ENKA UK CONSTRUCTION LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019
ENKA UK CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors
S Akturk
B Arica
K Yalcin

Secretary
Redfern Legal LLP

Company number
10527034

Registered office
Crossway
156 Great Charles Street Queensway
Birmingham
B3 3HN

Auditor
RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
ENKA UK CONSTRUCTION LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal Activities

ENKA UK Construction Limited (ENKA UK) is engaged in the construction business and works on a project basis. Currently, it has two contracts for the construction of two power plants in Iraq in consortium with General Electric. Employer is Ministry of Electricity of Iraq. The scope of works on EPC basis includes design, manufacture, and delivery to site, erection, painting, setting to work, commissioning, start-up, and testing of the Combined Cycle Power Plants. While General Electric’s role is mainly to supply and commissioning of major equipment; ENKA UK’s role is engineering and procurement of Balance of Plant (BOP) equipment, all construction and installation activities and commissioning of power plants. The power plant configuration is 4x4x1 and will be capable to be operated by 3 different fuels, namely natural gas (NG), light distillate oil (LDO), and heavy fuel oil (HFO) / crude oil (CO). Natural gas is the primary fuel for both plants and others are back up fuels. Fuel storage and treatment facilities for liquid fuels are also included in the scope of work. The gross output at ISO conditions will be 750 MW for NG and 730 MW for HFO/CO and LDO.

Business Review

Currently ENKA UK executes two power plant projects in Iraq. The contracts have been signed-in January 2017. Both power plant projects are planned to be financed by UKF and OPIC (USA). During 2017 and 2018, OPIC portion was dismissed. Accordingly parties and stakeholders agreed to split the projects into 2 phases, basically Phase 1 is Simple Cycle Power Plant and Phase 2 is Combined Cycle Power Plant. Accordingly Amended and Restated Contract was signed by November 2018. Phase 1 of both projects are financed by UKF.

The Loan Agreements between the Iraq Ministry of Finance and UKF (and other lenders) have been signed off on 31 December 2018.

Following the Loan Agreement execution in December 2018, the Financial Closure for Phase 1 of projects was achieved in March 2019 and ENKA UK set up the physical office in UK. Prior to Financial Closure limited engineering, procurement and construction works were performed, where construction works were mainly enabling works. Following Financial Closure, Project execution of Phase 1 was commenced and continued with full steam.

Phase 1 of Projects was executed in all work fronts based on the Project Schedule and mostly ahead of the Project Schedule. By December 2019, early first fire was achieved on 2 gas turbine units (GTs) on both sites 3 months ahead of the schedule in order to test the GTs which were delivered to sites in year 2011, with a separate agreement between Iraqi Government and General Electric, named Mega Deal and stored without taking necessary precautions and preventive measures by the Employer.

As per the Amended and Restated Contract executed in December 2018, Phase 2 of the projects was planned to be financed by Iraqi Government through the loan from Trade Bank of Iraq (TBI) and supposed to commence on Q2 of 2019, however this couldn’t be achieved during 2019.

Currently, there is uncertainty now about the Phase 2 Financial Closure, but we are expecting to be achieved by Q4 of 2020. Otherwise the demobilization activities will be commenced by end of 2020 as the Phase 1 of projects are planned to be completed by end of Q1 of 2021 considering the current delays caused by unrest in Iraq by end of 2019 and COVID-19 impacts.

Principal risks and uncertainties

The company has an established risk management monitoring and review process which is reviewed regularly. The principal risks and uncertainties facing the business which could have a material impact on the business include:
ENKA UK CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

i. Political uncertainties, security issues.

ii. Finalization of financial closure of phase 2 of projects by the employer and delay of financial closure of Phase 2 of projects, increasing costs and decreasing profits due to extended project duration.

iii. Termination of Phase 2 of contracts in case the Employer does not succeed in achieving financial closure.

iv. Default by employer on the loan agreements which may cause interruption in cash flow.

v. Multiple fatalities, life-changing injuries, and injuries and long-term ill health that reduces life expectancy or the quality of life.

vi. Operational costs or delays due to extreme weather conditions.

vii. Difficulties in attracting, recruiting and/or retaining employees with needed competencies.

viii. Damaged reputation; if suppliers and subcontractors act in ways not consistent with Enka UK’s values.

ix. Failure by a supplier could result in Enka UK facing a financial loss, damaged reputation and inability to meet project schedule.

