

2022/Q4

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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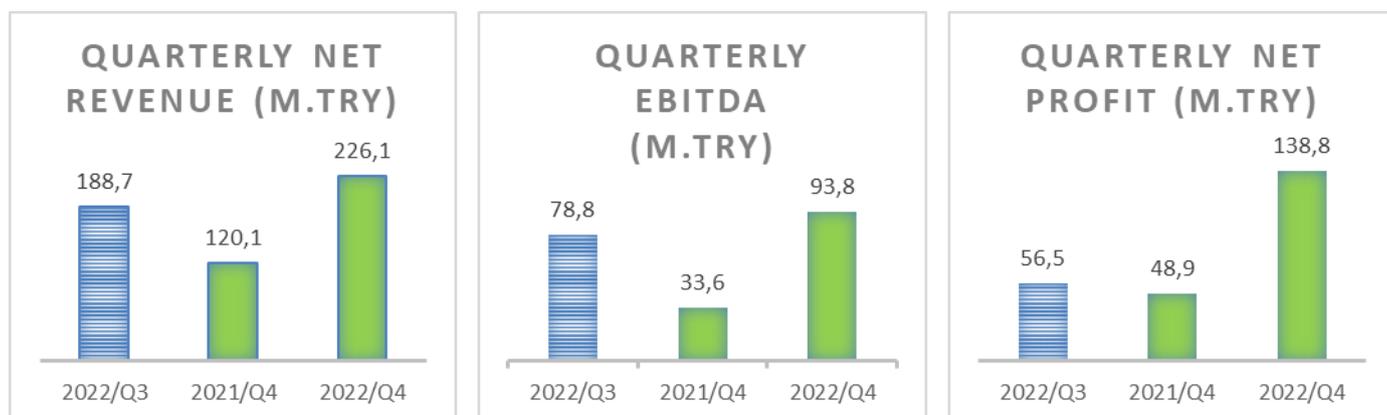
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2022/Q4 increased by 88% yearly and 20% quarterly. Increase was driven by:

- Increase in particularly YoY and QoQ New Work Bookings and Backlog.
- Contract value appreciation in FX contracts, due to TRY depreciation particularly compared to 2021/Q4, due to unit amount increase particularly compared to 2021/Q3.
- Increase in QoQ Revenue recognition from recent projects.

EBITDA in 2022/Q4 increased by 179% yearly and 19% quarterly. Increase was due to:

