation (cont’d)

Comparative information and reclassification of prior year consolidated financial statements

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative consolidated financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed. In the current year Right of use assets amounting to USD 39,744 previously presented in the “Intangible Assets” as at 31 December 2021, have been reclassified to the “Right of Use Assets” in the comparative consolidated statement of financial position.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company, its joint operations and its subsidiaries as at 31 December each year. The financial statements of the joint operations and the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All significant intra-group transactions and balances between Enka İnşaat and its consolidated subsidiaries and joint operations are eliminated.

Subsidiaries are all entities over which the Group has power to govern the financial and operating policies so as to benefit from its activities. Subsidiaries in which the Group owns directly or indirectly more than 50% of the voting rights, or has power to govern the financial and operating policies under a statute or agreement are consolidated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Non-controlling interests represent the portion of consolidated statement of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated balance sheet, separately from parent shareholders’ equity.

ENKA İNŞAAT VE SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts are expressed as thousands of U.S. Dollars (“USD”) unless otherwise stated. Currencies other than USD are expressed in thousand unless otherwise indicated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of presentation (cont’d)

Basis of consolidation (cont’d)

The subsidiaries included in consolidation and their shareholding percentages at 31 December 2022 and 2021 are as follows:

Company name	Segment	Functional Currency	Direct / Indirect ownership	
			31 December 2022	31 December 2021
İzmir Elektrik	Energy	TL	100.00%	100.00%
Adapazarı Elektrik	Energy	TL	100.00%	100.00%
Gebze Elektrik	Energy	TL	100.00%	100.00%
Enka TC LLC	Trade	RUB	100.00%	100.00%
Mosenka	Rental	RUB	100.00%	100.00%
MKH	Rental	RUB	100.00%	100.00%
OMKH	Rental	RUB	100.00%	100.00%
Enka Santral Hizmetleri A.Ş.	Energy	TL	100.00%	100.00%
Enka Enerji Ticaret A.Ş.	Energy	TL	100.00%	100.00%
Enka Holding B.V.	Construction	EUR	100.00%	100.00%
Enka Holding Investment S.A.	Construction	USD	100.00%	100.00%
Enka Power Systems B.V.	Construction	USD	100.00%	100.00%
Enka Construction & Development B.V.	Construction	EUR	100.00%	100.00%
Far East Development B.V.	Construction	USD	100.00%	100.00%
Enka Geothermal B.V.	Construction	EUR	100.00%	100.00%
Enmar	Construction	USD	100.00%	100.00%
Entrade	Construction	EUR	100.00%	100.00%
Capital City Investment B.V.	Construction	USD	100.00%	100.00%
City Center Investment B.V.	Rental	USD	100.00%	100.00%
Enka LLC	Construction	USD	100.00%	100.00%
Retmos Investment Ltd.	Construction	USD	100.00%	100.00%
Emos LLC	Trade	RUB	100.00%	100.00%
Enmar Construction B.V.	Trade	EUR	100.00%	100.00%
Cmos B.V.	Trade	EUR	100.00%	100.00%
OOO Victoria	Construction	USD	100.00%	100.00%
Enka & Co LLC	Construction	USD	100.00%	100.00%
Enka Müteahhitlik	Construction	TL	100.00%	100.00%
Edco Investment B.V.	Rental	USD	100.00%	100.00%
Enru Development B.V.	Rental	EUR	100.00%	100.00%
Enkamos Region B.V.	Construction	EUR	100.00%	100.00%
Airenka	Trade	USD	100.00%	100.00%
Poyraz Shipping B.V.	Construction	USD	100.00%	100.00%
Bogazici Shipping B.V.	Construction	USD	100.00%	100.00%
Doga Shipping B.V.	Construction	USD	100.00%	100.00%
Imbat Shipping B.V.	Construction	USD	100.00%	100.00%
TNY Shipping B.V.	Construction	USD	100.00%	100.00%
Alacante Shipping B.V.	Construction	USD	100.00%	100.00%
BRK Overseas Shipping B.V.	Construction	USD	100.00%	100.00%
MML Merchant Shipping B.V.	Construction	USD	100.00%	100.00%
Esta Construction B.V.	Construction	USD	100.00%	100.00%
Enka UK Construction Ltd.	Construction	USD	100.00%	100.00%

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of presentation (cont’d)

Basis of consolidation (cont’d)

Company name (continuing)	Segment	Functional Currency	Direct / Indirect ownership	
			31 December 2022	31 December 2021
Enet	Construction	TL	100.00%	100.00%
Üstyurt Kurylys	Construction	USD	100.00%	100.00%
Enka Systems Yazılım A.Ş.	Trade	USD	100.00%	100.00%
LLC Enka Flex Office	Rental	RUB	100.00%	100.00%
Enka Moskova Gayrimenkul Geliştirme A.Ş.	Rental	TL	100.00%	100.00%
Emkamos Center Invest LLC	Rental	RUB	100.00%	-
Enka Sakarya Elektrik Üretim A.Ş.	Energy	TL	100.00%	-
Enka Kırklareli Elektrik Üretim A.Ş.	Energy	TL	100.00%	-
Enka Construction S.A.	Construction	USD	100.00%	-
Enka Global Construction LLC	Construction	USD	100.00%	-
Enka Construction & Development LLC	Construction	USD	100.00%	-
Enka Mocambique LDA	Construction	USD	100.00%	-
Enka Pazarlama	Trade	EUR	99.99%	99.99%
Enka Trading B.V.	Trade	EUR	99.99%	99.99%
Metra Akdeniz Dış Ticaret A.Ş.	Trade	EUR	99.99%	99.99%
Encommerce B.V.	Trade	EUR	99.99%	99.99%
Entaş	Trade	TL	99.98%	99.98%
Kasktaş	Construction	USD	99.90%	99.90%
Kasktaş Arabia Ltd.	Construction	USD	99.90%	99.90%
Titaş	Construction	USD	99.50%	99.50%
Çimtaş Gemi İnşa Sanayi ve Ticaret A.Ş.	Construction	USD	97.88%	97.88%
Çimtaş Hassas İşleme Sanayi ve Ltd.Şti	Construction	USD	97.35%	97.35%
Çimtaş Çelik	Construction	USD	97.35%	97.35%
Cimtas Offshore B.V. (Formerly Mechanical Contracting B.V.)	Construction	USD	97.35%	97.35%
Cimtas (Ningbo) Steel Processing Company Ltd.	Construction	USD	97.35%	97.35%
Cimtas Investment B.V.	Construction	EUR	97.35%	97.35%
Cimtas Steel Metal Konstruksiya MMC	Construction	AZN	97.35%	97.35%
Gemlik Deniz Taşımacılık Ltd.Şti.	Construction	USD	97.35%	97.35%
Enka Renewables LLC	Energy	USD	90.00%	90.00%
Enka Teknik	Construction	USD	80.00%	80.00%
Çimtaş Boru İmalatları ve Ticaret Ltd. Şti.	Construction	EUR	50.00%	50.00%

The Group has interests in joint operations which are jointly controlled entities. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group recognizes its interest in the joint operations using proportionate consolidation. The breakdown of the controlling interests of the joint operations as of 31 December 2022 and 2021 is as follows:

	Functional Currency	31 December 2022	31 December 2021
Enka-Ustay Joint Venture (Turkey)	USD	60.00%	60.00%
Enka-Batys LLP Joint Venture (Kazakhstan)	USD	50.00%	50.00%
Bechtel-Enka Joint Venture (Kazakhstan) – Senimdy Kurylys	USD	50.00%	50.00%
Bechtel-Enka Joint Venture (Romania)	EUR	50.00%	50.00%
Bechtel-Enka Joint Venture (Albania)	EUR	50.00%	50.00%
Bechtel-Enka Joint Venture (Kosovo)	EUR	50.00%	50.00%
Bechtel-Enka Joint Venture (Oman)	USD	50.00%	50.00%
Bechtel-Enka Joint Venture (Georgia)	USD	50.00%	50.00%
Bechtel-Enka Joint Venture (Serbia)	USD	50.00%	50.00%
Bechtel Enka Joint Venture (United Kingdom)	GBP	50.00%	50.00%
Arge Joint Venture (Germany)	EUR	50.00%	50.00%
Other Joint Ventures (Europe, Africa, America, Asia)	USD	50.00%	50.00%

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.2 Changes in the accounting policies

With the exception of following the accounting policies applied in the consolidated financial statements as at and 31 December 2022 are the same as those applied in the last annual financial statements as at and for the year ended 31 December 2021.

2.3 Changes in Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the previous periods are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes effect the following periods, changes are applied both on the current and following years prospectively. There is no material change in accounting estimates of the Group in the current year.

When a significant accounting error is identified, it is corrected retrospectively and the prior year consolidated financial statements are restated. The Group did not detect any significant accounting error in the current year.

2.4 Summary of significant accounting policies

Standards and interpretations issued but not yet effective

Standards issued but not yet effective and not early adopted

A number of new standards and amendments to existing standards are not effective at reporting date and earlier application is permitted; however the Group has not early adopted are as follows.

IFRS 17 Insurance Contracts

On 18 May 2017, IASB issued IFRS 17 Insurance Contracts. This first truly globally accepted standard for insurance contracts will help investors and others better understand insurers’ risk exposure, profitability and financial position. IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. As a consequence, it is difficult for investors to compare and contrast the financial performance of otherwise similar companies. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values – instead of historical cost. The information will be updated regularly, providing more useful information to users of financial statements. IFRS 17 has an effective date of 1 January 2023 but companies can apply it earlier.

The Group does not expect that application of IFRS 17 will have significant impact on its consolidated financial statements.

Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)

In December 2021, IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023.

The Group does not expect that application of these amendments to IFRS 17 will have significant impact on its consolidated financial statements.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Standards and interpretations issued but not yet effective(cont’d)

Standards issued but not yet effective and not early adopted (cont’d)

Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

IFRS 4 has been amended by IASB to reduce the impact of the differing effective dates of the new insurance contracts standard and IFRS 9. These amendments to IFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying IFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39; or ii) an optional temporary exemption from applying IFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2023. These companies will be permitted to continue to apply existing requirements for financial instruments in IAS 39.

The Group does not expect that application of these amendments to IFRS 4 will have significant impact on its consolidated financial statements

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On 23 January 2020, IASB issued Classification of Liabilities as Current or Non-Current which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position.

The amendments clarify one of the criteria in IAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. . It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Group does not expect that application of these amendments to IAS 1 will have significant impact on its consolidated financial statements

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Standards and interpretations issued but not yet effective(cont’d)

Standards issued but not yet effective and not early adopted (cont’d)

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

IASB has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures on 12 February 2021.

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.

IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material previously:

“Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

The amendments are effective from 1 January 2023, but companies can apply it earlier.

The Group does not expect that application of these amendments to Amendments to IAS 1 and IFRS Practice Statement 2) will have significant impact on its consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty which is issued by IASB on 12 February 2021.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Group does not expect that application of these amendments to Amendments to IAS 1 and IFRS Practice Statement 2) will have significant impact on its consolidated financial statements.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Standards and interpretations issued but not yet effective(cont’d)

Standards issued but not yet effective and not early adopted (cont’d)

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes

In May 2021 IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction, which amended IAS 12 Income Taxes.

The amendments to IAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. These transactions give rise to equal and offsetting temporary differences.

For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Group does not expect that application of these amendments to Amendments to IAS 12 will have significant impact on its consolidated financial statements.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Standards and interpretations issued but not yet effective(cont’d)

Standards issued but not yet effective and not early adopted (cont’d)

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (cont’d)

The Group does not expect that application of these amendments to Amendments to IFRS 16 Leases will have significant impact on its consolidated financial statements.

Amendments are effective on 1 January 2022

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022:

- 1. Annual Improvements to IFRS Standards 2018–2020 -Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture
- 2. Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations
- 3. Property, Plant and Equipment – Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment
- 4. Onerous Contracts – Cost of Fulfilling a Contract: Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group/Company.

Revenue

In accordance with IFRS 15, a five-stage approach is followed in recognizing revenue for all contracts with customers.

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as the entity satisfies a performance obligation

The Group evaluates the goods or services it undertakes in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation. It is determined in the beginning of the contract whether the performance obligation will be carried out over a period of time or it will be performed at a certain time for each performance obligation. Group recognizes the revenue over a period of time by measuring the progress attributed to complete fulfillment of performance obligation in question on the occasion that the Group transfers the control of a good or a service and therefore it fulfills the performance obligation related to these sales over time.

When Group fulfills the obligation to perform the obligation by transferring a promised good or service to the customer, it records the transaction value corresponding to the obligation as revenue in the consolidated financial statements. When the control of the goods or services is overtaken by the customers (or as they pass) the goods or services are transferred.