Brexit impact

ENKA UK has considered the impact of Brexit and the risks for ENKA UK. The directors continue to monitor the situation closely and will take action when the impact on ENKA UK and the wider UK economy becomes clearer.

The areas of the business likely to be impacted if the UK leave the EU without a deal are:

i. Any significant devaluation of Sterling will impact on foreign currency transactions.

ii. There will be additional administrative costs for additional customs and additional tariffs processes which may increase the procurement costs of ENKA UK.

iii. Delays at EU and UK ports could cause disruption to by delaying the deliveries to Project sites which may cause delay on project completion and idle workforce at Project sites.

Key Performance Indicators

As the ENKA UK’s works are on the project basis, the main KPI for the company is project profitability. Projects’ situation were not certain in last year, in 2019 we had substantial improvements in progress upon achievement of Financial Closure on Phase 1.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>199.7M USD</td>
<td>38.2M USD</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>20.5M USD</td>
<td>5.5M USD</td>
</tr>
</tbody>
</table>

Future Outlook

ENKA UK mobilized at the construction site with the full workforce and will complete Phase 1 of the project according to the contract requirements.
S172 Statement

S172 of the Companies Act sets out the duties of each Director of a company to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole and in doing so, have regard to a number of broader matters which are set out below:

(a) the likely consequences of any decision in the long term;
(b) the interest of the company’s employees;
(c) the need to foster the company’s business relationships with suppliers, partners, customers, and others;
(d) the impact of the company’s operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct;
(f) the need to act fairly between members of the company.

The directors of ENKA UK Construction Limited make strategic decisions on behalf of the Company and to manage the Company on a day to day basis.

In making these decisions the directors will consider their legal duty and also the priorities and requirements of the sole shareholder, the ENKA Holding B.V.

(a) the likely consequences of any decision in the long term;

The strategic decisions of the ENKA UK Construction Limited influence the decisions taken by the directors in areas such as the structure of the business into cash-generating units, business development, supply chain, sustainability, and key internal processes.

The directors will adopt the ENKA UK Construction Limited strategy for the UK market taking into account UK laws and regulations and UK supplier and employee needs.

The directors need to take into account the impact of any decision on the short term and long term interests of the Company and its sole stakeholder. The dividend is a key decision, the directors consider the ability of the Company to distribute a dividend taking into account the needs of the parent company.

(b) the interests of the Company’s employees;

The directors recognize that employee engagement and retention is one of the most important factors in the short term and long term success of the Company, this is encouraged in many ways including;

An annual online satisfaction survey which all employees are invited to take part in. The results of which are shared anonymously with management and used to focus actions for each function and site.

Health and safety is a priority.

Breaches of health and safety policy are highlighted to employees’ basis to prevent all levels of accidents occurring and to remind employees that they must prioritize the safety of themselves and their colleagues.

All employees are required to undertake at least one day of training each year and are encouraged to go beyond this and learn every day.
(c) the need to foster the Company’s business relationships with suppliers, partners, customers, and others;

Supplier evaluations are undertaken by procurement management and the results are reviewed by the directors to drive supplier service excellence.

Enka Group has a supplier code of conduct that ENKA UK is using as well that can be found online at the address https://www.enka.com/tr/eqvn/.

The Group Procurement Teams work collaboratively with our suppliers to ensure that this code of conduct is met by suppliers.

The standard ENKA UK intercompany payment terms are 90 days, and the Company’s average payment terms for suppliers outside of the ENKA UK are 30 days.

(d) the impact of the company’s operations on the community and environment;

The emission values of the projects have been designed in accordance with World Bank standards and it is expected to have the lowest environmental impact at the location where it is established.

The project carried out in the region has provided the local people with employment and capacity to develop itself, and also, many purchases and services have been received from local companies.

