

2021/Q4

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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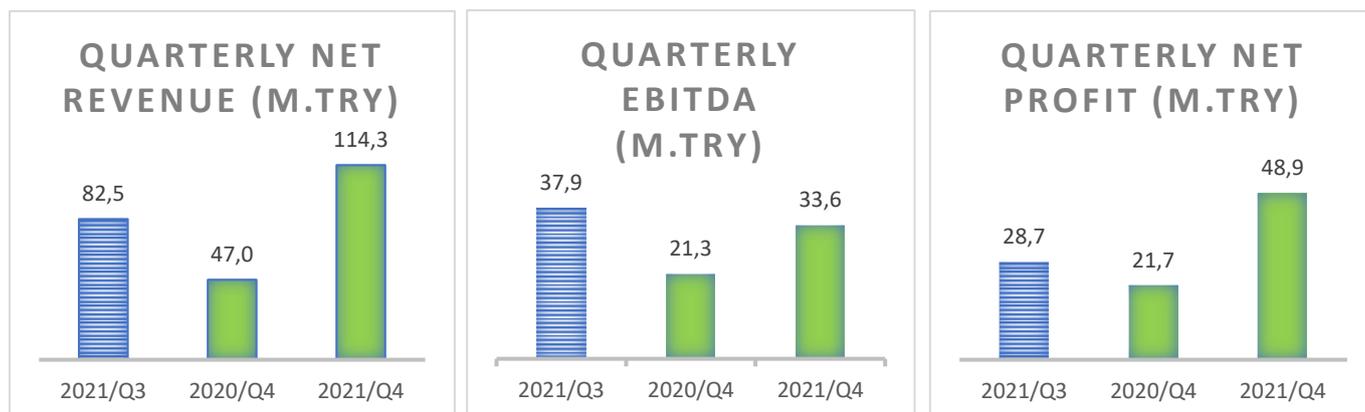
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2021/Q4 increased by 143% yearly and 38% quarterly. Increase was driven by:

- Increase in New Work Bookings and Backlog.
- Contract value appreciation in FX contracts due to TRY depreciation.
- Contract value appreciation due to increase in contracting unit amount and prices particularly compared to 2020/Q4.
- Increase in Year Over Year New Work Bookings and Backlog.

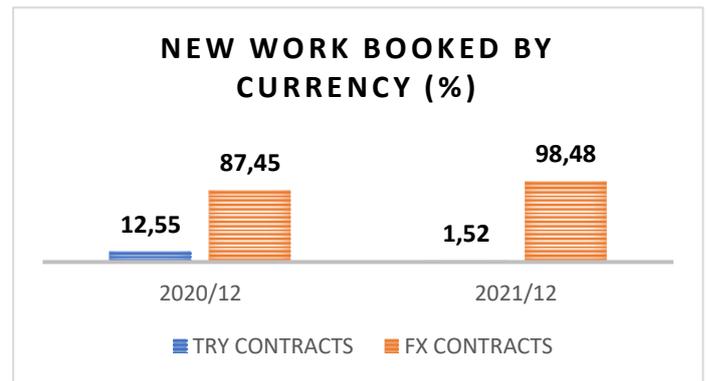
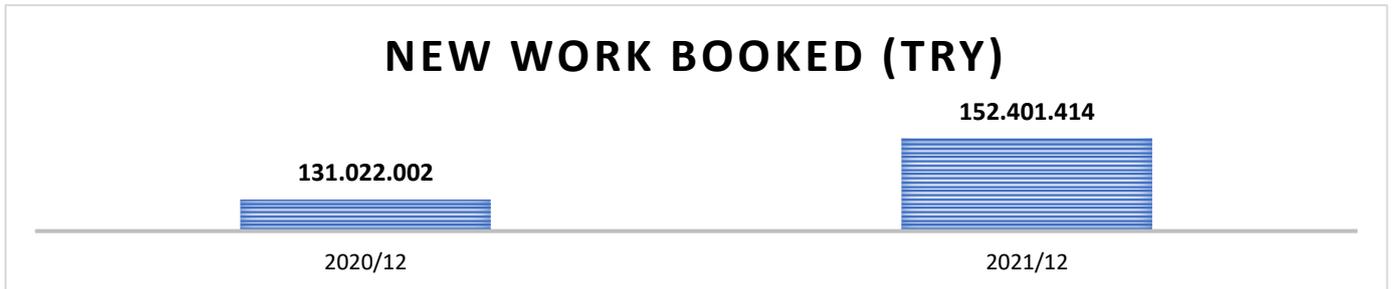
EBITDA in 2021/Q4 increased by 58% yearly and decreased by 11% quarterly. Increase was due to:

- More projects to be in their growth phase of life cycle compared to 2020/Q4.
- Less than expected revenue recognition on particular recently signed projects resulted decrease in gross margin compared to 2021/Q3.
- More than expected cost realizations on particular projects.
- Net Currency loss derived from non-financial debt to vendors.

