

2021/Q1

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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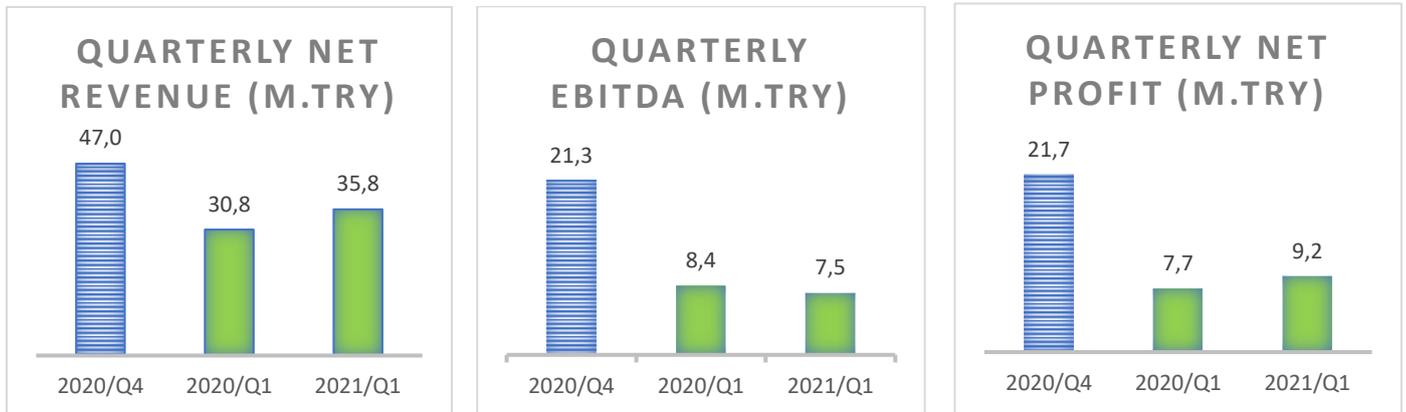
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2021/Q1 increased by 16% yearly and decreased by 24% quarterly. Increase yearly and decrease quarterly was driven by:

- Contract value appreciation in FX contracts due to TRY depreciation.
- Contract value appreciation due to increase in contracting unit amount and prices.
- Increase in Year Over Year New Work Bookings and Backlog.
- Less projects to be in their growth phase of life cycle compared to 2020/Q4.

EBITDA in 2021/Q1 decreased by 11% yearly and 65% quarterly. Decrease was due to:

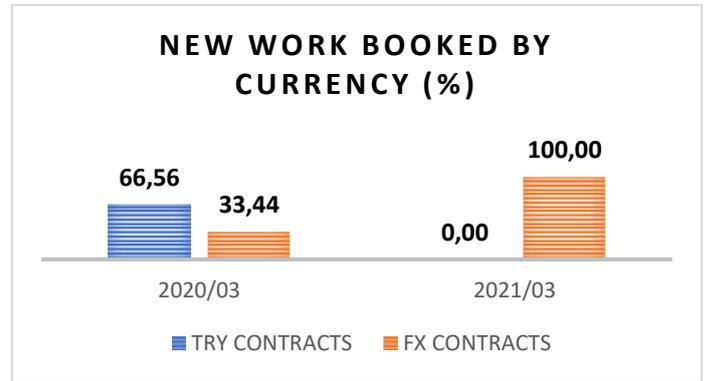
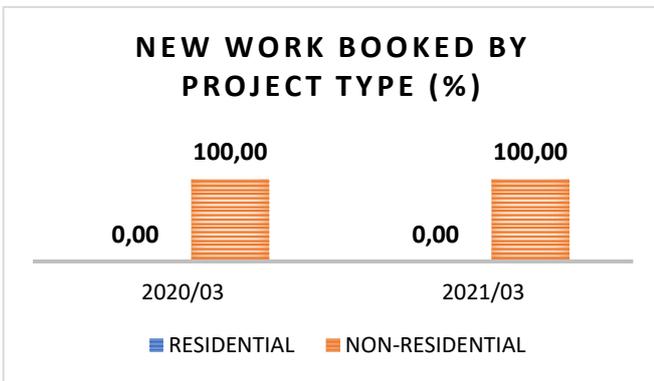
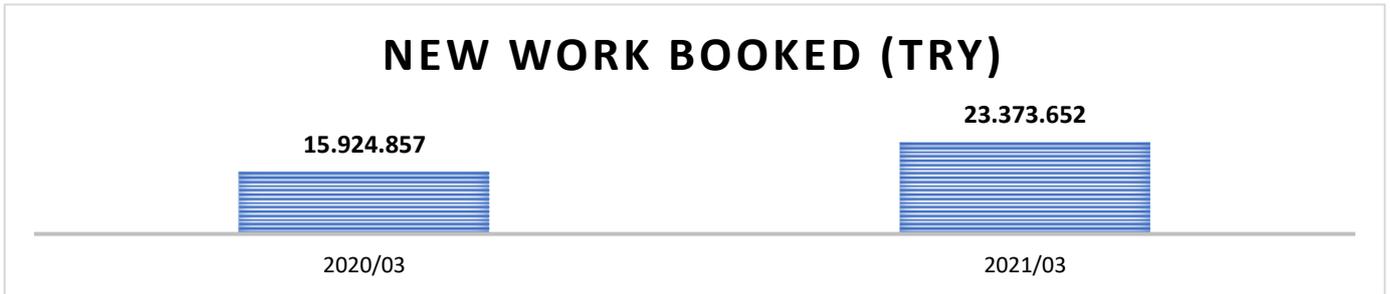
- Less projects to be in their growth phase of life cycle compared to both 2020/Q4 and 2020/Q1.
- More than expected cost realizations on particular early signed projects, exceeding revenue gains from FX valuation, unit price and amount increases, resulted decrease in gross margin.