Thanks to these power plants, regular electricity is being supplied to the region since June 2020 much ahead the contractual schedule and it is highly benefiting to the local communities and infrastructure.

(e) the desirability of the Company maintaining a reputation for high standards of business conduct;

There is a whistleblowing line called the ENKA Ethics Hotline on the home page of the Company internet site which is linked into the ENKA Group. Employees can raise issues in confidence if they are concerned about noncompliance with any policy.

Employees and all relevant stakeholders may convey concerns that they cannot alleviate by dealing with their managers or local project management to ENKA Ethics Hotline.

ENKA UK is committed to maintaining confidentiality to the maximum extent possible and strictly prohibits retaliation against anyone who makes a good faith report.

Reports may be made anonymously in Turkish, English, Russian, and Kazakh languages.

While company-wide adherence to the latest in engineering and management sciences has always ensured the highest quality, ENKA Group’s standards are also based on internationally acknowledged procedures. ENKA’s in-house systems, pertaining to quality, which is also endorsed by the BSI and ASME, include Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and Occupational Health and Safety System (OHSAS 18001), and ASME Certificates of Authorization (A, S, U, and U2).

(f) the need to act fairly between members of the company;

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, based on equal opportunities to all, irrespective of sex, race, colour, disability, or marital status.

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.
ENKA UK CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

COVID-19


Since the beginning of the outbreak of COVID-19, the ENKA UK's priority has been to safeguard the health and safety of its employees and business partners.

The directors are actively managing the COVID-19 situation and constantly monitoring it. We are following the World Health Organization's strategy of disease containment and are continuing to take measures to reduce the risk of disease transmission.

ENKA UK has a contingency plan in place for various types of business interruption and was able to use these to quickly react to managing this situation.

At the time of signing these accounts all of the ENKA UK's project sites are active and operating and are expected to continue to do so.

UK employees are working from home and office locations are closed.

Procurement teams are liaising with suppliers to provide the service they need now and in the future and to maintain supply chain visibility during this period.

The health and well-being of our staff are being monitored closely and communications from the directors have been increased to both those working on-site and at home.

As a consequence of the global COVID-19 crisis and lockdown ENKA UK estimated that Phase 1 of both projects will be extended by 2 months.

ENKA UK is unable to comment with any accuracy on the timing of the recovery of 2020 or beyond.

The directors continue to prepare for multiple scenarios with a view to emerging in a strong position from the crisis and are planning for an efficient return to work for when Government guidelines permit this.

On behalf of the board

S Akturk
Director

Date: 29th September 2020
ENKA UK CONSTRUCTION LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
The principal activity of the company is that of engineering and construction.

The company also has a branch in Iraq.

Directors
S Ak turk
B Arica (Appointed 25 September 2019)
K Yalcin (Appointed 25 September 2019)

Results and dividends
The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend. After year end, an interim dividend for the financial year to 31 December 2020 of $10,000,000 was paid on 13 May 2020.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors assessment includes the impact of COVID-19 on the business as detailed separately within the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The company's policy is to consult and discuss with employees, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor
The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance
Future developments and financial risk analysis are not shown in the directors' report as they are instead included in the strategic report on pages 1 to 2 under S414c(11).
ENKA UK CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Corporate governance
The company is a wholly-owned subsidiary of the Enka Holding B.V., the strategic decisions of the Group have a major influence on the decisions of the Company.

Many of the processes and systems of the Company are implemented by the ENKA Group worldwide, local implementation is done by employees with relevant experience and qualifications.

The 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 effect the pursuit of the legislation of 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.

STRUCTURE OF THE MANAGEMENT
The target in determining the directors is to create a structure that 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.

The annual appraisal and goal setting procedure apply to the directors in the same way as for all other employees of the company. The directors will take into account the needs of all stakeholders and UK regulatory requirements when implementing the ENKA Group goals. Directors will be guided by the ENKA Group's vision when considering the impact of key decisions.

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 Turkey's leading sports clubs.
- All ENKA employees have the right to a 20% discount for events organized 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 programs are organized 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.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM;

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.