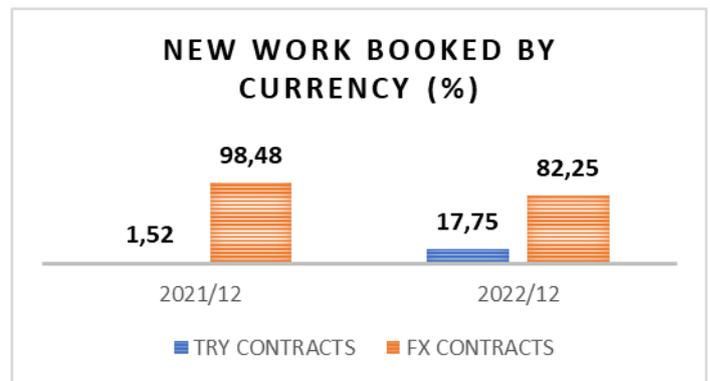
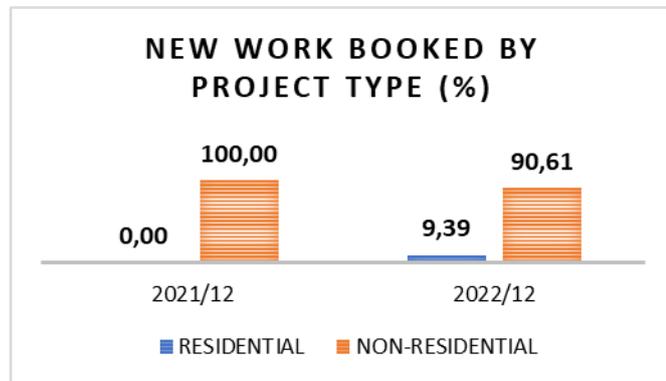
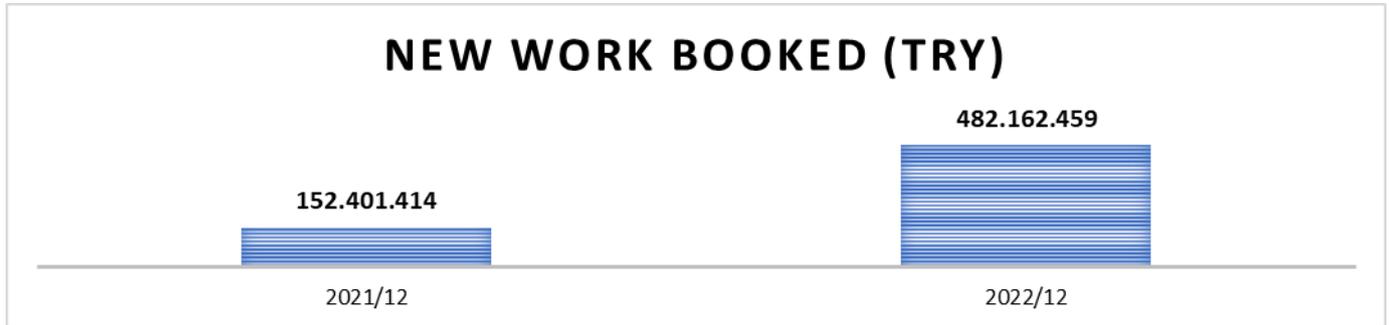
- Increase in revenue.
- More than expected revenue recognition on particular recently signed projects resulted maintaining QoQ gross margin.
- Discounted material purchases with favorable commodity prices.

Net Profit in 2022/Q4 increased by 184% yearly and 146% quarterly. Difference with EBITDA was mainly due to:

- Investment activity gains based on investment property valuation for current period particularly compared to 2022/Q3.
- Decrease in effective tax margin: particularly compared to 2022/Q3.
- Decrease in net financial gains derived mostly from currency gains vs interest expenses particularly compared to 2021/Q4 due to increase debt finance to use window of opportunity.