Net Profit in 2021/Q1 increased by 19% yearly and decreased by 57% quarterly. Reasons of extra increase comparing EBITDA are:

- Increase in net income from investment activities and more interest and currency gains compared to 2020/Q1.
- No investment property valuation gains compared to 2020/Q4.

1.B. OPERATING HIGHLIGHTS

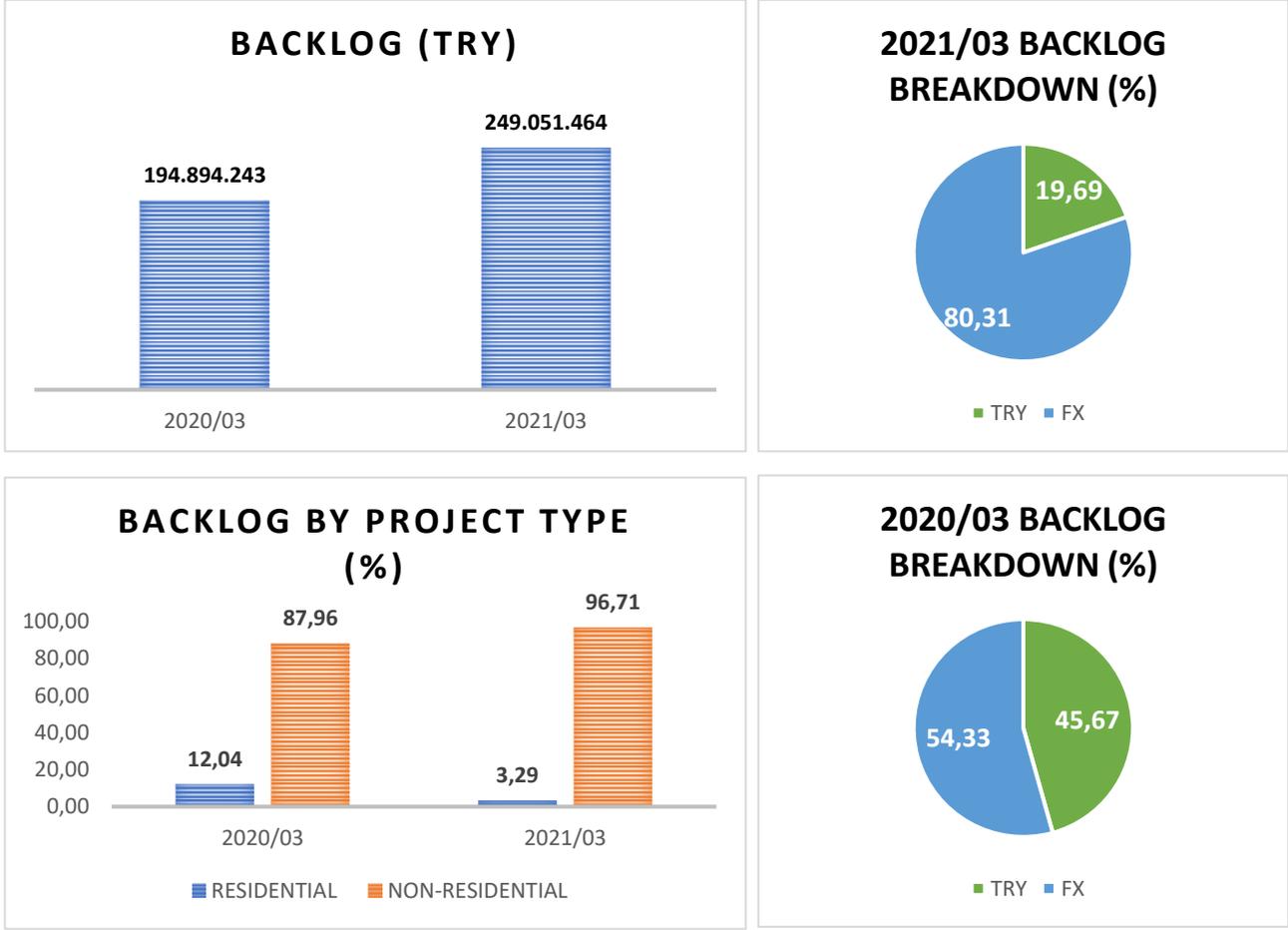
1.B.1. New Work Booked



New work booked in 2021/3M reached 23,373,652 TRY compared to 15,924,857 TRY 2020/3M.

- All new contracts are non-residential.
- 100% of contract value is in FX terms.

1.B.2. Backlog



Backlog reached 249,041,464 TRY* as of 31.03.2021, compared to 194,894,243 TRY* as of 31.03.2020.

- Non-residential weight in backlog reached 97%.
- FX-based contract value increased to 80% of backlog. Risk management is maintained with contract provisions regarding FX-inflation-commodity price escalations in particular recent TRY-based contracts.

**Sabiha Gökçen Airport Subway Project contract signing process completed and re-classified as a new work in 2020/Q2, thus omitted from previous backlog and 2018 new work calculations for more accurate new work/backlog time series presentation in line with company disclosure policy.*

Latest ongoing projects with respective contract values are as follows:

PROJECT	CONTRACT VALUE	EST. COMPLETION
SABİHA GÖKÇEN AIRPORT SUBWAY	11,000,000 EUR	SEPTEMBER 2021
KOCAELİ INTEGRATED HEALTCARE CAMPUS	29,067,333 TRY + 5,619,267 EUR	DECEMBER 2021
İNİSTANBUL	34,229,074 TRY + 5,488,088 EUR	JUNE 2021
KABATAŞ-MAHMUTBEY SUBWAY	6,112,061 EUR + 3,054,743 TRY	JUNE 2021
BÜYÜKYALI	39,794,242 TRY	JUNE 2021