When Group evaluates the transfer of the customer for the control of the goods or services sold,

- a) Group owns the right to collect the goods or services,
- b) Owns legal ownership of the goods or services,
- c) The transfer of the possession of the goods or services,
- d) Ownership of the significant risks and rewards of ownership of the property of the customer,
- e) Takes into consideration the conditions under which the customer accepts goods or services.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Revenue (cont’d)

Group does not make any adjustments to the effect of a significant financing component at the commitment price if the contract at the outset suggests that the period between the transfer date of the goods or services undertaken by the customer and the date the customer pays the price of the goods or services is one year or less. If the other party has significant financing within the revenue, the revenue value is determined by discounting future collections with the interest rate included in the financing element. The difference is recorded in the related periods as Other income from the main operations on the accrual basis.

The accounting for the revenue of the Group's different activities is explained below:

Construction contract activities

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Revenue arising from cost plus fee contracts is recognized on the basis of costs incurred plus a percentage of the contract fee earned during the year.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the consolidated statement of profit or loss as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured.

Contract assets arising from ongoing construction works indicates the revenue recognized on construction contracts in excess of billings, and contract liabilities arising from ongoing construction works indicate the billings in excess of the revenue recognized on construction contracts.

Group management does not recognize the additional receivables under compensation outside the scope of the contract that may be subject to litigation as income, unless negotiations have reached to an advanced stage such that it is probable that the customer will accept the claim and the amount of the additional receivable can be measured reliably.

Energy activities

In 2021, Enka Energy Companies resumed their production activities, which had been halted since 2019, once they were included in the capacity mechanism in order to create the necessary conditions in the electricity market and to ensure sufficient installed power capacity for a secure supply. Companies conduct their electricity sales in organized electricity markets (Day-Ahead Market, Intraday Market, Balancing Power Market). Day Ahead and Intraday Markets are operated by the market operator, Energy Exchange Istanbul (“EPIAŞ” or “EXIST”), within the framework of the Electricity Market Balancing and Settlement Regulation. EPIAŞ establishes reference prices for said markets, performs financial transactions such as settlement, collateral, invoicing, and provides central counterparty services in the markets it operates. In addition, the settlement activities regarding the Balancing Power Market, the operation of the Renewable Energy Resources Support Mechanism (“YEKDEM”) and free consumer transactions are also carried out by EPIAŞ. The price of electricity sold daily by the companies in the markets (excluding VAT and other costs) is collected from EPIAŞ within two business days and recognised as income. The amount, unit price, amount and other expenses calculated by EPIAŞ in accordance with the provisions of the regulation are finalised with the “Final Settlement Notice” prepared by EPIAŞ and sent to the market participants on the fifteenth (15th) day of the end of the relevant month, or the next day in case of weekends or national holidays and an invoice is issued for the accrued revenues as of this date.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Revenue (cont’d)

Commercial activities

Earnings from sales as a result of commercial activities; All significant risks related to the Group, and the transfer of gains to the buyer on an administrative involvement associated with the property and on the goods sold lack of effective control, reliable measurement of income, economic benefits associated with the transactionthe flow to the business is likely and the costs arising from or will be reliably measurement conditions are recorded as income. Net sales are estimated from the sales amount of the goods and realized It is shown by deducting returns, discounts, commissions, turnover premiums and sales-related taxes.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases. Rental income collected in advance is treated as deferred income and is amortised on a monthly basis during the lease period.

Rendering of services

Revenue is recognized by reference to the stage of completion.

Interest income

Interest income is recognized in the consolidated statement of profit or loss on an accrual basis taking into account the effective yield on the asset.

Dividends

Revenue is recognized when the Group’s right to receive the payment is established.

Segment Reporting

An operating segment is a component of the Group that engages in business activities through which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group’s management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The operating segments of the Group are construction, rental, trade and energy, and they are disclosed in Note 5.

Inventories

Inventories are valued at the lower of cost or net realizable value. Costs incurred in bringing each product to its present location and condition, are included in the cost. Raw materials, spare parts, merchandise and construction materials - purchase cost on moving weighted average basis.

The Group also provides an allowance for the slow moving and obsolete items.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Property, plant and equipment

With the exception of land and buildings, items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Land is not depreciated. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Land and buildings are carried at revalued amounts. Any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Repairs and maintenance are charged to the consolidated statements of profit or loss during the financial period in which they are incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

Depreciation is provided on all property, plant and equipment using the straight-line method at rates which approximate estimated useful lives of the related assets as follows:

	Useful life
Land improvements	5-50 years
Buildings	50 years
Power plant equipment	35 years
Pipelines	16 years
Electrical interconnection lines	16 years
Machinery and equipment	4-10 years
Motor vehicles	3-10 years
Furniture and fixtures	5-10 years
Barracks, scaffolding and formworks	5 years
Aircrafts	10-15 years
Others	5-10 years

Power plant equipment is recorded at its original cost of construction. Significant additions or improvements are capitalized when they extend the life, improve the efficiency or increase the earnings capacity of the asset. Expenditures for maintenance, repairs and minor renewals to maintain facilities in operating condition are expensed as incurred.

The asset’s residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Intangible assets (except goodwill)

Intangible assets mainly includes software rights, they are initially recognized at acquisition cost that are amortized over 3 to 10 years on straight-line basis.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Investment properties

Land and buildings that are held in the production of supply of goods or services of for administrative purposes or for long term rental yields or for capital appreciation or both rather than for the sale in the ordinary course of business are classified as “investment property”. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Business combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Business combinations

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. If the contingent consideration classified as an asset or liability is a financial instrument and is in the scope of IFRS 9 Financial Instruments standard, the contingent consideration is measured at fair value and the gain or loss arising from the change is recognized in profit or loss or other comprehensive income. Those not included in IFRS 9 are accounted for in accordance with IAS 37 Provisions or other appropriate IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Assets held for sale

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell, and depreciation on such assets are ceased.

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Impairment of non-financial assets (cont’d)

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred.

Financial Instruments

Recognition and measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- it is its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group may irrevocably make preference about presentation of subsequent changes in its fair value in other comprehensive income on initial recognition of non-trading equity investment. This is made separately for each investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Financial Instruments (cont’d)

Financial Instruments: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets that are managed on the basis of fair value and whose performance is assessed accordingly are measured at fair value through profit or loss.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Financial Instruments (cont’d)

Financial assets – subsequent measurement and gains and losses

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Group’s cash and cash equivalents are classified under the category of ‘Loans and Receivables’.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit and loss or other financial liabilities.

a) Financial liabilities at fair value through profit and loss

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Financial Instruments (cont’d)

Financial liabilities (cont’d)

b) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derivative financial instruments and hedging

Derivative financial instruments are initially recognized at fair value and are subsequently remeasured at their fair value. Derivative financial instruments of the Group predominantly constitute forward foreign currency purchase and sale contracts.

The fair value of forward foreign exchange contracts measured at fair value and associated with the consolidated profit or loss is calculated by reference to the market interest rates valid for the rest of the contract for the relevant currency for the relevant period, by comparison with exchange rate. Derivatives are recorded as assets or liabilities in the balance sheet, respectively, depending on whether the fair value is positive or negative differences arising from the fair value of derivative financial instruments except for the cash flow hedge explained below are reflected in the profit and loss statement in the consolidated statements of income.

Cash flow hedge

The Group performs cross currency transactions with participation option to hedge the cash flow risk of variable and fixed rate financial instruments and liabilities in different currencies. The effective portion of the fair value change of the hedging instrument in the cash flow hedge accounting is recognized in “other comprehensive income”, while the ineffective portion is recognized in the in profit or loss. In the periods in which the cash flows of the hedged item affect the profit or loss, the profit or loss of the hedging instrument is also removed from equity and reflected to the income statement. In addition, the time value change in the options included in the structured cross-currency swaps is recognized in other comprehensive income as the hedging cost.

According to IFRS 9, the hedging relationship ends when the required criteria are no longer met after rebalancing. The termination of the hedging relationship is not accepted if the required criteria are met. In the event that the hedging target changes, the hedging instrument expires or is sold, terminated or used, the hedging accounting ends when the economic relationship between the hedging instrument and the hedged item is eliminated or the credit risk affects the fair value changes arising from the economic relationship.

When the Group discontinued hedge accounting for cash flow variability, the amount accumulated in the cash flow hedge fund is recognized as follows;

- The profit or loss recognized in other comprehensive income and presented in the hedging reserve under equity remains there until the cash flows of the hedged item realised.

- When the cash flows from the hedged item is expected not to be realised, the gain or loss accumulated under equity is recognized immediately in profit or loss.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Financial Instruments (cont’d)

Accounting at the date of transaction

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

The Group continues to recognize the financial asset in the statement of financial position if it retains substantially all the risks and benefits arising from the ownership of a financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Impairment of financial assets

Financial assets and contract assets

The Group recognizes loss allowances for the expected credit losses of the following items:

- financial assets measured at amortized cost;
- contract assets (as defined in IFRS 15).

Under IFRS 9, loss allowances are measured on either of the following bases:

Financial assets measured at amortized cost;

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument;and

Bank balances for which credit risk has not increased significantly since initial recognition;

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Financial Instruments (cont’d)

Impairment of financial assets (cont’d)

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of “investment grade”.

The maximum time to be measured by the ECLs is the maximum contractual period that the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses (IFRS 9 requires the use of the lifetime expected loss provision for all trade receivables). The expected credit losses were calculated based on actual credit loss experience over the past years.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Trade receivables

The following analysis provides further detail about the calculation of ECLs related to trade receivables and contract assets on the adoption of IFRS 9. The Company considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The Group has calculated the ECLs according to the experience of credit losses in the last three years. The Group performed the calculation of ECL for receivables at the reporting date. Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship.

Retention Receivables from Contractors

The Group’s progress billings from its employees are subject to retention deductions, which vary, based on the individual agreements. These balances are collected based on contract terms either via letter of bank guarantees or from the contractors upon successful completion of the contract at the end of the warranty period. Retention receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

Retention Payables to Subcontractors

The Group’s progress billings to its subcontractors are subject to retention deductions, which vary, based on the individual agreements. These payables are paid to subcontractors after they successfully complete the guarantee periods. Retention payables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Effect of changes in foreign exchange rates

Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in the consolidated statement of profit or loss in the period in which they arise.

Earnings per share

Basic earnings per share (EPS) disclosed in the consolidated statement of profit or loss are determined by dividing net profit by the weighted average number of shares that have been outstanding during the related year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (Bonus Shares) to existing shareholders without a consideration for amounts resolved to be transferred to share capital from retained earnings. For the purpose of the EPS calculation, such bonus share distributions are regarded as stock dividends. If the number of ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic EPS for all periods presented is adjusted retrospectively. If these changes occur after the balance sheet date but before the financial statements are authorized for issue, the EPS calculations for those and any prior period financial statements presented is based on the new number of shares.

Provisions, contingent liabilities, contingent assets

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities and assets

If contingent liabilities does not carry a high probability of resource allocation (cash outflow), they are not recognized in the consolidated financial statements but disclosed in the footnotes. However, contingent assets are not recognized in consolidated financial statements but disclosed in the footnotes when an inflow of economic benefits is probable.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Leases (cont’d)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Related parties

Related parties are individuals or entities that are related to the entity that is preparing its financial statements (reporting entity).

- a) An individual or a close family member is considered related party of the reporting entity when the following criteria are met: If a certain individual,
- i) Has control or joint control over the reporting entity,
 - ii) Has significant influence over the reporting entity,
 - iii) Is a key management personnel of the reporting entity or a parent company of the reporting entity.
- b) An entity is considered related party of the reporting entity when the following criteria are met:
- i) If the entity and the reporting entity is within the same group (meaning every parent company, subsidiary and other subsidiaries are considered related parties of others.
 - ii) If the reporting entity is a subsidiary or a joint venture of another entity (or of another entity that the entity is within the same group).
 - iii) If both of the entities are a joint venture of a third party.
 - iv) If one of the entities are a joint venture of a third party while the other entity is a subsidiary of this third party.
 - v) If entity has plans of post employment benefits for employees of reporting entity or a related party of a reporting entity. If the reporting entity has its own plans, sponsor employers are also considered as related parties.
 - vi) If the entity is controlled or jointly controlled by an individual defined in the article (a).
 - vii) If an individual defined in the clause (i) of article (a) has significant influence over the reporting entity or is a key management personnel of this certain entity (or a parent company of the entity)

Related party transaction is the transfer of resources, services or liabilities regardless of whether a price is charged or not.