1.B. OPERATING HIGHLIGHTS

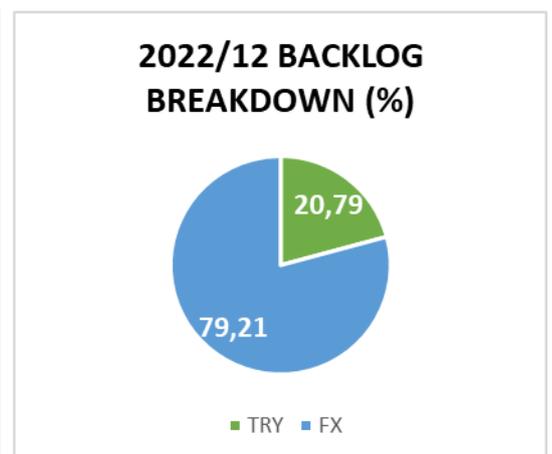
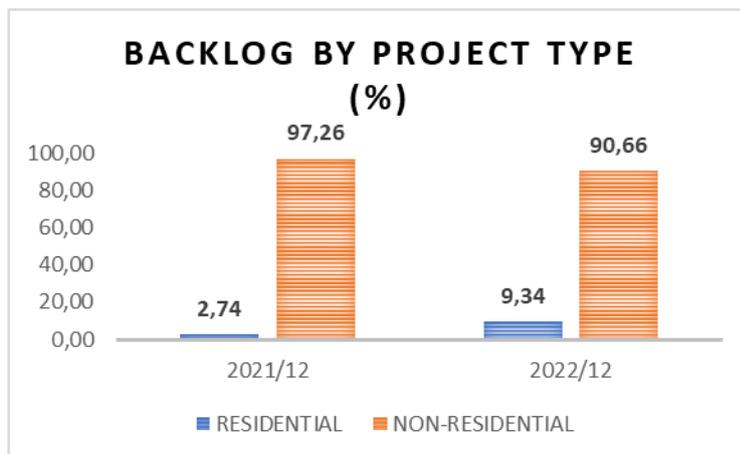
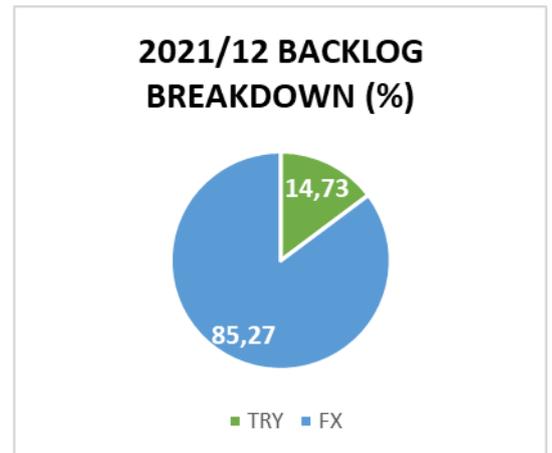
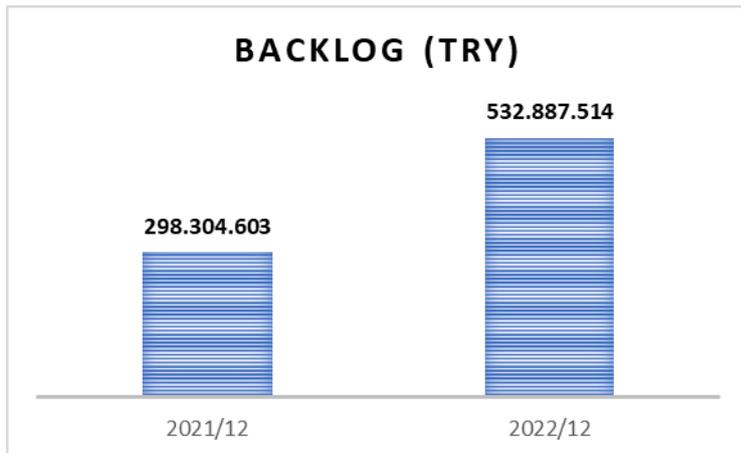
1.B.1. New Work Booked



New work booked in 2022/12M increased 482,162,459 TRY compared to 152,401,414 TRY 2021/12M.

- 91 % of new contracts are non-residential.
- 82% of new contracts are in FX terms. TRY based contracts and/or costs in partial contracts contain have escalation terms linked with inflation, minimum wage increases.

1.B.2. Backlog



Backlog increased 532,887,514 TRY as of 31.12.2022, compared to 298,304,603 TRY as of 31.12.2021.

- Non-residential weight in backlog at 91%.
- FX-based contract value decreased to 79% of backlog. Risk management is transformed and 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	STATUS
SABIHA GÖKÇEN AIRPORT SUBWAY	11.600.030 EUR	APRIL 2023	ONGOING
TURKCELL ANKARA DATA CENTER	2.274.485 EUR + 15.800.614 TL	APRIL 2023	ONGOING
TURKCELL GEBZE DATA CENTER	1.988.038 EUR + 11.618.486 TL	APRIL 2023	ONGOING
DUDULLU-BOSTANCI SUBWAY	4.151.346 EUR	APRIL 2023	ONGOING
KOCAELİ INTEGRATED HEALTCARE CAMPUS	29.777.256 TL + 5.707.474 EUR	JUNE 2023	ONGOING
BAŞAKŞEHİR-KAYAŞEHİR SUBWAY	4.675.000 EUR	JUNE 2023	ONGOING
TÜVTÜRK SOLAR POWER PLANT PROJECT	1.987.905 USD	JUNE 2023	ONGOING
GÖNCAY PLASTİK SOLAR POWER PLANT PROJECT	1.335.281 USD	JUNE 2023	ONGOING
FOLKART NEFES PROJECT	325.400 EUR + 889.174 USD + 22.109.505 TL	AUGUST 2023	ONGOING
ISTANBUL NEW AIRPORT-HALKALI SUBWAY	2.128.149 EUR + 12.124.054 TL	SEPTEMBER 2023	ONGOING
GEBZE-DARICA SUBWAY	2.685.000 EUR + 31.793.510 TL	FEBRUARY 2024	ONGOING
BAKIRKÖY-KİRAZLI SUBWAY	10.900.000 EUR	MARCH 2024	CONTRACT SIGNING PROCESS
FOÇA HOLIDAY RESORTS	17.983.250 TL	JUNE 2023	CONTRACT SIGNING PROCESS
KOÇ UNIVERSITY DORM PROJECT	711.968 EUR + 17.618.237 TL	DECEMBER 2023	CONTRACT SIGNING PROCESS