ATATÜRK CULTURAL CENTER	26,750,000 TRY	JUNE 2021
DUDULLU-BOSTANCI SUBWAY	1,946,114 EUR	SEPTEMBER 2021
HİSARÜSTÜ-AŞIYAN FUNICULAR LINE	953.000 EUR	OCTOBER 2021
ATAKÖY-İKİTELLİ SUBWAY	835.351 EUR	JUNE 2021
M9 & M3 SUBWAY EXTENSION LINES	740,000 EUR	JUNE 2023

1.B.3. ORGE's Covid-19 Related Actions and Expectations

"Covid-19", declared a pandemic by the World Health Organization (WHO) on March 11, 2020, has restrictive effects on many sectors of the economy, such as production, trade and transportation, as well as on human health in our country and in the world.

- Due to the Covid-19 pandemic, a temporary stop was implemented at one (out of 10) of our active construction worksites in 2020/Q2. Since May 13, 2020, all activities were resumed at this site.
- As of the announcement date of the 2021/Q1 financial statements, we do not have any projects that are stopped and/or postponed due to the pandemic.
- We plan to finalize the works in accordance with the work programs deemed appropriate by our clients.

1.B.4. Other Major Developments in 2021/Q1 and Beyond

An application was made to the CMB to increase the company's capital from TRY 50,000,000 to TRY 80,000,000 all through dividend.

Completed the contracting signing process for electrical works of Ataköy İkitelli Subway Project (Contract Size: EUR 835.351+VAT).

Completed the contracting signing process for electrical scope of signaling works of Sabiha Gökçen Airport Subway Project (Contract Size: EUR 600.030,20+VAT).

Completed the contracting signing process for electrical scope of Hisarüstü-Aşıyan Funicular Line (Contract Size: EUR 953.000+VAT).