Income tax

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit or loss.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Income tax (cont’d)

Deferred income tax is provided, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that, in the management’s judgment, it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet dates.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit or loss.

Employee termination benefits

The Group has both defined benefit and defined contribution plans as described below:

Vacation pay liability

In accordance with the existing labor law in Turkey, the Company is required to pay to the employee, whose employment is terminated due to any reasons, the wage of the deserved and unused vacation days over the gross prevailing wage and other benefits subject to contract at the date the contract is terminated.. Unused leave provision is the earned and unused vacation rights of its employees of the Company, and measured on an undiscounted basis and are recognised in profit or loss as the related service is provided.

Retirement pay provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard 19 (revised) “Employee Benefits” (“IAS 19”).

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses. Actuarial gains and losses are accounted as other comprehensive income.

Personnel working in branches operating in foreign countries and joint-operations do not have any employee termination benefit as there is no legal obligation in these countries.

Defined contribution plans

The Company and its subsidiaries in Turkey pay contributions to publicly administered Social Security Fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Foreign subsidiaries and joint operations contribute to the related government body for the pension scheme of its employees in the country they are domiciled. Mandatory contributions to the governmental pension scheme are expensed when incurred.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.4 Summary of significant accounting policies (cont’d)

Statement of cash flows

Cash flows are classified according to operating, investment and finance activities in the consolidated statement of cash flows.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, excluding short term deposits with an original maturity of more than three months and deposits blocked in bank accounts as collateral.

Events after the reporting period

Events after the reporting period, also known as ‘subsequent events’ include any favorable or unfavorable event that took place between the balance sheet date and the publication date of the balance sheet, despite any possible event that might arise after the publicization of any information regarding profits or other financial figures.

The Group adjusts its consolidated financial statements if such adjusting subsequent events arise.

2.5 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the consolidated statement of profit or loss and in the carrying value of assets and liabilities in the consolidated balance sheet, and in the disclosure of information in the notes to the consolidated financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the consolidated financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

- a) Determination of total estimated project costs, profitability and calculation of loss accruals under the scope of IFRS 15 (Note 12).
- b) Fair value of investment properties under the scope of IAS 40 “Investment Property” and land and buildings under the scope of IAS 16 “Property, Plant and Equipment” (Note 13 and 14).

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3. DIVIDENDS

Based on the Group’s Ordinary General Assembly held on 25 March 2022; In addition to dividend advance distributed on 5 January 2022, regarding to the distribution of the year 2021 profit, it has been resolved to distribute dividend to its shareholders for each TL 1 (full TL) nominal valued share in total TL 2,800,000 (2021 – TL 2,000,000); further it has been resolved to distribute TL 61,026 (2021 – TL 41,903) as cash dividend to founder shares. The dividend decided to be distributed was distributed on 13 April 2022.

In 2022 and 2021, the Group distributed dividends as detailed below:

	2022		2021	
	Dividend (TL)	Dividends per share	Dividend (TL)	Dividends per share
Ordinary share owners (1 Full TL nominal value) (*)	2,730,943	0,50 Tam TL	1,950,673	0.35 Full TL
Founder share owners	61,026	61,02 Full TL	41,903	41,90 Full TL
Ordinary share owners (1 Full TL nominal value) (*) (**)	1,092,377		-	
	3,884,346 TL		1,992,576 TL	

(*)The amount of dividends distributed to the shares bought back by the Company has been deducted.

(**) Based on the power vested in the Board of Directors by the Ordinary General Assembly for year 2020 held on March 30, 2021, the Board of Directors resolved to distribute, a total of TL 1,120,000 from the amount that remains after deduction of the relevant reserves as required, to be set apart from the net profit of the current period as indicated on the financial statements comprising the interim period from 01 January 2021 – 30 September 2021 to the holders of share certificates representing the share capital amounting to TL 5,600,000. The dividend decided to be distributed on 5 January 2022.

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4. INTEREST IN JOINT OPERATIONS

The Group's share in the assets and liabilities and the profit/loss of the of the joint operations using the proportionate consolidation method on a line by line basis is as follows:

	31 December 2022	31 December 2021
ASSETS		
Current Assets		
Cash and cash equivalents	335,268	411,090
Financial Investments	9,288	20,393
Trade receivables	95,721	57,384
Other receivables	1,212	1,014
Inventories	10,052	5,568
Costs and estimated earnings in excess of billings on uncompleted contracts	7,272	282
Other current assets	61,040	18,723
Group's share in current assets of joint operations	519,853	514,454
Non-Current Assets		
Property, plant and equipment	97,651	90,775
Accumulated depreciation	(45,405)	(27,801)
Group's share in joint operations in property, plant and equipment	52,246	62,974
LIABILITIES		
Current Liabilities		
Trade payables	23,110	20,379
Billings in excess of costs and estimated earnings on uncompleted contracts	342,569	383,929
Provisions	27,760	20,484
Provisions for employee benefits	5,490	4,390
Other current liabilities	87,652	116,942
Group's share in current liabilities of joint operations	486,581	546,124

The Group's share in the consolidated statement of profit or loss of the joint operations using the proportionate consolidation method on a line by line basis is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Revenue	710,962	450,942
Cost of revenue	(418,503)	(358,107)
Other operating income	532	827
Other operating expenses	(3)	(1,072)
Income from investing activities	6	1,095
Financial income	1,635	3,336
Financial expenses	(2,319)	(3,552)
Taxation charge	(46,402)	(20,147)
Net profit	245,908	73,322

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5. SEGMENTAL INFORMATION

The Group's operating businesses are organized and managed separately according to the nature of services and products provided and has four reportable segments as follows: construction, rental, energy and trading and manufacturing.

a) Business segments:

	1 January - 31 December 2022					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	1,858,704	334,400	240,181	1,336,229	-	3,769,514
Inter-segment revenues	73,891	9,841	6,397	-	(90,129)	-
Cost of revenues (-)	(1,358,643)	(126,293)	(176,572)	(1,262,909)	-	(2,924,417)
Inter-segment cost of revenues (-)	(73,891)	(9,841)	(6,397)	-	90,129	-
Gross profit	500,061	208,107	63,609	73,320	-	845,097
Administrative expenses (-)	(57,557)	(16,828)	(6,166)	(7,404)	-	(87,955)
Marketing, selling and distribution expenses (-)	(6,191)	(4,733)	(9,668)	(1,700)	-	(22,292)
Other operating income	22,578	7,428	3,176	1,645	-	34,827
Other operating expenses (-)	(35,143)	(2,860)	(1,717)	(8,669)	-	(48,389)
Profit from operations	423,748	191,114	49,234	57,192	-	721,288
Investment income	266,383	36,800	-	555	-	303,738
Investment expenses (-)	(757,422)	(122,096)	-	(553)	-	(880,071)
Profit from operations Before financial income/(expenses)	(67,291)	105,818	49,234	57,194	-	144,955
Financial income	42,929	6,674	9,628	75,866	(209)	134,888
Financial expenses (-)	(46,682)	(2,451)	(16,024)	(535)	209	(65,483)
Net monetary loss (-)	-	-	-	(103,254)	-	(103,254)
Profit before tax	(71,044)	110,041	42,838	29,271	-	111,106
Current tax expense (-)	(96,810)	(41,020)	(9,812)	(40,068)	-	(187,710)
Deferred tax expense (-)	31,648	7,459	(136)	53,773	-	92,744
Profit/(Loss) for the year from continuing operations	(136,206)	76,480	32,890	42,976	-	16,140
	31 December 2022					
	Construction contracts	Rental	Trade	Energy		Consolidated
Segment assets	5,743,684	2,111,489	240,332	928,116		9,023,621
Total assets	5,743,684	2,111,489	240,332	928,116		9,023,621
Segment liabilities	1,258,678	442,921	125,638	292,488		2,119,725
Total liabilities	1,258,678	442,921	125,638	292,488		2,119,725
	1 January - 31 December 2022					
	Construction contracts	Rental	Trade	Energy		Consolidated
Other segment information						
<u>Capital expenditures</u>						
Property, plant and equipment & investment property	46,147	5,314	1,941	22,805		76,207
Intangible assets	312	53	240	91		696
Total capital expenditures	46,459	5,367	2,181	22,896		76,903
Depreciation expenses	55,597	2,364	1,800	43,769		103,530
Amortization expenses	3,757	58	73	73		3,961

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5. SEGMENTAL INFORMATION (cont’d)

a) Business segments (cont’d)

	1 January - 31 December 2021					
	Construction contracts	Rental	Trade	Energy	Eliminations	Consolidated
Revenues	1,538,447	304,034	219,468	797,462	-	2,859,411
Inter-segment revenues	30,055	-	32,962	-	(63,017)	-
Cost of revenues (-)	(1,132,750)	(96,927)	(163,832)	(695,593)	-	(2,089,102)
Inter-segment cost of revenues (-)	(30,055)	-	(32,962)	-	63,017	-
Gross profit	405,697	207,107	55,636	101,869	-	770,309
Administrative expenses (-)	(58,994)	(9,227)	(6,273)	(8,748)	-	(83,242)
Marketing, selling and distribution expenses (-)	(12,934)	(4,972)	(8,876)	(1,367)	-	(28,149)
Other operating income	45,994	1,114	1,590	1,616	-	50,314
Other operating expenses (-)	(50,907)	(1,514)	(3,532)	(50,033)	-	(105,986)
Profit from operations	328,856	192,508	38,545	43,337	-	603,246
Investment income	241,130	83,055	-	3,329	-	327,514
Investment expenses (-)	(186,705)	(633)	-	-	-	(187,338)
Profit from operations Before financial income/(expenses)	383,281	274,930	38,545	46,666	-	743,422
Financial income	12,700	1,544	5,758	74,742	(352)	94,392
Financial expenses (-)	(25,113)	(2,671)	(7,674)	(241)	352	(35,347)
Profit before tax	370,868	273,803	36,629	121,167	-	802,467
Current tax expense (-)	(60,089)	(47,735)	(10,469)	(3,496)	-	(121,789)
Deferred tax expense (-)	(42,616)	(20,632)	(329)	(15,662)	-	(79,239)
Profit/(Loss) for the year from continuing operations	268,163	205,436	25,831	102,009	-	601,439
	31 December 2021					
	Construction contracts	Rental	Trade	Energy	Consolidated	
Segment assets	6,176,779	2,107,074	233,285	585,196	9,102,334	
Total assets	6,176,779	2,107,074	233,285	585,196	9,102,334	
Segment liabilities	1,602,667	411,275	102,739	244,069	2,360,750	
Total liabilities	1,602,667	411,275	102,739	244,069	2,360,750	
	1 January - 31 December 2021					
	Construction contracts	Rental	Trade	Energy	Consolidated	
Other segment information						
<u>Capital expenditures</u>						
Property, plant and equipment & investment property	106,274	38,105	1,030	6,195	151,604	
Intangible assets	1,608	15	15	3	1,641	
Total capital expenditures	107,882	38,120	1,045	6,198	153,245	
Depreciation expenses	50,759	1,118	1,876	23,674	77,427	
Amortization expenses	5,080	38	45	38	5,201	

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5. SEGMENTAL INFORMATION (cont’d)

b) Geographical segments

	1 January - 31 December 2022					
	Turkey	Russian Federation, Kazakhstan, Georgia	Europe	Other	Eliminations	Consolidated
Net sales	2,059,161	1,119,021	218,672	372,660	-	3,769,514
Inter-segment sales	80,288	9,841	-	-	(90,129)	-
Capital expenditures	52,185	14,859	6,736	3,123	-	76,903
	31 December 2022					
	Turkey	Russian Federation, Kazakhstan, Georgia	Europe	Other	Eliminations	Consolidated
Segmental assets	5,412,362	2,884,150	465,952	261,157	-	9,023,621
	1 January - 31 December 2021					
	Turkey	Russian Federation, Kazakhstan, Georgia	Europe	Other	Eliminations	Consolidated
Net sales	1,410,724	730,217	129,057	589,413	-	2,859,411
Inter-segment sales	63,017	-	-	-	(63,017)	-
Capital expenditures	38,546	53,015	39,615	22,069	-	153,245
	31 December 2021					
	Turkey	Russian Federation, Kazakhstan, Georgia	Europe	Other	Eliminations	Consolidated
Segmental assets	5,433,338	3,017,837	312,098	339,061	-	9,102,334

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6. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash on hand	5,334	2,450
Cash in bank		
Demand deposits	772,411	1,789,281
Time deposits	248,414	269,899
Other	132	77
	<u>1,026,291</u>	<u>2,061,707</u>
Less: Time deposits with maturity over three months and less than one year	(1,000)	(1,000)
Cash and cash equivalents at consolidated statement of cash flows	<u>1,025,291</u>	<u>2,060,707</u>

Informations about the nature and level of risks related to cash and cash equivalents are provided in Note 33.