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.
ENKA UK CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

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

The objectives that reflect 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.

On behalf of the board

[Signature]

SAkturk
Director

Date: 29th September 2020
ENKA UK CONSTRUCTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ENKA UK CONSTRUCTION LIMITED

Opinion
We have audited the financial statements of Enka UK Construction Limited (the ‘company’) for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
• give a true and fair view of the state of the company’s affairs as at 31 December 2019 and of its profit for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENKA UK CONSTRUCTION LIMITED (CONTINUED)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Howard Kreisman, FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

29/1/2020
ENKA UK CONSTRUCTION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>$</td>
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<tr>
<td>Turnover</td>
<td>3</td>
<td>199,747,706</td>
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<tr>
<td>Cost of sales</td>
<td></td>
<td>(179,298,282)</td>
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<tr>
<td>Gross profit</td>
<td></td>
<td>20,449,424</td>
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<tr>
<td>Other operating income</td>
<td></td>
<td>567,415</td>
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<tr>
<td>Profit before taxation</td>
<td></td>
<td>21,016,839</td>
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<tr>
<td>Tax on profit</td>
<td>6</td>
<td>(4,246,764)</td>
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<tr>
<td>Profit for the financial year</td>
<td></td>
<td>16,770,075</td>
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The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.
ENKA UK CONSTRUCTION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>7</td>
<td>15,021,661</td>
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<tr>
<td>Current assets</td>
<td></td>
<td></td>
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<tr>
<td>Debtors</td>
<td>8</td>
<td>24,704,033</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>47,643,518</td>
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<tr>
<td></td>
<td></td>
<td>72,347,551</td>
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<tr>
<td>Creditors: amounts falling due within one year</td>
<td>9</td>
<td>(65,469,058)</td>
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<tr>
<td>Net current assets/(liabilities)</td>
<td></td>
<td>6,878,493</td>
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<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td>21,900,154</td>
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<tr>
<td>Provisions for liabilities</td>
<td>10</td>
<td>(202,448)</td>
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<tr>
<td>Net assets</td>
<td></td>
<td>21,697,706</td>
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<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>12</td>
<td>127</td>
</tr>
<tr>
<td>Profit and loss reserves</td>
<td>13</td>
<td>21,697,579</td>
</tr>
<tr>
<td>Total equity</td>
<td></td>
<td>21,697,706</td>
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</tbody>
</table>

The financial statements were approved by the board of directors and authorised for issue on 29th September 2020 and are signed on its behalf by:

[Signature]
S Akturk
Director
ENKA UK CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Profit and loss reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance at 1 January 2018</td>
<td>127</td>
<td>(110,654)</td>
<td>(110,527)</td>
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<tr>
<td>Year ended 31 December 2018:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Profit and total comprehensive income for the year</td>
<td>- 5,038,158</td>
<td>5,038,158</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2018</td>
<td>127</td>
<td>4,927,504</td>
<td>4,927,631</td>
</tr>
<tr>
<td>Year ended 31 December 2019:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and total comprehensive income for the year</td>
<td>- 16,770,075</td>
<td>16,770,075</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 December 2019</td>
<td>127</td>
<td>21,697,579</td>
<td>21,697,706</td>
</tr>
</tbody>
</table>
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information
Enka UK Construction Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Crossway, 156 Great Charles Street Queensway, Birmingham, B3 3HN.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest $.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flows and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Enka İnşaat ve Sanayi. These consolidated financial statements are available from its registered office, Balmumcu, Zincirlikuyu Yolu No: 10, 34349 Enka Birası Beşiktaş, İstanbul, Turkey.
1 Accounting policies (Continued)

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors' assessment includes the impact of COVID-19 on the business as detailed separately within the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

COVID-19


Since the beginning of the outbreak of COVID-19, the ENKA UK’s priority has been to safeguard the health and safety of its employees and business partners.

The directors are actively managing the COVID-19 situation and constantly monitoring it. We are following the World Health Organization's strategy of disease containment and are continuing to take measures to reduce the risk of disease transmission.