1.B.3. Other Major Developments in 2022/12M and Beyond

- Previously repurchased ORGE shares by Group in Borsa Istanbul with nominal value of 1.414.000 TL was sold to foreign institutional investors. After the end of period, 400.000 TL nominal valued shares were repurchased. The remaining balance of repurchased shares as of announcement date is nominal value of 499.413 TL.
- Maximum repurchase limit was increased to 40.000.000 TL from 20.000.000 by the board of directors.
- The Gündüz Family, who holds the management control of the Company, purchases shares from the in Borsa Istanbul in order to support the share price in periods when it is evaluated pricing that does not reflect the financial and operational performance of the Company. Shares bought in

Borsa Istanbul within this scope with a nominal value of 1.500.000 TL, were sold to institutional investors.

- New works booked in the period;
 - Hisarüstü-Aşıyan Funicular Line
(Additional Order Size: EUR 1,377,000)
 - Istanbul New Airport-Halkalı Subway Line
(Contract Size: EUR 2,128,149 + TRY12,124,054)
 - Diamond of Skopje Mix-Use LV Cable Supply Work
(Contract Size: EUR 1,525,000, first international work)
 - TUVTURK Solar Power Plant Project
(Contract Size: USD 1,987,905, first renewable energy work)
 - Folkart Nefes İstanbul Project
(Contract Size: EUR 325,400 + USD 889,174 USD + TRY 22,109,505)
 - Turkcell Ankara Data Center Project
(Contract Size: EUR 2,274,485 + TRY 15,800,614)
 - Turkcell Gebze Data Center Project
(Contract Size: EUR 1,988,038 + TRY 11,618,486)
 - Gebze-Darıca Subway Line
(Contract Size: EUR 2,685,000 + TRY 23,950,000)
 - Equipment supply orders from domestic clients
(Order Size: USD 978,930 + USD 836,525)
 - Bakırköy-Kirazlı Subway Line
(Contract Size: EUR 1,900,000)
 - Göncay Plastik Solar Power Plant Project
(Contract Size: USD 1,335,281)
- New works booked after the end of period;
 - Koç University Dorm Project contract signing process started
(Contract Size: EUR 711.968 + TRY 17.618.237)
 - Foça Holiday Resorts contract signing process started
(Contract Size: TRY 17,983,250)
 - Bakırköy-Kirazlı Subway additional contract signing process started
(Contract Size: EUR 9,000,000)
 - Gebze-Darıca Subway contract revision
(Contract Size: TRY 7,843,510)
 - Equipment supply order from domestic client
(Order Size: USD 539.659)

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the 2022/Q4 putting great effort into meeting our sustainable growth and profitability commitments. Sticking to the strategy to increase market share in our focal sub-sectors: solar power plants, data centers, premium residences we have grown our subway project base by winning three new subway tenders.

Our revenues keep up their growth pace thanks to new works booked and value growth in older backlog, but especially better than expected progress in particular recent projects.

We managed to increase EBITDA margin having the benefits of our FX contract base and project selection adapted to inflationist environment and downtrend in commodity prices.

Having investment property valuation gains and decrease in effective tax margin in Q4, we managed to increase net profit margin, despite a decrease in net financial gains.