7. FINANCIAL INVESTMENTS**Current financial investments**

Short-term financial investments of the Group classified as financial assets at fair value through profit or loss as of 31 December 2022 and 2021 are detailed below:

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss		
Private sector bonds		
- International markets	58,521	107,612
Foreign Government bonds		
- International markets	196,138	101,529
Equity securities		
- International markets	1,049,012	1,723,280
Mutual funds		
- International markets	174,449	275,572
	<u>1,478,120</u>	<u>2,207,993</u>

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7. FINANCIAL INVESTMENTS (cont’d)**Non-current financial investments**

Long-term financial investments of the Group classified as financial assets at fair value through profit or loss as of 31 December 2022 and 2021 are detailed below:

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss		
Private sector bonds		
- International markets	349,030	769,407
Foreign Government bonds		
- International markets	1,443,258	11,954
Turkish Government bonds		
- International markets	<u>300,405</u>	<u>214,370</u>
	<u>2,092,693</u>	<u>995,731</u>

Maximum maturity dates of financial assets in the nature of borrowings are as follows:

	31 December 2022	31 December 2021
Private Sector Bonds - International markets	28 March 2073	28 March 2073
Foreign Government Bonds - International markets	17 October 2044	17 October 2044
Turkish Government Bonds - International markets	30 May 2040	14 January 2041

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8. FINANCIAL LIABILITIES

a) Borrowings

	31 December 2022			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Short-term bank borrowings	5.65%	EUR	42,247	45,040
	5.15%	USD	11,197	11,197
Total short-term bank borrowings				56,237
Lease obligations				110
Total short-term borrowings				56,347

	31 December 2022			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Long-term borrowings				
Lease obligations				132,097
				132,097
Less: Current portion of long-term borrowings				(4,908)
Total long-term borrowings				127,189

	31 December 2021			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Short-term borrowings:				
Short-term bank borrowings	3.08%	EUR	25,018	28,318
	3.41%	USD	19,866	19,866
Total short-term bank borrowings				48,184
Lease obligations				127
Total short-term borrowings				48,311

	31 December 2021			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Long-term borrowings:				
Other long-term bank borrowings (*)	5.14%	USD	3,400	3,400
	2.68%	JPY	1,717,219	9,011
Lease obligations				104,258
				116,669
Less: Current portion of long-term borrowings				(12,041)
Total long-term borrowings				104,628

(*) Loan denominated in Japanese Yen were obtained to finance the operations of Enka Pazarlama, one of the consolidated subsidiaries of the Company.

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8. FINANCIAL LIABILITIES (cont’d)

a) Borrowings (cont’d)

Repayment schedule of bank borrowings are as follows:

	31 December 2022	31 December 2021
Less than 1 year	56,237	57,322
1 - 2 years	-	3,400
	56,237	60,722

The reconciliation of the cash flows arising from the financing activities of the year ended 31 December 2022 and the movements in liabilities is as follows:

	31 December 2021	Cash flows	Non-cash		31 December 2022
			Exchange rate change	Other non-cash movements	
Short term bank loans	48,184	6,299	(1,645)	3,399	56,237
Long term bank loans	12,411	-	-	(12,411)	-
Lease obligations (ST)	3,030	(4,908)	-	6,786	4,908
Lease obligations (LT)	101,228	(4,820)	9,177	21,604	127,189
Total liabilities arising from financing activities	164,853	(3,429)	7,532	19,378	188,334

The reconciliation of the cash flows arising from the financing activities of the year ended 31 December 2021 and the movements in liabilities is as follows:

	31 December 2020	Cash flows	Non-cash		31 December 2021
			Exchange rate change	Other non-cash movements	
Short term bank loans	55,011	(12,042)	(1,583)	6,798	48,184
Long term bank loans	36,577	-	-	(24,166)	12,411
Lease obligations (ST)	3,273	(2,903)	-	2,660	3,030
Lease obligations (LT)	93,940	(12,490)	(5,158)	24,936	101,228
Total liabilities arising from financing activities	188,801	(27,435)	(6,741)	10,228	164,853

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8. FINANCIAL LIABILITIES (cont’d)**b) Lease obligations**

	31 December 2022			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Current portion of long-term lease obligations	3.00%	RUB	345,186	4,908
				<u>4,908</u>
Long-term	7.50%	USD	9,887	9,887
	3.00%	RUB	8,250,697	117,302
				<u>127,189</u>
				<u>132,097</u>
	31 December 2021			
	Weighted Average Interest Rate	Currency Type	Original Currency	USD Equivalent
Current portion of long-term lease obligations	5.10%	USD	127	127
	3.00%	RUB	215,640	2,903
				<u>3,030</u>
Long-term	5.10%	USD	9,915	9,915
	3.00%	RUB	6,783,914	91,313
				<u>101,228</u>
				<u>104,258</u>

c) Lease commitments

As of 31 December 2022 and 2021, repayment schedule of lease obligations are as follows:

	31 December 2022	31 December 2021
Less than 1 year	4,908	3,030
1 - 5 years	26,056	19,802
More than 5 years	101,133	81,426
Total lease obligations	<u>132,097</u>	<u>104,258</u>

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9. TRADE RECEIVABLES AND PAYABLES**a) Trade receivables**

	31 December 2022	31 December 2021
Short-term trade receivables		
Trade receivables, net	191,480	170,089
Contract receivables	131,839	116,763
Notes and cheques receivables, net	743	1,183
Retention receivables (*)	2,320	2,080
	<u>326,382</u>	<u>290,115</u>
Less: Expected credit loss	(13,408)	(14,320)
	<u>312,974</u>	<u>275,795</u>

(*) Retention receivables are described as withheld by the jobowners until the contracts are completed or, in certain instances for even longer periods and undue trade receivables in the construction contracts.

Collection periods of receivables from construction works depends on the agreement conditions are between 30 and 90 days.

For the years ended 31 December 2022 and 2021, movement of expected credit loss receivables is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Balance at beginning of the year	14,320	20,061
Additional provision (Note 25)	51	440
Foreign currency translation effect	(232)	(836)
Amounts recovered during the year (Note 25)	(81)	(128)
Write-offs (*)	(650)	(5,217)
Closing balance	<u>13,408</u>	<u>14,320</u>

(*) Allowances of the previous periods which were decided as uncollectibles were written-off as of 31 December 2022 and 2021.

	31 December 2022	31 December 2021
Long-term trade receivables		
Trade receivables, net	-	8,759
	<u>-</u>	<u>8,759</u>

Explanations about the nature and level of risks related to trade receivables are provided in Note 33.

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9. TRADE RECEIVABLES AND PAYABLES (cont’d)**b) Trade payables**

	31 December 2022	31 December 2021
Short-term trade payables		
Trade payables	446,229	345,069
Notes payable	28	-
Other trade payables	4,923	3,240
	<u>451,180</u>	<u>348,309</u>

Explanations about the nature and level of risks related to trade payables are provided in Note 33.

10. OTHER RECEIVABLES AND PAYABLES**a) Other receivables**

	31 December 2022	31 December 2021
Short-term other receivables		
Deposits and guarantees given	7,146	13,512
Other receivables from related parties (Note 32)	-	2
	<u>7,146</u>	<u>13,514</u>

b) Other payables

	31 December 2022	31 December 2021
Short-term other payables		
Deposits and guarantees taken	18,546	14,934
Other payables to related parties (Note 32)	7	8
	<u>18,553</u>	<u>14,942</u>

	31 December 2022	31 December 2021
Long-term other payables		
Deposits and guarantees taken	24,674	24,520
	<u>24,674</u>	<u>24,520</u>

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11. INVENTORIES

	31 December 2022	31 December 2021
Raw materials and spare parts	185,400	152,013
Work in progress	90,415	39,461
Trade goods (machinery and others)	39,120	18,057
Finished goods	10,885	24,565
Goods in transit	66,842	6,474
Construction materials	35,829	18,012
Allowance for impairment on inventory (*)	(4,739)	(2,843)
	<u>423,752</u>	<u>255,739</u>

(*) As of 31 December 2022 and 2021, allowance for impairment on finished goods and trade goods is recognized as an expense in cost of sales.

As of 31 December 2022, there is not any pledge on inventories (31 December 2021 - None).

12. CONSTRUCTION CONTRACTS

	31 December 2022	31 December 2021
Costs incurred on uncompleted contracts	2,306,568	2,425,669
Recognized profit less recognized losses to date, net	741,934	454,351
	<u>3,048,502</u>	<u>2,880,020</u>
Less: Progress billing	(3,443,838)	(3,405,045)
	<u>(395,336)</u>	<u>(525,025)</u>

The net balance is included in the consolidated balance sheet under the following captions:

	31 December 2022	31 December 2021
Costs and estimated earnings in excess of billings on uncompleted contracts (net)	28,255	22,371
Billings in excess of costs and estimated earnings on uncompleted contracts (net)	(423,591)	(547,396)
	<u>(395,336)</u>	<u>(525,025)</u>

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13. INVESTMENT PROPERTIES

As of 31 December 2022 and 2021, movement of investment properties is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	2,030,204	1,912,105
Currency translation difference	58,539	(9,558)
Change in fair value, net (Note 26)	(83,274)	83,043
Additions	-	37,404
Change in present value of lease obligations	22,755	7,441
Disposals	-	(231)
Closing balance	<u>2,028,224</u>	<u>2,030,204</u>

Investment properties include mainly real estate properties in Russia and Turkey which are leased to tenants. As of 31 December 2022 and 2021 investment properties consist of real estates in Russia from which rent income is obtained and lands and buildings held as investment in Turkey amounting to USD 12,839 (31 December 2021 - USD 7,955).

“Business Valuation Bureau LLC” which is licenced by Russian Federation as an independent valuation firm, has revalued the fair values of the investment properties of the Group in Russia.

Investment properties of the consolidated subsidiaries Mosenka, MKH, Enkamos Region BV and Enka TC have been revalued at fair value. Fair values of such investment properties are reviewed every year through the report of independent valuers. As of 31 December 2021, the fair values of investments properties of the consolidated subsidiaries Enkamos Region BV, MKH, Mosenka and Enka TC have been set respectively as follows: MKH; 9.53 million RUB equivalent to USD 135,484 (31 December 2021 - 9.84 million RUB equivalent to USD 132,386), Mosenka; 4.70 million RUB equivalent to USD 66,820 (31 December 2021 – 4.90 million RUB equivalent to USD 65,926), Enkamos Region BV; 4.81 million RUB equivalent to USD 68,403 (31 December 2021 – 5.16 million RUB equivalent to USD 69,404) and Enka TC; 51.03 million RUB equivalent to USD 725,484 (31 December 2021 – 58.64 million RUB equivalent to USD 789,271).

The fair values of the investment properties of the Group in Russia, determined at 31 December 2022 as USD 896,986 (31 December 2021 - USD 871,046). The investment properties of the Group located in Moscow includes land leased from Moscow City Authorities under a 49 year operating lease agreement, which are renewable at the option of the Group.

The investment properties owned by the Group are carried at fair value determined by independent professionally qualified valuers on the basis of market value supported by market evidence and other information obtained in the course of market research. Fair values of such investment properties are periodically reviewed by the Group through the report of independent valuers.

As of 31 December 2022 and 2021 the reports of independent valuers are prepared based on valuation models such as income capitalization, discounted cash flow model and market value model. The fair value of the properties have not been determined based on income capitalization method in case of lack of transactions observable in the market because of the nature of the property and the lack of comparable data. The fair value of the investment properties of the Group are estimated by using income capitalization method, with capitalization and discount rates ranging between 10.50% and 16.17% to 19.65% (31 December 2021 - 9.25% to 10.00% and 14.85% to 15.99%) respectively.

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13. INVESTMENT PROPERTIES (cont’d)

For the years ended 31 December 2022 and 2021 fair value hierarchy table of investment properties is as follows:

	31 December	Fair value as at 31 December 2022		
	2022	Level 1 USD	Level 2 USD	Level 3 USD
Investment properties in Russia	2,015,385	-	-	2,015,385
Investment properties in Turkey	12,839	-	12,839	-
Total	<u>2,028,224</u>	<u>-</u>	<u>12,839</u>	<u>2,015,385</u>

	31 December	Fair value as at 31 December 2021		
	2021	Level 1 USD	Level 2 USD	Level 3 USD
Investment properties in Russia	2,022,249	-	-	2,022,249
Investment properties in Turkey	7,955	-	7,955	-
Total	<u>2,030,204</u>	<u>-</u>	<u>7,955</u>	<u>2,022,249</u>

There is no transition between second and third levels during the year.