Company was rewarded to undertake electrical works of M9&M3 Subway extension lines. (Contract Size: EUR 340.000+VAT).

After the end of period, completed the contracting signing process for electrical scope of Ibn Haldun University Project (Contract Size: EUR 233.896 + TRY 1.599.614+VAT).

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the first quarter of 2021 putting great effort into meeting our sustainable growth commitments. Sticking to the strategy to increase market share in our focal sub-sectors, we have grown our subway contract base by adding four new subway contracts in our backlog.

Concerns on Covid-19 pandemic were taken seriously and we endeavored to protect our employees from the possible negative effects while maintaining the work at all our project sites. Only one project site had a temporary closure. We took care of all of our staff holistically. Since May 13, 2020 all projects are ongoing.

Our revenues keep up their pace even with negative effects of the pandemic. Our EBITDA margin decreased due to the seasonal and lifecycle effects of project base; however, thanks to our risk management policy we minimized the currency risk exposure and even had the benefits via our FX contract base and cash reserves, which resulted in a more acceptable net profit margin, especially considering the once-in-a-lifetime risk exposure our old world has faced.

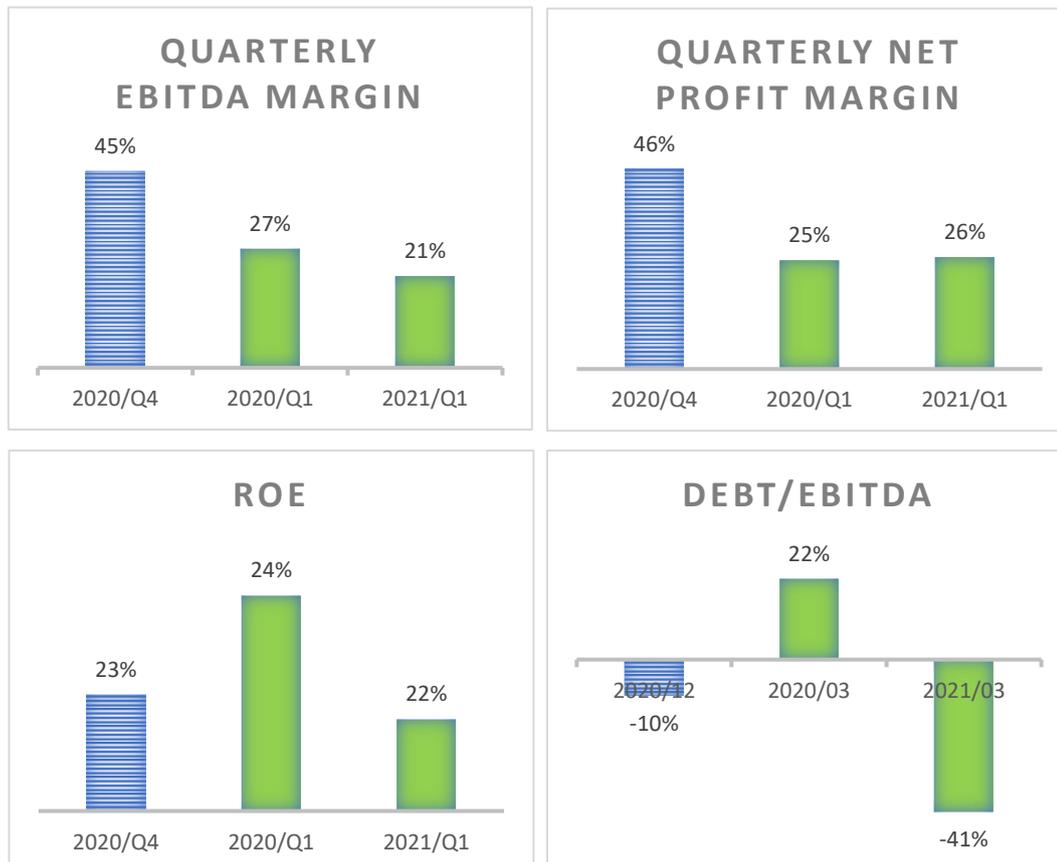
Our EBITDA margin decreased considering the TRY depreciation and commodity price increases in overdue projects. We will try to revert margins to long term mean, while the weight of recent contracts with better unit prices increases in overall backlog. We will try to re-create cost advantage by signing supply contracts in favorable terms as well.