ENKA UK has a contingency plan in place for various types of business interruption and was able to use these to quickly react to managing this situation.

At the time of signing these accounts all of the ENKA UK’s project sites are active and operating and are expected to continue to do so.

UK employees are working from home and office locations are closed.

Procurement teams are liaising with suppliers to provide the service they need now and in the future and to maintain supply chain visibility during this period.

The health and well-being of our staff are being monitored closely and communications from the directors have been increased to both those working on-site and at home.

As a consequence of the global COVID-19 crisis and lockdown ENKA UK estimated that Phase 1 of both projects will be extended by 2 months.

ENKA UK is unable to comment with any accuracy on the timing of the recovery of 2020 or beyond.

The directors continue to prepare for multiple scenarios with a view to emerging in a strong position from the crisis and are planning for an efficient return to work for when Government guidelines permit this.
1 Accounting policies (Continued)

Turnover
Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised 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 recognised on the basis of costs incurred plus a percentage of the contract fee earned during the year. Contract costs include all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the statement of comprehensive income 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 recognised in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured. Costs and estimated earnings in excess of billings on uncompleted contracts represent revenues recognised in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent billings in excess of revenues recognised.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land and buildings</td>
<td>25% Straight line</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>15-25% Straight line</td>
</tr>
</tbody>
</table>

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Impairment of fixed assets
At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.
1 Accounting policies (Continued)

Financial instruments
The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Revenue recognition
The company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion.

Depreciation
Depreciation charges to recognise consumption of economic benefits of tangible fixed assets by the entity are calculated based on rates of depreciation. Depreciation rates are determined by estimation of the diminution in the recoverable amounts in respect of tangible fixed assets over their estimated useful economic lives.

3 Turnover and other revenue

Turnover relates to power plant construction projects carried out in Iraq.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

<table>
<thead>
<tr>
<th></th>
<th>2019 Number</th>
<th>2018 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>189</td>
<td>50</td>
</tr>
<tr>
<td>Production</td>
<td>2,149</td>
<td>201</td>
</tr>
<tr>
<td></td>
<td>2,338</td>
<td>251</td>
</tr>
</tbody>
</table>

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ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

4 Employees (Continued)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Their aggregate remuneration comprised:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>30,113,715</td>
<td>4,373,261</td>
</tr>
<tr>
<td>Social security costs</td>
<td>2,693,602</td>
<td>260,668</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32,807,317</td>
<td>4,633,929</td>
</tr>
</tbody>
</table>

5 Operating profit

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit for the year is stated after charging/(crediting):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange losses/(gains)</td>
<td>209,566</td>
<td>(57,337)</td>
</tr>
<tr>
<td>Fees payable to the company’s auditor for the audit of the company’s financial statements</td>
<td>29,000</td>
<td>26,250</td>
</tr>
<tr>
<td>Depreciation of owned tangible fixed assets</td>
<td>2,990,474</td>
<td>3,697,890</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6 Taxation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK corporation tax on profits for the current period</td>
<td>3,937,473</td>
<td>1,321,812</td>
</tr>
<tr>
<td>Adjustments in respect of prior periods</td>
<td>2,060</td>
<td>5,250</td>
</tr>
<tr>
<td>Double tax relief</td>
<td>(63,497)</td>
<td>(216,612)</td>
</tr>
<tr>
<td><strong>Total UK current tax</strong></td>
<td>3,876,036</td>
<td>1,110,450</td>
</tr>
<tr>
<td><strong>Foreign current tax on profits for the current period</strong></td>
<td>63,497</td>
<td>216,612</td>
</tr>
<tr>
<td><strong>Total current tax</strong></td>
<td>3,939,533</td>
<td>1,327,062</td>
</tr>
<tr>
<td><strong>Deferred tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of timing differences</td>
<td>307,231</td>
<td>(104,783)</td>
</tr>
<tr>
<td><strong>Total tax charge</strong></td>
<td>4,246,764</td>
<td>1,222,279</td>
</tr>
</tbody>
</table>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>21,016,839</td>
<td>6,260,437</td>
</tr>
</tbody>
</table>

Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)</td>
<td>3,993,199</td>
<td>1,189,483</td>
</tr>
<tr>
<td>Effect of change in corporation tax rate</td>
<td>(36,144)</td>
<td>843</td>
</tr>
<tr>
<td>Permanent capital allowances in excess of depreciation</td>
<td>183,018</td>
<td>185,013</td>
</tr>
<tr>
<td>Deferred tax adjustments in respect of prior years</td>
<td>-</td>
<td>(97,610)</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>106,691</td>
<td>(55,450)</td>
</tr>
<tr>
<td><strong>Taxation charge for the year</strong></td>
<td>4,246,764</td>
<td>1,222,279</td>
</tr>
</tbody>
</table>
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold land and buildings</th>
<th>Plant and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2019</td>
<td>3,853,001</td>
<td>14,561,956</td>
<td>18,414,957</td>
</tr>
<tr>
<td>Additions</td>
<td>259,485</td>
<td>4,496,162</td>
<td>4,755,647</td>
</tr>
<tr>
<td><strong>At 31 December 2019</strong></td>
<td><strong>4,112,486</strong></td>
<td><strong>19,058,118</strong></td>
<td><strong>23,170,604</strong></td>
</tr>
<tr>
<td><strong>Depreciation and impairment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2019</td>
<td>1,687,723</td>
<td>3,470,746</td>
<td>5,158,469</td>
</tr>
<tr>
<td>Depreciation charged in the year</td>
<td>963,250</td>
<td>2,027,224</td>
<td>2,990,474</td>
</tr>
<tr>
<td><strong>At 31 December 2019</strong></td>
<td><strong>2,650,973</strong></td>
<td><strong>5,497,970</strong></td>
<td><strong>8,148,943</strong></td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2019</td>
<td>1,461,513</td>
<td>13,560,148</td>
<td>15,021,661</td>
</tr>
<tr>
<td>At 31 December 2018</td>
<td></td>
<td>11,091,210</td>
<td>13,286,488</td>
</tr>
</tbody>
</table>

8 Debtors

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts falling due within one year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross amounts owed by contract customers</td>
<td>20,905,410</td>
<td>15,116,174</td>
</tr>
<tr>
<td>Other debtors</td>
<td>3,735,126</td>
<td>147,086</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>63,497</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24,704,033</td>
<td>15,263,260</td>
</tr>
<tr>
<td>Deferred tax asset (note 11)</td>
<td>-</td>
<td>104,783</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,704,033</td>
<td>15,368,043</td>
</tr>
</tbody>
</table>

9 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>30,134,586</td>
<td>4,350,840</td>
</tr>
<tr>
<td>Amounts owed to group undertakings</td>
<td>2,812,468</td>
<td>19,067,858</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>3,937,473</td>
<td>1,110,450</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>1,130,423</td>
<td>352,131</td>
</tr>
<tr>
<td>Other creditors</td>
<td>27,454,108</td>
<td>682,616</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65,469,058</td>
<td>25,563,895</td>
</tr>
</tbody>
</table>

Included within other creditors is an amount of deferred income totalling $22,463,276 (2018: $Nil).
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10 Provisions for liabilities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>11</td>
<td>202,448</td>
</tr>
</tbody>
</table>

11 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Liabilities</th>
<th>Assets</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balances:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated capital allowances</td>
<td>202,448</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

2019

Movement in the year:

| Liability/(Asset) at 1 January 2019 | (104,783) |
| Charge to profit or loss            | 307,231   |
| Liability at 31 December 2019       | 202,448   |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

12 Share capital

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Ordinary share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Ordinary share of £100 each</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>127</td>
<td>127</td>
</tr>
</tbody>
</table>

The ordinary shares have attached full rights in the company with respect to voting, dividends and distributions.

13 Reserves

Profit and loss reserves
Profit and loss account reserve represents cumulative profit and loss net of distributions to owners.
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

14 Related party transactions

During the period the Enka UK Construction Limited purchased equipment of $2,137,885 (2018: $117,449) and received engineering services totalling $4,472,418 (2017: 3,914,995) from Enka Insaat Ve Sanayi A.S., the entity’s ultimate parent undertaking. At the period end $171,878 (2017: $2,097,703) was due to Enka Insaat Ve Sanayi A.S. and is included within other creditors.