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14. PROPERTY, PLANT AND EQUIPMENT

	Land and land improvements	Buildings and barracks	Machinery and equipment	Motor vehicles	Furniture and fixtures	Scaffolding and formworks	Aircraft (*)	Others	Construction in progress	Total
<u>Cost</u>										
Opening balance as of 1 January 2022	171,696	156,010	1,250,196	64,218	58,650	5,696	20,625	19,522	2,296	1,748,909
Hyperinflationary restatement to 1 January 2022	7,065	2,219	449,024	320	1,675	-	-	86	39	460,428
Restated opening at 1 January 2022	178,761	158,229	1,699,220	64,538	60,325	5,696	20,625	19,608	2,335	2,209,337
Currency translation differences	12,823	(1,083)	204,613	(543)	(590)	291	-	282	12	215,805
Revaluation (**)	35,468	26,998	-	-	1,188	-	-	1,245	-	64,899
Additions	8,060	4,949	30,702	2,918	4,917	933	-	2,135	21,593	76,207
Disposals	-	(5,720)	(35,723)	(6,010)	(3,119)	(797)	-	(3,014)	(2,347)	(56,730)
Transfers	(947)	1,886	20,636	(11,342)	(1,975)	36	-	(477)	(11,388)	(3,571)
Closing balance as of 31 December 2022	234,165	185,259	1,919,448	49,561	60,746	6,159	20,625	19,779	10,205	2,505,947
<u>Accumulated depreciation</u>										
Opening balance as of 1 January 2022	(14,947)	(40,374)	(702,177)	(34,696)	(48,228)	(3,897)	(3,430)	(13,742)	-	(861,491)
Hyperinflationary restatement to 1 January 2022	(7,627)	(513)	(241,223)	(323)	(1,500)	-	-	(65)	-	(251,251)
Restated opening at 1 January 2022	(22,574)	(40,887)	(943,400)	(35,019)	(49,728)	(3,897)	(3,430)	(13,807)	-	(1,112,742)
Currency translation differences	(3,582)	(319)	(111,861)	(219)	483	32	-	(175)	-	(115,641)
Revaluation (**)	-	-	-	-	(870)	-	-	(1,069)	-	(1,939)
Charge of the year	(428)	(7,102)	(84,076)	(4,472)	(3,319)	(973)	(1,336)	(1,824)	-	(103,530)
Other reclassifications(***)	-	-	(10,500)	8,595	1,679	(28)	-	254	-	-
Disposals	127	3,868	25,833	4,190	2,495	625	-	1,726	-	38,864
Closing balance as of 31 December 2022	(26,457)	(44,440)	(1,124,004)	(26,925)	(49,260)	(4,241)	(4,766)	(14,895)	-	(1,294,988)
Net book value as of 1 January 2022	156,749	115,636	548,019	29,522	10,422	1,799	17,195	5,780	2,296	887,418

Net book value as of 31 December 2022

(*) The amount consists of the aircraft used by subsidiary of the Company, Air Enka.

(**) As of 31 December 2022, Group's investments in Turkey are revalued by "Denge Gayrimenkul Değerleme ve Danışmanlık A.Ş." which is a CMB licensed independent valuation firm and hotel building of OMKH is revalued by independent qualified valuer "Business Valuation Bureau LLC". Revaluation difference arising from difference between book value and fair value is netted off with the related deferred tax and classified as revaluation surplus and included under equity. Revaluations are made by discounted cash flow methods.

(***) Other reclassifications are classifications between sub-groups of fixed assets and have no effect on net book value of fixed assets.

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14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land and land improvements	Buildings and barracks	Machinery and equipment	Motor vehicles	Furniture and fixtures	Scaffolding and formworks	Aircraft (*)	Others	Construction in progress	Total
<u>Cost</u>										
Opening balance as of 1 January 2021	196,628	133,621	1,897,857	40,163	64,643	22,981	35,169	17,825	30,345	2,439,232
Currency translation differences	(27,302)	(4,772)	(659,973)	117	(4,152)	(150)	-	583	(3,254)	(698,903)
Revaluation	(294)	5,214	-	-	-	-	-	-	-	4,920
Additions	2,629	16,611	59,889	17,256	4,408	472	-	2,160	10,775	114,200
Disposals	(85)	(909)	(43,822)	(3,345)	(6,102)	(17,602)	(14,544)	(1,206)	(21,501)	(109,116)
Transfers	120	6,245	(3,755)	10,027	(147)	(5)	-	160	(14,069)	(1,424)
Closing balance as of 31 December 2021	171,696	156,010	1,250,196	64,218	58,650	5,696	20,625	19,522	2,296	1,748,909
<u>Accumulated depreciation</u>										
Opening balance as of 1 January 2021	(25,383)	(34,592)	(1,022,162)	(24,359)	(51,752)	(20,150)	(15,722)	(12,082)	-	(1,206,202)
Currency translation differences	11,124	1,103	336,973	1,211	3,707	101	-	(471)	-	353,748
Charge of the year	(689)	(7,558)	(55,298)	(6,554)	(3,392)	(695)	(1,337)	(1,904)	-	(77,427)
Other reclassifications(**)	(2)	(211)	8,386	(8,321)	197	2	-	(51)	-	-
Disposals	3	884	29,924	3,327	3,012	16,845	13,629	766	-	68,390
Closing balance as of 31 December 2021	(14,947)	(40,374)	(702,177)	(34,696)	(48,228)	(3,897)	(3,430)	(13,742)	-	(861,491)
Net book value as of 1 January 2021	171,245	99,029	875,695	15,804	12,891	2,831	19,447	5,743	30,345	1,233,030
Net book value as of 31 December 2021	156,749	115,636	548,019	29,522	10,422	1,799	17,195	5,780	2,296	887,418

(*) The amount consists of the aircraft used by subsidiary of the Company, Air Enka.

(**) Other reclassifications are classifications between sub-groups of fixed assets and have no effect on net book value of fixed assets.

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14. PROPERTY, PLANT AND EQUIPMENT (cont’d)

As of 31 December 2022, there is no security on the property, plant and equipment of the Group (31 December 2021 - None).

If the buildings were measured using the cost model, the carrying amounts would be as follows:

	31 December 2022	31 December 2021
Cost	310,710	302,080
Accumulated depreciation	(126,972)	(125,968)
Net book value	<u>183,738</u>	<u>176,112</u>

The distribution of depreciation expenses as of 31 December 2022 and 2021 is presented in Note 24.

As of 31 December 2022 and 2021 fair value hierarchy table of fixed asset is as follows:

	31 December 2022	Fair value as at 31 December 2022		
		Level 1	Level 2	Level 3
		USD	USD	USD
Lands	207,708	-	207,708	-
Buildings	140,819	-	-	140,819
Total	<u>348,527</u>	<u>-</u>	<u>207,708</u>	<u>140,819</u>

	31 December 2021	Fair value as at 31 December 2021		
		Level 1	Level 2	Level 3
		USD	USD	USD
Lands	156,749	-	156,749	-
Buildings	115,636	-	-	115,636
Total	<u>272,385</u>	<u>-</u>	<u>156,749</u>	<u>115,636</u>

There is no transition between second and third levels during the year.

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15. OTHER INTANGIBLE ASSETS

	1 January - 31 December 2022	1 January - 31 December 2021
<u>Cost</u>		
Opening balance	48,937	48,598
Hyperinflationary restatement to 1 January 2022	741	-
Restated openning at 1 January 2022	49,678	48,598
Currency translation difference	(110)	(1,291)
Additions	696	218
Transfers	1,046	1,424
Disposals	(12)	(13)
Closing balance	<u>51,298</u>	<u>48,936</u>
<u>Accumulated amortization</u>		
Opening balance	(29,999)	(27,054)
Hyperinflationary restatement to 1 January 2022	(588)	-
Restated openning at 1 January 2022	(30,587)	(27,054)
Currency translation difference	(76)	1,140
Charge of the year	(3,961)	(4,091)
Disposals	-	7
Closing balance	<u>(34,624)</u>	<u>(29,998)</u>
Carrying value	<u>16,674</u>	<u>18,938</u>

As of 31 December 2022, there is no pledge on intangible assets (31 December 2021 - None).

The distribution of amortization expenses as of 31 December 2022 and 2021 is presented in Note 24.

	1 January - 31 December 2022	1 January - 31 December 2021
<u>Right of Use Assets</u>		
Opening balance	39,744	40,855
Currency translation difference	(356)	98
Revaluation of Buildings	18,731	-
Transfers	2,525	-
Depreciation	(1,120)	(1,209)
Closing balance	<u>59,524</u>	<u>39,744</u>

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16. PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2022	31 December 2021
Short-term Prepaid Expenses		
Advances given	213,212	179,810
Prepaid expenses	19,212	6,044
	<u>232,424</u>	<u>185,854</u>
Long-term Prepaid Expenses		
Advances given	100	-
Prepaid expenses	5,945	1,533
	<u>6,045</u>	<u>1,533</u>
Short-term Deferred Income		
Advances taken	318,525	560,706
Deferred income	40,259	41,965
	<u>358,784</u>	<u>602,671</u>
Long-term Deferred Income		
Advances taken	4,155	2,755
Deferred rent revenue	373	373
	<u>4,528</u>	<u>3,128</u>

As of 31 December 2022, the amount of advances received of subsidiaries and companies shares in joint operations is USD 314,850 (31 December 2021: USD 558,883).

17. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
Short-term accrued expenses		
Accrual for construction costs	27,980	40,007
Provision for legal claims	10,840	10,481
Accrued expenses	3,153	2,734
Other accrued expenses	703	617
	<u>42,676</u>	<u>53,839</u>

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18. COMMITMENTS**Operating lease commitments – Group as lessor**

The minimum future rental income of the Group under non-cancelable operating leases at 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Within one year	263,833	286,235
After one year but not more than five years	394,713	564,960
More than 5 years	97,040	112,337
	<u>755,586</u>	<u>963,532</u>

Litigations

As of 31 December 2022, there is not any litigation regarding the Group’s receivables (31 December 2021 – None).

The breakdown of letters of guarantee, guarantee notes given, mortgage and pledges (together referred to as Guarantees) by the Group as of 31 December 2022 and 2021 is as follows:

	31 December 2022		31 December 2021	
	Original Currency	USD Equivalent	Original Currency	USD Equivalent
Letters of guarantee, guarantee notes given, mortgage and pledges				
A. Total amount of guarantees provided by the Company on behalf of itself	-	870,087	-	1,155,426
-USD	235,647	235,647	273,080	273,080
-EUR	258,055	275,121	359,029	406,374
-TL	929,292	49,699	1,862,954	139,767
-Others (*)	-	309,620	-	336,205
B. Total amount for guarantees provided on behalf of subsidiaries accounted under full consolidation method	-	92,105	-	81,370
-USD	4,354	4,354	85	85
-EUR	-	-	-	-
-TL	822	44	822	62
-Others (*)	-	87,707	-	81,224
C. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-
D. Other guarantees given	-	-	-	-
i. Total amount of guarantees given on behalf of the parent company	-	-	-	-
ii. Total amount of guarantees provided on behalf of the associates which are not in the scope of B and C	-	-	-	-
iii. Total amount of guarantees provided on behalf of third parties which are not in the scope of C	-	-	-	-
		<u>962,192</u>		<u>1,236,796</u>

(*) U.S Dollar equivalents of letters of guarantee, guarantee notes given, mortgage and pledges other than USD, TL and EUR.

As of 31 December 2022 the portion of other guarantess given to shareholders’ equity is 0% (31 December 2021 - 0%).

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19. PROVISIONS FOR EMPLOYEE BENEFITS**a) Short-term employee benefits****Liabilities with the scope of employee benefits**

	31 December 2022	31 December 2021
Payroll payable and related taxes	17,427	21,143
	<u>17,427</u>	<u>21,143</u>

Short-term provisions related to employee benefits

	31 December 2022	31 December 2021
Bonus accrual	3,366	4,680
Vacation pay liability	6,255	4,487
	<u>9,621</u>	<u>9,167</u>

b) Long-term employee benefits

In accordance with existing social legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days’ pay limited to a maximum of full TL 15,371.40 equivalent to full USD 822 (31 December 2021 - full TL 8,284 equivalent to full USD 622) per year of employment at the rate of pay applicable at the date of retirement or termination.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2022, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated , assuming an annual inflation rate of 9.8% and a discount rate of 2% (31 December 2021 – 3.41%).

Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration. Retirement ceiling pay revised each six month period basis and ceiling amount of full TL 19,982.83 equivalent to full USD 1,069 which is in effect since 1 January 2023 is used in the calculation of Groups’ provision for retirement pay liability (1 January 2022 – full TL 10,849 equivalent to full USD 814).

Movements of the provision for employee termination benefits for the years ended 31 December 2022 and 2021 are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	9,172	13,356
Service cost	4,507	2,420
Actuarial loss	3,262	480
Retirement benefits paid	(826)	(3,017)
Currency translation difference	3,103	(4,067)
Closing balance	<u>19,218</u>	<u>9,172</u>

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20. OTHER ASSETS AND LIABILITIES

	31 December 2022	31 December 2021
Other current assets		
Deferred VAT	21,958	18,938
VAT receivable	33,610	21,029
Prepaid taxes and funds	4,487	18,089
Other	2,321	5,361
	<u>62,376</u>	<u>63,417</u>
	31 December 2022	31 December 2021
Other non-current assets		
Other	68	78
	<u>68</u>	<u>78</u>
	31 December 2022	31 December 2021
Other current liabilities		
VAT payable	27,238	56,097
Taxes and funds payable	9,471	11,882
Other	3,056	2,625
	<u>39,765</u>	<u>70,604</u>

21. SHARE CAPITAL AND RESERVES**a) Share capital**

The shareholders of the Group and their percentage of ownership as of 31 December 2022 and 2021 is as follows:

	31 December 2022		31 December 2021	
	Percentage of ownership	Amount	Percentage of ownership	Amount
Tara Holding A.Ş.	49.80%	1,370,475	49.80%	1,358,385
Vildan Gülçelik	7.99%	219,931	7.99%	217,991
Sevda Gülçelik	6.43%	176,951	6.43%	175,390
Enka Spor Eğitim ve Sosyal Yardım Vakfı	5.87%	161,540	5.87%	160,115
Other	29.91%	823,061	29.91%	815,801
	<u>100%</u>	<u>2,751,958</u>	<u>100%</u>	<u>2,727,682</u>
Purchase of treasury shares (*)		(127,194)		(129,468)
		<u>2,624,764</u>		<u>2,598,214</u>

(*) Group’s buyback transactions have reached 139,217,400 shares (2021 – 147,978,925) in 2022.

As of 31 December 2022, 8.83% of the shares of Enka İnşaat is traded publicly in İstanbul Stock Exchange (ISE).

Within the above mentioned shares, founders of Enka İnşaat and former Enka Holding have one thousand founders share each. The founder shares of Enka İnşaat and the founder shares of former Enka Holding are entitled to receive, 5% and 2.5%, respectively, of the net income after the deduction of legal reserve and the first dividends.

Based on the decision of the General Assembly meeting held on March 25, 2022, The Group was decided to increase its capital from full TL 5,600,000,000 to full TL 6,000,000,000 and the increase was realized. The entire amount of full TL 400,000,000 was covered by the dividends. The issued capital of the company is divided into 6,000,000,000 registered shares with a nominal value of 1 (One) full TL. Each of the company shares has 1 (One) voting right.

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21. SHARE CAPITAL AND RESERVES (cont’d)**b) Revaluation surplus*****Revaluation fund***

Revaluation difference arising from difference between book value and fair value of the buildings is netted off with the related deferred tax and classified as revaluation surplus and included under equity.

The movement of revaluation fund for the years 2022 and 2021 is as follows:

	1 January- 31 December 2022	1 January- 31 December 2021
Opening balance	110,445	111,729
Hyperinflationary restatement to 1 January 2022	3,416	-
Restated opening at 1 January 2022	113,861	111,729
Currency translation difference	3,188	(5,224)
Revaluation of fixed assets	77,327	5,214
Disposals from revalued fixed assets	-	(294)
Deferred tax effect of revaluation of fixed assets	(5,330)	(1,023)
Transfer of depreciation difference (net of deferred tax) of revaluation effect	(374)	43
Closing balance	<u>188,672</u>	<u>110,445</u>

Financial Risk Hedge Fund

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.

c) Legal reserves and accumulated profit

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. Dividend distributions are made in TL in accordance with its Articles of Association, after deducting taxes and setting aside the legal reserves as discussed above.

Listed companies in Turkey make profit distributions in accordance with the regulations of CMB.

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21. SHARE CAPITAL AND RESERVES (cont’d)**c) Legal reserves and accumulated profit (cont’d)**

Equity inflation adjustment and carrying value of extraordinary reserves can be used in free capital increase, cash profit distribution and loss deduction. However, equity inflation adjustment is subject to corporate tax if it is used in cash profit distribution.

As of 31 December 2022, legal reserves of Enka İnşaat are amounting to TL 2,190,299 equivalent to USD 117,139 (31 December 2021 – TL 1,560,528 equivalent to USD 117,078).

The movement of the share capital (in numbers and in historical TL) of the Group during 31 December 2022 and 2021 is as follows:

	31 December 2022		31 December 2021	
	Number	TL	Number	TL
At 1 January,	5,461,886,335	5,461,886	5,461,886,335	5,461,886
Bonus shares issued out of general reserve	390,134,738	390,135	-	-
Treasury shares	8,761,527	8,762	-	-
	<u>5,860,782,600</u>	<u>5,860,783</u>	<u>5,461,886,335</u>	<u>5,461,886</u>

d) Remeasurement of defined benefit plans

As a result of adoption of IAS 19, actuarial gains and losses are recognized as other comprehensive income.

22. REVENUE AND COST OF REVENUE

Revenue	1 January - 31 December 2022	1 January - 31 December 2021
Domestic sales	2,059,161	1,410,724
Export sales	<u>1,710,353</u>	<u>1,448,687</u>
	<u>3,769,514</u>	<u>2,859,411</u>
Cost of Revenue	1 January - 31 December 2022	1 January - 31 December 2021
Cost of domestic sales	1,827,946	1,137,078
Cost of export sales	<u>1,096,471</u>	<u>952,024</u>
	<u>2,924,417</u>	<u>2,089,102</u>

Segmental information of the Group is disclosed in Note 5.

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23. MARKETING, SALES, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Administrative expenses	87,955	83,242
Marketing, sales and distribution expenses	22,292	28,149
	<u>110,247</u>	<u>111,391</u>

a) Marketing, sales and distribution expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Employee benefit expenses	16,684	21,681
Advertisement & Commission Expenses	1,974	2,234
Transportation expenses	851	1,009
Office expenses	523	693
Business development expenses	156	49
Depreciation and amortization expenses (Note 24)	343	113
Other	1,761	2,370
	<u>22,292</u>	<u>28,149</u>

b) General administrative expenses

	1 January - 31 December 2022	1 January - 31 December 2021
Employee benefit expenses	58,704	52,237
Consulting and legal expenses	3,192	4,600
Depreciation and amortization expenses (Note 24)	4,274	3,863
Insurance expense	3,779	7,533
Transportation expenses	3,922	5,156
Office Expenses	1,758	3,077
Rent expenses	205	648
Other	12,121	6,128
	<u>87,955</u>	<u>83,242</u>

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24. EXPENSES BY NATURE

Depreciation and amortization expenses are detailed below:

	1 January - 31 December 2022	1 January - 31 December 2021
<u>Depreciation expenses</u>		
Cost of revenues	99,055	73,524
Selling and administrative expenses	4,475	3,903
	<u>103,530</u>	<u>77,427</u>

Amortization expenses

Cost of revenues	3,819	5,128
Selling and administrative expenses	142	73
	<u>3,961</u>	<u>5,201</u>
	<u>107,491</u>	<u>82,628</u>

Employee benefit expenses are detailed below:

	1 January - 31 December 2022	1 January - 31 December 2021
Wages and salaries	252,068	275,430
Social security costs	59,066	42,169
Provision for employee termination benefits (Note 19)	4,507	2,420
Other benefits	4,965	4,737
	<u>320,606</u>	<u>324,756</u>

25. OTHER OPERATING INCOME / EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
<u>Other operating income</u>		
Foreign exchange gains from trade receivables	21,951	42,236
Machinery and other rent income	566	1,423
Repaired spare parts gained as an inventory	371	1,591
Compensation income	7,787	1,798
Insurance compensation income	1,005	-
Service income	436	550
Collection of doubtful receivables (Note 9)	81	128
Other	2,630	2,588
	<u>34,827</u>	<u>50,314</u>

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25. OTHER OPERATING INCOME / EXPENSES (cont’d)

	1 January - 31 December 2022	1 January - 31 December 2021
Other operating expense		
Foreign exchange losses from trade receivables	23,955	36,947
Donations	5,773	3,145
Litigation provisions	3,998	7,559
Tax penalties	3,008	2,672
Capital increase expense	242	261
Provision for doubtful receivables (Note 9)	51	440
Disposal from fixed assets*	961	46,196
Rent expense	382	-
Other	10,019	8,766
	<u>48,389</u>	<u>105,986</u>

(*)The Group's 90% owned subsidiary, ENKA Renewables LLC, terminated the Build, Own Operate Agreement signed with the Government of Georgia, Georgian Energy Development Fund JSC, Namakhvani JSC, Electricity System Commercial Operator JSC and Georgian State Electro System JSC dated 25 April 2019 within the scope of the development, construction, ownership and operation of the Namakhvani Cascade HEPP Project in Georgia. Termination was due to Government of Georgia's events of default and force majeure. Since the capitalized property, plant and equipment of the Project cannot be utilized, the property, plant and equipment with a net book value of USD 40,389 were written off as of 31 December 2021.

26. INVESTMENT INCOME / EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Income from investing activities		
Interest income from financial investments	63,175	81,410
Increase in value of financial investments	-	9,716
Increase in the fair value of investment properties	38,823	83,043
Income from sale of securities	150,213	96,980
Foreign exchange income from investing activities	21,236	23,874
Dividend income	23,809	22,375
Gains from sales of property, plant and equipment	6,482	10,116
	<u>303,738</u>	<u>327,514</u>

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26. INVESTMENT INCOME / EXPENSES (cont’d)

	1 January - 31 December 2022	1 January - 31 December 2021
Expenses from investing activities		
Decrease in the fair value of investment properties	(122,097)	-
Losses from valuation of investment securities*	(623,113)	(82,486)
Foreign exchange losses from investing activities	(68,914)	(78,407)
Losses from sale of securities	(64,945)	(26,052)
Loss from sales of property, plant and equipment	(1,002)	(393)
	<u>(880,071)</u>	<u>(187,338)</u>

*"Losses from valuation of investment securities" classified under Expenses from Investing Activities is the valuation loss resulting from valuation of Financial Investment amounting to USD 3,570,813 in the Group's balance sheet within the scope of IFRS 9. The breakdown of this valuation loss by financial assets is as follows.

	31 December 2022	31 December 2021
Financial assets at fair value through profit or loss		
Private sector bonds	(83,375)	-
Foreign Government bonds	(135,597)	-
Equity securities	(284,599)	(82,486)
Turkish Government bonds	(16,961)	-
Mutual funds	(102,581)	-
	<u>(623,113)</u>	<u>(82,486)</u>

27. FINANCIAL INCOME

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange gains	75,820	77,845
Interest income	49,677	10,403
Forward transactions income	9,391	6,144
	<u>134,888</u>	<u>94,392</u>

28. FINANCIAL EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Bank commission expenses	8,382	6,609
Foreign exchange losses	37,852	13,167
Forward transactions losses	10,410	5,561
Interest expenses	7,154	2,395
Commission expenses of letters of guarantee	1,685	7,497
Other	-	118
	<u>65,483</u>	<u>35,347</u>

29. ASSETS HELD FOR SALE**Lands and buildings held for sale**

As of 31 December 2022, assets held for sale comprise of lands and buildings obtained by Enka Pazarlama and Enka Kazakhstan Branch in consideration of their doubtful receivables and are amounting to USD 16,533 (31 December 2021 – USD 20,300).

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30. TAXATION ON INCOME

Corporate Tax

The Company and its subsidiaries are subject to tax legislation and practices effective in Turkey. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant period and is paid in one installment until the end of the relevant month.

In Turkey, the corporate tax rate was applied as 20% after 1 January 2021 to the legal tax base, which was calculated by adding non-deductible expenses to and by deducting the exemptions from the commercial income in accordance with the tax laws. However, according to the Article 11 of the Law numbered 7316 “Law on Collection Procedure of Public Claims and Law on Amending Certain Laws” which was published on the Official Gazette numbered 31462 on 22 April 2021 and according to the provisional clause 13 added to the Corporate Tax Law numbered 5520; corporate tax rate is amended to 23% for the corporate earnings of the 2022 taxation period. Therefore, the Company and its subsidiaries used 23% taxation rate for the calculation of current period’s taxation.