Net Profit in 2021/Q4 increased by 125% yearly and 71% quarterly. Increase was due to:

- Decrease in effective tax margin. Decrease in deferred tax loss comparing 2021/Q3
- Net investment activity gains based on investment property valuation.
- Net financial gains derived from currency gains.

1.B. OPERATING HIGHLIGHTS

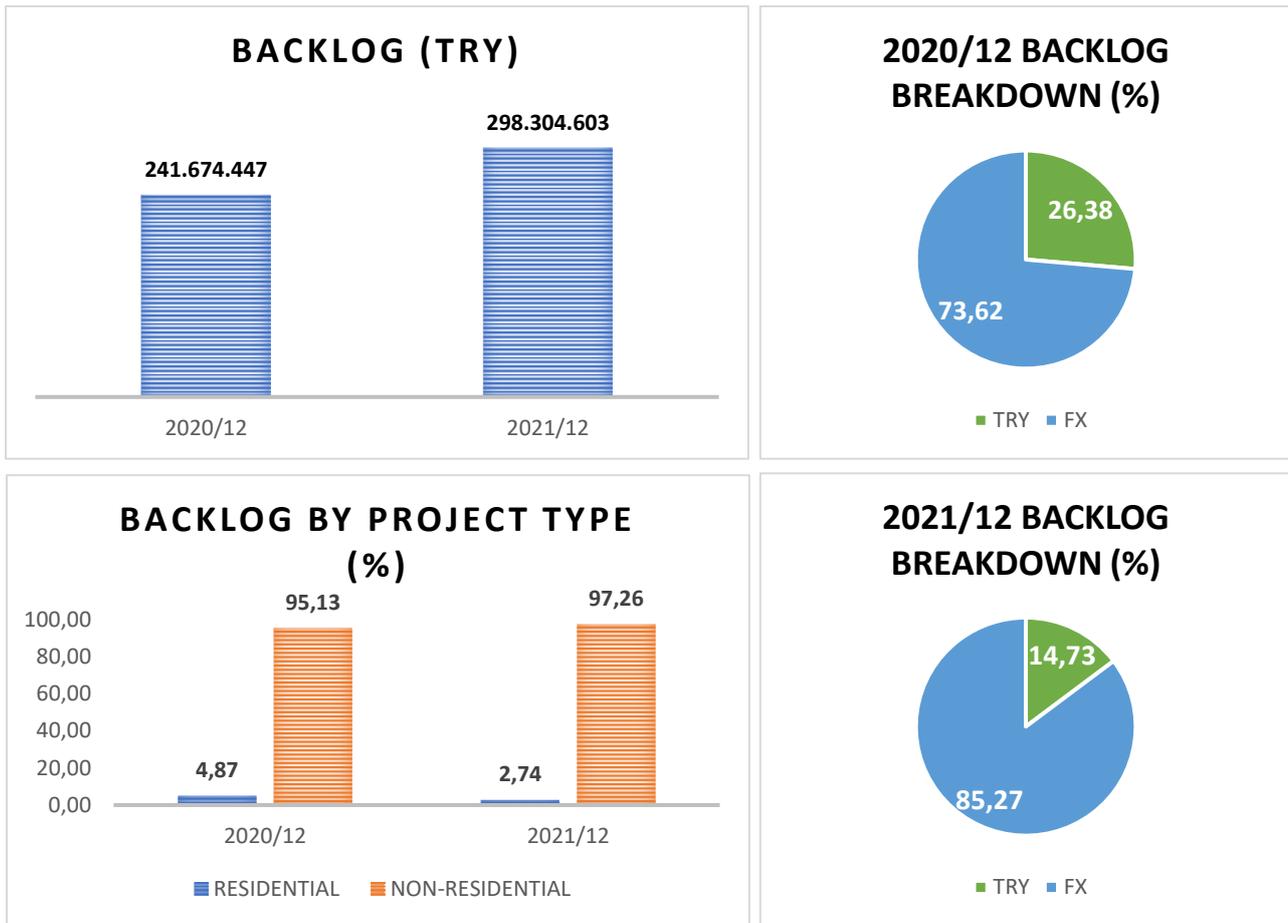


1.B.1. New Work Booked

New work booked in 2021/12M increased 152,401,414 TRY compared to 131,022,002 TRY 2020/12M.

- All new contracts are non-residential.
- 98% of contract value is in FX terms.

1.B.2. Backlog



Backlog increased 298,304,603 TRY as of 31.12.2021, compared to 241,674,447 TRY as of 31.12.2020.