During the period the entity also purchased equipment of $1,304,785 (2018: $40,627) from Enka Pazarlama Ihracat İthalat A.S., a related party by virtue of being under common control. At the period end $90,344 (2018: $0,00) was outstanding to Enka Pazarlama Ihracat İthalat A.S. and is included within other creditors.

Enka UK Construction Limited additionally made purchases of equipment from Kasketas Kayar Kalip A.S.K & A.S. totalling $1,436,519 (2018: $38,725) and made repayments of $1,175,878 (2018: $50,000). Kasketas Kayar Kalip A.S.K & A.S. is a related party by virtue of being under common control. $0,00 (2018: $56,730) was outstanding at the period end and is included within other creditors.

During the period Cimtas Boru İmalatı Ve Tic. Ltd. Sti. provided engineering services totalling $87,218 (2018: $124,390) and membership expenses of $12,504 (2018: $12,633) to Enka UK Construction Limited. Cimtas Boru İmalatı Ve Tic. Ltd. Sti., a related party by virtue of being under common control, received repayments during the year of $12,504 (2018: $12,633) from Enka UK Construction Limited. At the year-end $64,855 (2018: $0,00) was due to the related party and is included within other creditors.

During the period the entity received advances of $0,00 (2018: $10,000) from Enka Holding B.V., the company’s immediate parent undertaking. At the period end $0,00 (2018: $10,000) was outstanding payable to Enka Holding B.V. and is included within other creditors.

During the period Kastas Arabia Ltd provided rental equipment totalling $125,402 (2018: $0,00) and Kastas Arabia Ltd is a related party by virtue of being under common control. $0,00 (2018: $0,00) was outstanding at the period end and is included within other creditors.

During the period Enka Santral İletişim ve Bakım Hizmetleri A.S. provided engineering services totalling $4,679 (2018: $0,00) and Enka Santral İletişim ve Bakım Hizmetleri A.S is a related party by virtue of being under common control. $0,00 (2018: $0,00) was outstanding at the period end and is included within other creditors.

During the period Entas Nakliyat Ve Turizm A.S. paid for travel and subsistence expenses totalling $1,126,697 (2018: $397,820) on behalf of the company and received repayments of $1,095,865 (2018: $390,973). Entas Nakliyat Ve Turizm A.S. is a related party by virtue of being under common control. At the period end $96,417 (2018: $65,584) was outstanding from the entity and is included within other creditors.

During the period Gebze Elektrik Uretim Ltd.Sti. provided engineering services totalling $15,054 (2018: $0,00) and Gebze Elektrik Uretim Ltd.Sti. is a related party by virtue of being under common control. $5,327 (2018: $0,00) was outstanding at the period end and is included within other creditors.

During the period Izmir Elektrik Uretim Ltd.Sti. provided engineering services totalling $131,586 (2018: $0,00) and Izmir Elektrik Uretim Ltd.Sti. is a related party by virtue of being under common control. $86,630 (2018: $0,00) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.-Moscow made purchased equipment totalling $80,000 (2018: $0,00) and Enka Insaat Ve Sanayi A.S.-Moscow is a related party by virtue of being under common control. $80,000 (2018: $0,00) was outstanding at the period end and is included within other creditors.
14 Related party transactions (Continued)