Within the scope of this amendment, tax rate used in the deferred tax calculation as of 31 December 2022 is %20 (31 December 2021: For the portions of temporary differences that will have tax effects in 2022 and the following periods 23% ve 20% respectively)

Turkish tax legislation does not allow the parent company to file a tax return based on the consolidated financial statements. Therefore, provision for taxes in previous periods, as reflected in the financial statements, has been calculated on a separate-entity basis. According to the Tax Procedure Law, financial losses can be carried for a maximum of five years. Tax authorities may inspect tax returns and the related accounting records and may revise assessments within five years.

Dividend payments made to resident joint-stock companies in Turkey, except to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 15% income tax.

Dividend payments made from joint stock companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital.

Dividend earnings of corporations from participation in another fully liable corporation are exempt from corporate tax. In addition, 75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares which are recognised in assets at least for two years is exempt from corporate tax as of 31 December 2017. However, according to the amendments with Law numbered 7061, this rate has been reduced from 75% to 50% in terms of immovables and this rate is used as 50% in tax returns to be prepared as of 2018.

In order to benefit from the exemption, the relevant income should be kept under a fund account in liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within four months following the close of the accounting year to which they relate. Tax authorities may, however, inspect tax returns and the related accounting records and may revise assessments within five years.

Income Withholding Tax

There is a withholding tax liability on dividend distributions, and this withholding liability is accrued in the period when the dividend payment is made. Dividend payments are subject to a 15% withholding tax until 22 December 2021, except for non-resident companies that generate income through a workplace or their permanent representative in Turkey, and those made to companies residing in Turkey. However, in accordance with the Presidential Decision No. 4936, published in the Official Gazette dated 22 December 2021 and numbered 31697, the withholding tax rate of 15% has been reduced to 10%.

In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the withholding tax rates in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of retained earnings to the capital is not considered a profit distribution, therefore it is not subject to withholding tax.

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30. TAXATION ON INCOME (cont’d)

Transfer pricing regulation

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price they have determined in violation of the arm's length principle, the profit is deemed to have been distributed implicitly through transfer pricing in whole or in part. Disguised profit distribution through such transfer pricing is considered a non-deductible expense for corporate tax.

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its consolidated financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

Deferred tax assets and liabilities are calculated by using valid tax rates in related countries.

Tax legislations in other countries

As of 31 December 2022 and 2021 effective corporation tax rate in other countries are as follows:

	31 December 2022	31 December 2021
Russia	20%	20%
Netherlands	25%	25%
Kazakhstan	28% - 32%	28% - 32%
Iraq	15% - 35%	15% - 35%
Romania	16%	16%
Oman	12%	12%
Kosovo	10%	10%
Serbia	15%	15%
	1 January - 31 December 2022	1 January - 31 December 2021
Consolidated statement of profit or loss		
Current corporate tax	(187,710)	(121,789)
Deferred tax expense	92,744	(79,239)
	<u>(94,966)</u>	<u>(201,028)</u>

The movement of the current income tax liability is given as follows:

	2022	2021
1 January	27,368	19,478
Current year tax expense	187,710	121,789
Taxes paid	<u>(156,077)</u>	<u>(113,899)</u>
31 December	<u>59,001</u>	<u>27,368</u>

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30. TAXATION ON INCOME (cont’d)

A reconciliation of the nominal (on the basis of the income tax rate of the Company and the Turkish subsidiaries) to the effective tax rate for the years ended 31 December 2022 and 2021 is provided below:

	1 January - 31 December 2022		1 January - 31 December 2021	
Profit before tax	111,106		802,467	
Tax per statutory tax rate	25,223	23%	200,617	25%
Jobsites exempt from income tax	304	0.2%	(20,210)	(2.5%)
Effect of different functional currencies and others	69,439	63,3%	20,621	2,6%
	<u>94,966</u>	<u>86.6%</u>	<u>201,028</u>	<u>25.1%</u>
Taxation charge				

As of 31 December 2022 and 2021, the breakdown of temporary differences which give rise to deferred taxes is as follows:

	31 December 2022	31 December 2021
Remeasurement and revaluation of property, plant and equipment, intangible assets and investment property	(378,390)	(339,053)
GE Inventory in the context of "PSA" (*)	(14,274)	(21,155)
Adjustments on financial instruments and derivatives	(64,187)	(87,930)
Others	<u>(271)</u>	<u>(3,462)</u>
Gross deferred income tax liabilities	<u>(457,122)</u>	<u>(451,600)</u>
Allowance for retirement pay liability	2,183	1,213
Allowance for doubtful receivables	-	115
Others	14,239	-
Gross deferred income tax assets	<u>16,422</u>	<u>1,328</u>
Net deferred tax liability	<u>(440,700)</u>	<u>(450,272)</u>

(*) Implies deferred tax liabilities estimated from temporary differences related to “Parts and Services Agreement” (PSA) made with the Group’s spare part supplier General Electric (GE).

Deferred tax is reflected in the statement of financial position as:

	31 December 2022	31 December 2021
Deferred tax assets	21,563	13,239
Deferred tax liabilities	<u>(462,263)</u>	<u>(463,511)</u>
Net deferred liabilities	<u>(440,700)</u>	<u>(450,272)</u>

Total amount of temporary differences and deferred tax liabilities which have not been recognized as of 31 December 2022 related with Group’s shares in its subsidiaries, branches and associates is USD 3,017,187 (31 December 2021 - USD 2,366,502).

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30. TAXATION ON INCOME (cont’d)

As of 31 December 2022 and 2021, movement of net deferred tax asset (liability) can be presented as follows:

	2022	2021
Balance at 1 January	450,272	451,768
Deferred income tax expense recognized in consolidated statement of profit or loss	(92,744)	79,239
Deferred income tax expense recognized in equity	4,678	927
Currency translation difference	78,494	(81,662)
31 December	<u>440,700</u>	<u>450,272</u>

As of 31 December 2022 and 2021, the breakdown of deferred taxes which are recognised in other comprehensive income is as follows:

	31 December 2022			31 December 2021		
	Deferred tax Before Taxation	(expense)/ income	Netted-off deferred tax	Deferred tax Before Taxation	(expense)/ income	Netted-off deferred tax
Change in revaluation of buildings	77,327	(5,330)	71,997	5,214	(1,023)	4,191
Revaluation loss of defined benefit plans	(3,262)	652	(2,610)	(480)	96	(384)
Changes in fair value of derivative assets	268	-	268	309	-	309
Changes in currency translation differences	90,664	-	90,664	(389,669)	-	(389,669)
	<u>164,997</u>	<u>(4,678)</u>	<u>160,319</u>	<u>(384,626)</u>	<u>(927)</u>	<u>(385,553)</u>

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31. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the EPS calculation such bonus share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Accordingly the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares without consideration through 31 December 2022.

	31 December 2022	31 December 2021
Earning per share		
- ordinary share certificate (full USD)	0.00	0.10
- founder shares (*)	-	-
Weighted average number of share certificates		
(nominal value of 1 TL each)	5,860,782,600	5,461,886,335
- ordinary share certificate	5,852,021,073	5,461,886,335
-treasury shares	8,761,527	-
- founder shares		

(*) Since 2022 profit distribution was not determined as of the date of the preparation date of the consolidated financial statements, total of the earnings per share is reflected on ordinary share certificates.

32. RELATED PARTY BALANCES AND TRANSACTIONS**Related parties**

The Group is controlled by Tara Holding (49.80%) (31 December 2021 – 49.80%) and Tara and Gülçelik families (28.40%) (31 December 2021 – 28.40%). For the purposes of the consolidated financial statements, balances with the shareholder companies, individual shareholders, unconsolidated subsidiaries, associated companies, equity participations and their affiliates are referred to as “related parties”. Related parties also include management and members of the Group’s Board of Directors.

In the course of conducting business, the Group conducted various business transactions with related parties on commercial terms. The breakdown of balances with related parties and details of significant related party transactions are as follows:

	31 December 2022		31 December 2021	
	Receivables	Payables	Receivables	Payables
Shareholders	-	7	-	8
Enka Spor Kulübü	-	-	2	-
	<u>-</u>	<u>7</u>	<u>2</u>	<u>8</u>

As of 31 December 2022, the Group gained USD 3.98 rent income from related parties (31 December 2021 - USD 5.32). As of 31 December 2022 the Group does not have any sales to related parties (2021 - None).

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32. RELATED PARTY BALANCES AND TRANSACTIONS (cont’d)**Top management’s remuneration**

The total wages paid for the members of Board of Directors of the Group is amounting to USD 4,140 (31 December 2021 - USD 4,411), the social security payments and retirement pay provisions are USD 514 (31 December 2021 – USD 304) and USD 134 (31 December 2021– USD 161) respectively. Total wages paid for the general manager, general coordinators and vice general managers of the Group (except BOD members), is amounting to USD 11,360 (31 December 2021 – USD 11,960), the social security payment and retirement pay provisions are USD 1,109 (31 December 2021 – USD 905) and USD 1,216 (31 December 2021 – USD 1,051) respectively.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise bank loans, investment securities, lease obligations, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The management reviews and agrees policies for managing each of these risks. The Group monitors the market price risk arising from all financial instruments periodically.

Capital risk management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. Capital structure of the Group comprises from liabilities, cash and cash equivalents, paid-in capital and legal reserves explained in Note 21.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or the shareholders may make a direct cash contribution of the needed working capital to the Group. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including ‘current and non-current borrowings’ as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated statement of financial position plus net debt.

Total Assets / Total Equity	31 December	31 December
	2022	2021
Cash, cash equivalents and financial assets	4,597,104	5,265,431
Less: Total Financial Liabilities	188,444	164,980
Net Assets	4,408,660	5,100,451
Equity	6,903,896	6,741,584
Equity - Net Assets	2,495,236	1,641,133
Total Net Assets to Equity Ratio	63.86%	75.66%

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors

Interest risk

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s debt obligations with floating interest rates. The Group is managing interest risk that arises from assets and liabilities sensitive to interest risk by using balancing assets and liabilities.

Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euro, Russian Ruble and also U.S Dollar which arises from the liabilities belonging to the companies in the consolidation scope, whose the functional currency is not U.S Dollar.

The Group is engaged in construction, trading, energy and real estate operations business in several countries and, as a result, is exposed to movements in foreign currency exchange rates. In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investments in foreign subsidiaries. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

The foreign currency risk of the Group arises from the credits used in U.S. Dollars, Euro and JPY. In order to mitigate the risk, the Group continuously monitors its cash inflows/outflows and also uses financial instruments to hedge the risk when it is necessary.

The following table details the Group’s foreign currency position as at 31 December 2022 and 2021:

	31 December 2022	31 December 2021
A. Assets denominated in foreign currency	1,031,849	1,224,233
B. Liabilities denominated in foreign currency	(517,706)	(581,703)
Net foreign currency position (A+B)	514,143	642,530

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)

Foreign currency risk (cont’d)

The Group’s foreign currency position at 31 December 2022 and 2021 is as follows (non monetary items are not included in the table as they don’t have foreign currency risk):

31 December 2022							
	TL	USD Equivalent	Euro	USD Equivalent	Other USD (*)	USD (**)	Total USD Equivalent
Cash and cash equivalents	395,193	21,135	72,891	77,709	114,886	18,838	232,568
Financial investments	2,229,569	119,239	148,456	158,269	203,482	-	480,990
Trade and other receivables	196,646	10,517	42,884	45,719	46,497	5,492	108,225
Other current assets	105,423	5,638	12,635	13,470	84,525	44,910	148,543
Current assets	2,926,831	156,529	276,866	295,167	449,390	69,240	970,326
Financial investments	-	-	34,043	36,293	11,010	-	47,303
Trade and other receivables	-	-	8,962	9,555	-	-	9,555
Other non-current assets	24,790	1,326	99	106	3,230	3	4,665
Non-current assets	24,790	1,326	43,104	45,954	14,240	3	61,523
Total assets	2,951,621	157,855	319,970	341,121	463,630	69,243	1,031,849
Short-term borrowings	-	-	42,222	45,013	562	-	45,575
Trade and other payables	211,782	11,326	82,149	87,579	225,674	16,300	340,879
Other current liabilities and accrued expenses	372,067	19,898	345	368	76,403	15,862	112,531
Current liabilities	583,849	31,224	124,716	132,960	302,639	32,162	498,985
Trade and other payables	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	15,067	-	15,067
Other non-current liabilities	-	-	-	-	-	3,654	3,654
Non-current liabilities	-	-	-	-	15,067	3,654	18,721
Total liabilities	583,849	31,224	124,716	132,960	317,706	35,816	517,706
Net foreign currency position	2,367,772	126,631	195,254	208,161	145,924	33,427	514,143
Net notional amount of derivatives	-	-	100,000	106,610	-	-	106,610

(*) U.S.Dollar equivalents of the foreign currency balances other than TL and Euro.