As of the disclosure day, our base scenario is for 2021 is: continuation of normalization process, economic activity, indicators and prices; and their convergence to the expectations of the company. When our base scenario holds; we believe the activities and financial status of the company will not be affected and we can deliver %20 growth and stable Profit Margins for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2020/3M	2021/3M
Revenue	30,810,361	35,774,003
Gross Profit	9,915,173	9,445,548
Operating Profit	9,330,057	7,662,689
Profit Before Tax	9,969,268	11,625,118
Net Profit	7,722,788	9,220,717
Equity	192,411,189	250,624,529
Profitability Ratios (%)	2020/3M	2021/3M
Gross Profit Margin	32.18	26.40
Operating Profits Margin	30.28	21.42
Net Profits Margin	25.07	25.77
Equity Profitability Margin	4.01	3.68
Liability Ratios (%)	2020/12M	2021/3M
Total Fin. Debt / Equity	31.39	23.32
Total Debt / Equity	65.16	65.05
Total Debt / Total Assets	39.45	39.41
Equity / Total Assets	60.55	60.59
Net Financial Liabilities (TRY)	-5.769.488	-23.885.029
Market Value as of 31.03 (TRY)	206,500,000	547,500,000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2021/Q1;

Decreased 23% compared to 2020/Q1 and 54% compared to 2020/Q4 mainly due to:

- Less projects to be in their growth phase of life cycle compared to both 2020/Q4.
- More than expected cost realizations on particular early signed projects resulted decrease in gross margin.
- More than expected cost realizations on particular early signed projects, exceeding revenue gains from FX valuation, unit price and amount increases, resulted decrease in gross margin

Net Profit margin in 2021/Q1 increased by 3% yearly and decreased by 44% quarterly, mainly due to:

- Increase in net income from investment activities and more interest and currency gains compared to 2020/Q1.
- No investment property valuation gains compared to 2020/Q4.

ROE in 2021/Q1 decreased by 5% yearly and 1% quarterly mainly due to:

- Increase in Equity is 30% annually and 4% quarterly while annualized net profit increases 23% yearly and 3% quarterly.

Net Financial Debt / EBITDA in 2021/3M;

Decreased to -41% from 22% in 2020/3M and -10% in 2020/12M, mainly due to:

- Improvement in average effective borrowing rate due to debt structuring and resulted weight increase of low cost debt in total.
- Turning back to negative net debt position due to increase in cash and equivalents collection and debt payments.

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS OPPORTUNITY

- ECI – Early Contractor Involvement
- Current: 260 KM
- Ongoing construction in İstanbul: 199 KM
- 2024 target: 550 KM / 2029 target: 808 KM
- Finalized 17 subway tenders, est. amount of EUR 5.5 billion
- İzmir, İzmit – Subway Projects
- EMEA – Business Development
- Est. electrical scope 12-20%

RAILWAYS IN TURKEY'S INVESTMENT PLAN FOR 2021

- Total Investments: TRY 138 Billion
 - Transportation Investments: TRY 42,7 Billion (30%)
 - Railway Investments from Ministry: TRY 8,5 Billion
 - Railway Investments from Municipalities: TRY 14 Billion
 - Railway Investments for Istanbul: TRY 9,5 Billion
 - Railway Investments for Izmir: TRY 2,5 Billion
 - Railway Investments for Mersin: TRY 1,25 Billion
 - Railway Investments for other cities: TRY 825 Million

PPP HOSPITALS OPPORTUNITY

- Project includes 31 hospitals
- Contracts signed for 18 hospitals
- 13 hospitals in operation
- 5 ongoing projects
- Total est. construction 12 million sqm
- Total est. investment USD 10 billion
- Est. electrical scope 15-25%

INDUSTRIAL & NUCLEAR POWER PLANTS OPPORTUNITY

- Akkuyu, Kırklareli Nuclear Power Plants
- Akkuyu est. construction budget USD 20 billion
- 1st phase opening – 2023. Construction until 2027-2029
- Tax incentives for chemical, petroleum plants
- Industry 4.0 investments
- IT Complex, data center construction & renovations
- Cooperation with international contractors
- Est. electrical scope 12-20%

5. EXPECTATIONS AND EARNINGS GUIDANCE

Provided that the effects of economic, geopolitical, and political risks on new investments and sector will be minimized, with our fulfillment of our new contract expectations we project to increase our revenues by 20%; average number of employees by 20%, and to secure our operating profit at the 2020 level.

Regarding the Covid-19 impact on our works, if our base scenario holds normalization process and economic activity will be on track to meet our expectations; we can reach our year-end goals as stated above.

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Company's financial statements are available on www.kap.gov.tr and www.orge.com.tr websites.

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