- Non-residential weight in backlog reached 97%.
- FX-based contract value increased to 85% of backlog. Risk management is maintained with provisions regarding FX- inflation-commodity price escalations in particular TRY-based contracts.

Latest ongoing projects with respective contract values are as follows:

PROJECT	CONTRACT VALUE	EST. COMPLETION
SABIHA GÖKÇEN AIRPORT SUBWAY	11,600,030 EUR	SEPTEMBER 2022
KOCAELİ HEALTCARE CAMPUS	29,777,256 TRY +5,707,474 EUR	JUNE 2022
KABATAŞ-MAHMUTBEY SUBWAY	6,112,061 EUR + 3,054,743 TRY	MARCH 2022
BAŞAKŞEHİR-KAYAŞEHİR SUBWAY	4,675,000 EUR	SEPTEMBER 2022
BÜYÜKYALI	39,794,242 TRY	MARCH 2022
ATATÜRK CULTURAL CENTER	26,750,000 TRY	MARCH 2022
DUDULLU-BOSTANCI SUBWAY	4,151,346 EUR	DECEMBER 2022
HİSARÜSTÜ-AŞIYAN FUNICULAR LINE	953,000 EUR	SEPTEMBER 2022
ATAKÖY-İKİTELLİ SUBWAY	835,351 EUR	JUNE 2022
M9 & M3 SUBWAY EXTENSION LINES	1,080,000 EUR	JUNE 2023

1.B.3. Other Major Developments in 2021/12M and Beyond

- The Company's capital increased from TRY 50,000,000 to TRY 80,000,000 all through dividend.
- Completed the contracting signing process for new electrical contracts of;

-Ataköy İkitelli Subway Line (Contract Size: EUR 835,351).
 -Sabiha Gökçen Airport Subway Line (Contract Size: EUR 600,030).
 -Hisarüstü-Aşıyan Funicular Line (Contract Size: EUR 953,000).
 -M9&M3 Subway extension lines (Contract Size: EUR 340,000).
 -Ibn Haldun Project (Contract Size:EUR:233,896&TRY 1.599.614).
 -Başakşehir-Kayaşehir Subway Line (Contract Size: EUR 4.675.000)

- Completed the contracting signing process for additional electrical works of;

-Dudullu-Bostancı Subway Line (Contract Size: EUR 239,904).
 -Dudullu-Bostancı Subway Line (Contract Size: EUR 461,000).
 -Dudullu-Bostancı Subway Line (Contract Size: EUR 1,504,328).
 -Kocaeli Healthcare Campus(Contract Size:EUR88,208&TRY709,924).

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the 2021 putting great effort into meeting our sustainable growth and profitability commitments. Sticking to the strategy to increase market share in our focal sub-sectors, we have grown our subway contract base by adding six 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.

Our revenues keep up their growth pace even with negative effects of the pandemic thanks to increase in new works booked and value growth in older backlog, but especially better than expected progress in particular recent projects.

We managed to maintain YoY EBITDA margin having the benefits of our FX contract base, while country faced once in a lifetime currency fluctuations in the last quarter.

Facing a deferred tax loss due to raise in corporate tax rate for 2021 and 2022, we managed to increase YoY net profit margin, with the contribution of investment gains on real estate portfolio and net financial investment gains.