(**) U.S.Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S.Dollar.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)

Foreign currency risk (cont’d)

	31 December 2021						
	TL	USD Equivalent	Euro	USD Equivalent	Other USD (*)	USD (**)	Total USD Equivalent
Cash and cash equivalents	65,947	4,948	209,871	237,553	104,003	68,942	415,446
Financial investments	1,511,128	113,371	129,854	146,982	236,301	-	496,654
Trade and other receivables	35,367	2,653	39,763	45,008	42,507	3,942	94,110
Other current assets	166,353	12,481	77,050	87,213	35,971	46,682	182,347
Current assets	1,778,795	133,453	456,538	516,756	418,782	119,566	1,188,557
Financial investments	-	-	11,229	12,710	11,954	-	24,664
Trade and other receivables	-	-	8,441	9,555	-	-	9,555
Other non-current assets	15,971	1,198	198	224	32	3	1,457
Non-current assets	15,971	1,198	19,868	22,489	11,986	3	35,676
Total assets	1,794,766	134,651	476,406	539,245	430,768	119,569	1,224,233
Short-term borrowings	-	-	25,018	28,318	9,138	-	37,456
Trade and other payables	98,270	7,373	158,028	178,872	203,850	19,034	409,129
Other current liabilities and accrued expenses	331,129	24,843	5,857	6,629	66,076	17,166	114,714
Current liabilities	429,399	32,216	188,903	213,819	279,064	36,200	561,299
Trade and other payables	-	-	-	-	-	-	-
Long-term borrowings	-	-	-	-	17,320	-	17,320
Other non-current liabilities	-	-	9	10	-	3,074	3,084
Non-current liabilities	-	-	9	10	17,320	3,074	20,404
Total liabilities	429,399	32,216	188,912	213,829	296,384	39,274	581,703
Net foreign currency position	1,365,367	102,435	287,494	325,416	134,384	80,295	642,530
Net notional amount of derivatives	909	68	135,942	153,873	-	-	153,941

(*) U.S.Dollar equivalents of the foreign currency balances other than TL and Euro.

(**) U.S.Dollar balances of consolidated subsidiaries and joint ventures whose functional currency is other than U.S.Dollar.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)

Foreign currency risk (cont’d)

The details of the forward contracts and sales-purchase agreements are explained in Note 17 in order to manage Group’s foreign currency position.

The following table demonstrates the sensitivity to reasonably possible increase of 10% in the exchange rates against functional currency, with all other variables held constant, of the Group’s consolidated statement of profit or loss.

The following table details the Group’s foreign currency sensitivity as at 31 December 2022 and 2021:

	31 December 2022		31 December 2021	
	Profit / (loss)		Profit / (loss)	
	Valuation of foreign currency	Devaluation of foreign currency	Valuation of foreign currency	Devaluation of foreign currency
<i>In the case of TL gaining 10% value against US Dollar</i>				
1- TL net asset / (liability)	12,663	(12,663)	10,244	(10,244)
2- Portion hedged against TL risk (-)	-	-	7	(7)
3- TL net effect (1+2)	12,663	(12,663)	10,251	(10,251)
<i>In the case of Euro gaining 10% value against US Dollar</i>				
4- Euro net asset / (liability)	20,816	(20,816)	32,542	(32,542)
5- Portion hedged against Euro risk (-)	10,661	(10,661)	15,387	(15,387)
6- Euro net effect (4+5)	31,477	(31,477)	47,929	(47,929)
<i>In the case of other foreign currencies gaining 10% value against US Dollar</i>				
7- Other foreign currency net asset / (liability)	14,592	(14,592)	13,438	(13,438)
8- Portion hedged against other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	14,592	(14,592)	13,438	(13,438)
Total (3+6+9)	58,732	(58,732)	71,618	(71,618)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate. It is the Group’s policy to enter into financial instruments with a diversity of creditworthy counterparties. Therefore, the Group does not expect to incur material credit losses on its risk management or other financial instruments.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)

Credit risk (cont’d)

31 December 2022	The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E)	Receivables					Derivative instruments	Bank deposits	Financial assets at fair value through profit or loss (**)
		Trade receivables		Other receivables					
		Related party	3rd party	Related party	3rd party	3rd party			
-	Total receivable that have been secured with collaterals, other credit enhancements etc.	-	312,974	-	7,146	-	1,020,957	-	2,539,096
A.	Financial assets that are either past due or impaired	-	72,816	-	-	-	-	-	-
B.	The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	298,075	-	7,146	-	1,020,957	-	2,539,096
C.	The amount of financial assets that are past due as at the end of the reporting period but not impaired.	-	14,899	-	-	-	-	-	-
-	The amount that have been secured with collaterals, other credit enhancements etc.	-	14,899	-	-	-	-	-	-
D.	The amount of financial assets that are impaired	-	-	-	-	-	-	-	-
-	Past due (Gross book value)	-	13,408	-	-	-	-	-	-
-	The amount of impairment (-)	-	(13,408)	-	-	-	-	-	-
-	The amount that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-	-	-
-	Not past due (Gross book value)	-	-	-	-	-	-	-	-
-	The amount of impairment (-)	-	-	-	-	-	-	-	-
E.	Off balance sheet credit risk amount	-	-	-	-	-	-	-	-
31 December 2022		Receivables					Derivative instruments		Other
		Trade receivables		Other receivables					
Overdue between 1 to 30 days		1,552		-			-		-
Overdue between 1 to 3 months		9,653		-			-		-
Overdue between 3 to 12 months		3,694		-			-		-
Overdue between 1 to 5 years		-		-			-		-
Overdue over 5 years		-		-			-		-
		14,899		-			-		-

(**) Equity securities are excluded since they do not expose any credit risk.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)

Credit risk (cont’d)

31 December 2021	The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E)	Receivables				Derivative instruments	Bank deposits	Financial assets at fair value through profit or loss (**)	
		Trade receivables		Other receivables					
		Related party	3rd party	Related party	3rd party				
-	Total receivable that have been secured with collaterals, other credit enhancements etc.	-	284,554	2	13,512	2,059,257	-	1,491,913	
A.	Financial assets that are either past due or impaired	-	27,663	-	-	-	-	-	
B.	The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	278,564	2	13,512	2,059,257	-	1,491,913	
C.	The amount of financial assets that are past due as at the end of the reporting period but not impaired.	-	-	-	-	-	-	-	
-	The amount that have been secured with collaterals, other credit enhancements etc.	-	5,990	-	-	-	-	-	
D.	The amount of financial assets that are impaired	-	5,990	-	-	-	-	-	
-	Past due (Gross book value)	-	-	-	-	-	-	-	
-	The amount of impairment (-)	-	14,320	-	-	-	-	-	
-	The amount that have been secured with collaterals, other credit enhancements etc.	-	(14,320)	-	-	-	-	-	
-	Not past due (Gross book value)	-	-	-	-	-	-	-	
-	The amount of impairment (-)	-	-	-	-	-	-	-	
E.	Off balance sheet credit risk amount	-	-	-	-	-	-	-	
31 December 2021		Receivables		Receivables		Derivative instruments		Other	
	Overdue between 1 to 30 days	Trade receivables		Other receivables		Bank deposits			
	Overdue between 1 to 3 months	1,422		-		-		-	
	Overdue between 3 to 12 months	1,092		-		-		-	
	Overdue between 1 to 5 years	3,476		-		-		-	
	Overdue over 5 years	-		-		-		-	
		5,990		-		-		-	

(**) Equity securities are excluded since they do not expose any credit risk.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)**Liquidity risk**

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

The maturity analysis of the non-derivative financial liabilities is presented based on the period between balance sheet date and maturity date of these non-derivatives financial liabilities.

The table below summarizes the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments.

Current liabilities31 December 2022

	Total cash outflow according to				
Contractual maturity analysis	Carrying value	contract (I+II+III)	Up to 1 month (I)	1 to 3 months (II)	3 to 12 months (III)
Non-derivative financial liabilities					
Financial liabilities and lease obligations	61,255	62,289	893	53,405	7,991
Trade payables	451,180	451,180	221,109	87,553	142,518
Other payables to related parties	7	7	7	-	-

Non-current liabilities31 December 2022

	Total cash outflow according to				
Contractual maturity analysis	Carrying value	contract (I+II+III)	1 -3 years (I)	3 to 5 years (II)	5+ years (III)
Non-derivative financial liabilities					
Financial liabilities and lease obligations	127,189	127,189	28,283	9,176	89,730

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont’d)

Financial risk factors (cont’d)**Liquidity risk (cont’d)****Current liabilities**31 December 2021

	Total cash outflow according to				
Contractual maturity analysis	Carrying value	contract (I+II+III)	Up to 1 month (I)	1 to 3 months (II)	3 to 12 months (III)
Non-derivative financial liabilities					
Financial liabilities and lease obligations	60,352	61,947	234	9,897	51,816
Trade payables	348,309	348,309	209,694	46,724	91,891
Other payables to related parties	8	8	8	-	-

Non-current liabilities31 December 2021

	Total cash outflow according to				
Contractual maturity analysis	Carrying value	contract (I+II+III)	1 -3 years (I)	3 to 5 years (II)	5+ years (III)
Non-derivative financial liabilities					
Financial liabilities and lease obligations	104,628	104,719	29,475	6,218	69,026

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34. FINANCIAL INSTRUMENTS – FAIR VALUE EXPLANATIONS AND ACCOUNTING POLICY FOR HEDGING FINANCIAL RISK

Fair value of financial assets and liabilities

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

Foreign currency denominated receivables and payables are revalued with the exchange rates valid as of the date of the financial statements.

The following methods and assumptions were used to estimate the fair value of the financial instruments that are not carried at fair value on the balance sheet:

Financial assets

The fair values of cash, amounts due from banks and other monetary assets are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables are estimated to be their fair values due to their short-term nature. It is considered that the fair values of the long term receivables are approximate to their respective carrying values as they are accounted for in foreign currencies.

Financial liabilities

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of the trade payables after discount are considered to be approximate to their corresponding carrying values. It is considered that the fair values of the long term payables and long term financial borrowings are approximate to their respective carrying values as they are accounted for in foreign currencies.

Derivative instruments / forward contracts purchase – sales agreements

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices.

The table below shows derivative financial instruments analyzed by the term to maturity. The notional amount is the amount of a derivative’s underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

As of 31 December 2022 and 2021, the fair value of financial instrument is calculated by using forward exchange rates at the balance sheet date.

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34. FINANCIAL INSTRUMENTS – FAIR VALUE EXPLANATIONS AND ACCOUNTING POLICY FOR HEDGING FINANCIAL RISK (cont’d)

Derivative instruments / forward contracts purchase – sales agreements (cont’d)

	31 December 2022		
	Unrealized Gain/(Loss)	1 to 12 months	1 to 2 years
Derivative instruments	-	-	-
Forward contracts sales agreements	-	106,784	-
Forward contracts purchase agreements	-	101,328	-

	31 December 2021		
	Unrealized Gain/(Loss)	1 to 12 months	1 to 2 years
Derivative instruments	(1,878)	-	-
Forward contracts sales agreements	-	154,324	-
Forward contracts purchase agreements	-	152,447	-

Fair value hierarchy

The Group classifies the fair value measurement of each class of financial instruments that are measured at fair value on the balance sheet, according to the source, using three-level hierarchy, as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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34. FINANCIAL INSTRUMENTS – FAIR VALUE EXPLANATIONS AND ACCOUNTING POLICY FOR
HEDGING FINANCIAL RISK (cont’d)

Fair value hierarchy (cont’d)

31 December 2022:

	Level 1	Level 2	Level 3
Private sector bonds	407,551	-	-
Equity securities	1,031,717	9,279	8,016
Foreign government bonds	1,639,396	-	-
Turkish government bonds	300,405	-	-
Mutual funds	118,672	30,754	25,023
Financial assets at fair value through profit or loss	3,497,741	40,033	33,039
Derivative instruments	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-

31 December 2021:

	Level 1	Level 2	Level 3
Private sector bonds	877,019	-	-
Equity securities	1,711,811	3,749	7,720
Foreign government bonds	113,483	-	-
Turkish government bonds	214,370	-	-
Mutual funds	222,845	28,404	24,323
Financial assets at fair value through profit or loss	3,139,528	32,153	32,043
Derivative instruments	-	(1,878)	-
Financial liabilities at fair value through profit or loss	-	(1,878)	-

35. EVENTS AFTER THE REPORTING PERIOD

None.