During the period Enka Insaat Ve Sanayi A.S.-Bazian Combined Cycle Power Plant Project made purchased equipment totalling $0,00 (2018: $1,024,849) and Enka Insaat Ve Sanayi A.S.- Bazian Combined Cycle Power Plant Project is a related party by virtue of being under common control. $0,00 (2018: $978,813) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.-Erbil Branch Office made purchased equipment totalling $0,00 (2018: $346,878) and Enka Insaat Ve Sanayi A.S.- Erbil Branch Office is a related party by virtue of being under common control. $0,00 (2018: $340,719) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.-Suleymaniye made purchased equipment totalling $0,00 (2018: $1,414,504) and Enka Insaat Ve Sanayi A.S.- Suleymaniye is a related party by virtue of being under common control. $0,00 (2018: $1,366,298) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.-Besmaya Power Plant Project made purchased equipment and service totalling $3,773,755 (2018: $10,652,021) and Enka Insaat Ve Sanayi A.S.- Besmaya Power Plant Project is a related party by virtue of being under common control. $2,322,730 (2018: $14,881,232) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.- Exxon IOT Project made purchased equipment totalling $1,677,004 (2018: $339,640) and Enka Insaat Ve Sanayi A.S.- Exxon IOT is a related party by virtue of being under common control. $0,00 (2018: $55,090) was outstanding at the period end and is included within other creditors.

During the period Enka Insaat Ve Sanayi A.S.- Basra Multipurpose Terminal Project sold equipment totalling $288,581 (2018: $447,826 ) and Enka Insaat Ve Sanayi A.S.- Basra Multipurpose Terminal Project is a related party by virtue of being under common control. $105,512 (2018: $447,826) was outstanding at the period end and is included within other creditors. At the same time Enka Insaat Ve Sanayi A.S.- Basra Multipurpose Terminal Project made purchased equipment totalling $0,00 (2018: $30,260) and Enka Insaat Ve Sanayi A.S.- Basra Multipurpose Terminal Project is a related party by virtue of being under common control. $0,00 (2018: $30,260) was outstanding at the period end and is included within other creditors.

15 Events after the reporting date

COVID-19

The World Health Organisation declared the COVID-19 outbreak a health emergency on 30 January 2020 and a global pandemic on 11 March 2020. Since the beginning of the outbreak of COVID-19, ENKA UK’s priority has been to safeguard the health and safety of its employees and business partners. The directors are actively managing the COVID-19 situation and constantly monitoring it. They are following the World Health Organization’s strategy of disease containment and are continuing to take measures to reduce the risk of disease transmission. ENKA UK has a contingency plan in place for various types of business interruption and was able to use these to quickly react to managing this situation. For further information please refer to the 'COVID-19' section of the Strategic Report.

Interim Dividends

After year end, on 7 May 2020, the Company proposed an interim dividend of $10,000,000, this was paid on 13 May 2020.
ENKA UK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

16 Ultimate controlling party

Enka Insaat Ve Sanayi A.S, incorporated in Istanbul, Turkey, is the smallest group for which consolidated accounts including Enka UK Construction Limited are prepared. The principal place of business of Enka Insaat Ve Sanayi A.S. is 10, Zincirlikuyu Yolu, Balmumcu Mahallesi, 34349, Istanbul, Turkey. These consolidated financial statements are available from its registered office, Balmumcu, Zincirlikuyu Yolu No: 10, 34349 Enka Binasi Beşiktas, Istanbul, Turkey.

The Company's ultimate parent undertaking and controlling party is Enka Insaat Ve Sanayi A.S.
ENKA UK CONSTRUCTION LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019
THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS
**ENKA UK CONSTRUCTION LIMITED**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>199,747,706</td>
<td>38,292,169</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td>143,262,925</td>
<td>24,474,871</td>
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<tr>
<td>Wages and salaries</td>
<td>30,113,715</td>
<td>4,373,261</td>
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<tr>
<td>Social security costs</td>
<td>2,693,602</td>
<td>260,668</td>
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<tr>
<td>Accountancy</td>
<td>28,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,990,474</td>
<td>3,697,890</td>
</tr>
<tr>
<td>Profit or loss on foreign exchange</td>
<td>209,566</td>
<td>(57,337)</td>
</tr>
<tr>
<td><strong>Total cost of sales</strong></td>
<td>(179,298,282)</td>
<td>(32,777,353)</td>
</tr>
</tbody>
</table>

| **Gross profit**            | 20,449,424 | 5,514,816  |
| **Other operating income**  |            |            |
| Sundry income               | 567,415    | 745,621    |
| **Operating profit**        | 21,016,839 | 6,260,437  |