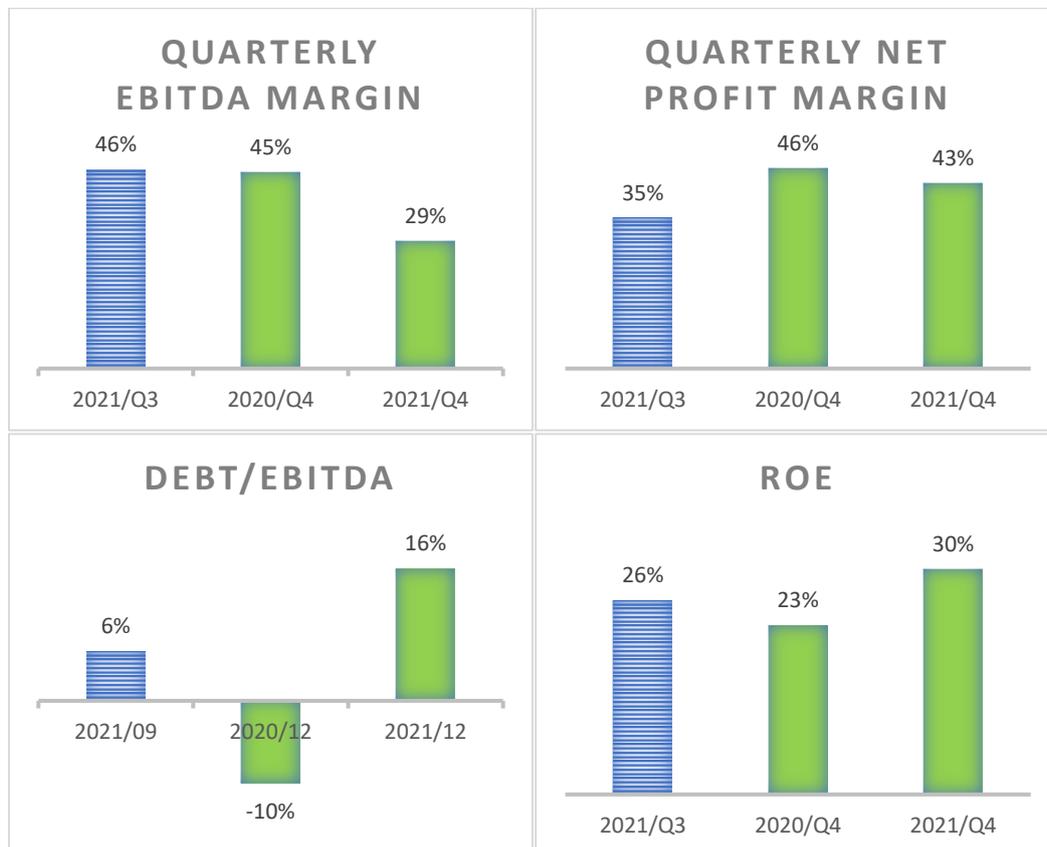
As of the disclosure day, our base scenario is for 2022 is: continuation of normalization in economic activity, indicators and prices; and their convergence to the expectations of the company.

When our base scenario holds; we believe the activities and financial status of the company will not be effected and we can deliver %20 growth and stable Profit Margins for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2020/12M	2021/12M
Revenue	165.053.637	308.758.884
Gross Profit	64.376.497	111.519.046
Operating Profit	60.510.338	82.503.774
Profit Before Tax	65.340.093	125.408.476
Net Profit	54.578.136	103.961.361
Equity	241.404.005	345.324.068
Profitability Ratios (%)	2020/12M	2021/12M
Gross Profit Margin	39,00	36,12
Operating Profits Margin	36,66	26,72
Net Profits Margin	33,07	33,67
Equity Profitability Margin	22,61	30,11
Liability Ratios (%)	2020/12M	2021/12M
Total Fin. Debt / Equity	31,39	16,73
Total Debt / Equity	65,16	68,44
Total Debt / Total Assets	39,45	40,63
Equity / Total Assets	60,55	59,37
Net Financial Liabilities (TRY)	-5.769.488	16.288.421
Market Value as of 31.12 (TRY)	369.000.000	496.000.000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2021/Q4;

Decreased 35% compared to 2020/Q4 and 36% compared to 2021/Q3 mainly due to:

- Less than expected revenue recognition on particular recently signed projects resulted decrease in gross margin.
- More than expected cost realizations on particular projects, exceeding revenue gains from FX valuation, unit price and amount increases, resulted decrease in gross margin

Net Profit margin in 2021/Q4 decreased by 7% yearly and increased by 23% quarterly, mainly due to:

- Net income from investment activities-mainly by investment property valuations- higher compared to 2020/Q4, no valuation in 2021/Q3,
- Net interest and currency gains increased particularly compared to 2021/Q3,
- Effective tax margin decreased compared to 2021/Q3, increased compared to 2020/Q4 due to changes in corporate tax rate for 2021, 2022 and beyond.
- Decrease in deferred tax loss comparing 2021/Q3.

ROE in 2021/Q4 increased by 33% yearly and 16% quarterly mainly due to:

- Increase in Equity base is less than annualized net profit comparing both terms.

Net Financial Debt / EBITDA in 2021/12M is at 16%; it was -10% in 2020/12M and 6% in 2021/12M, increase was stemmed mainly from:

- Debt finance for inventory building for upcoming projects surpassing annualized EBITDA.

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, Mersin – Subway Projects
- EMEA – Business Development
- Est. electrical scope 12-20%

RAILWAYS IN TURKEY'S INVESTMENT PLAN FOR 2022

- Total Investments: TRY 184 Billion
 - Transportation Investments: TRY 49,7 Billion (27%)
 - Railway Investments from Ministry: TRY 10,7 Billion
 - Railway Investments from Municipalities: TRY 19,3 Billion
 - Railway Investments for İstanbul: TRY 14,3 Billion
 - Railway Investments for İzmir: TRY 3,6 Billion
 - Railway Investments for Mersin: TRY 1,1 Billion
 - Railway Investments for other cities: TRY 300 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 2021 level.

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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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