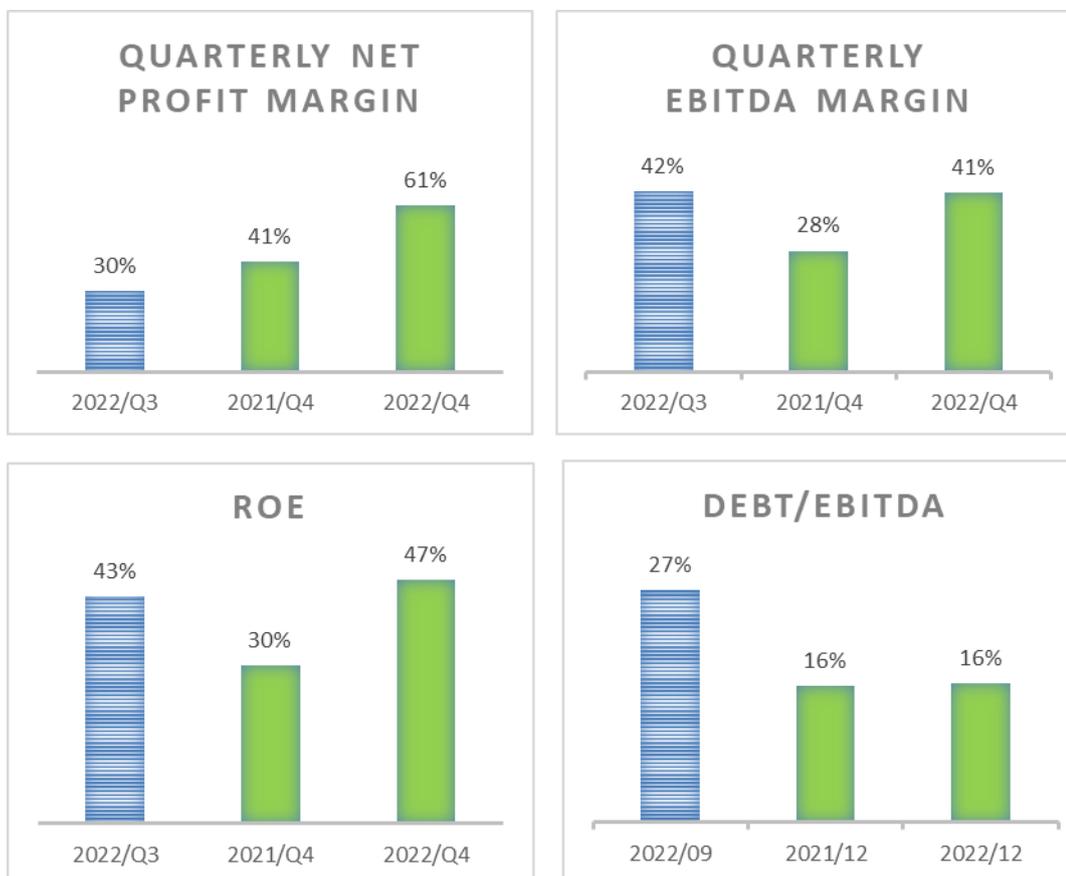
As of the disclosure day, we'd like to disclose our financial targets. Our base scenario for 2023 is: smooth general election process, normalization in economic activity, indicators and prices; and their convergence to the expectations of the company.

When our base scenario holds; we believe the activities and financial status of the company will not be effected from the downturns and we can deliver %50 revenue growth and 50% increase in Operational Profit for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2021/12M	2022/12M
Revenue	308.758.884	719.669.548
Gross Profit	111.519.046	305.042.587
Operating Profit	82.503.774	288.807.677
Profit Before Tax	125.408.476	360.807.404
Net Profit	103.961.361	309.625.890
Equity	345.324.068	664.496.220
Profitability Ratios (%)	2021/12M	2022/12M
Gross Profit Margin	36,12	42,39
Operating Profits Margin	26,72	40,13
Net Profits Margin	33,67	43,02
Equity Profitability Margin	30,11	46,60
Liability Ratios (%)	2021/12M	2022/12M
Total Fin. Debt / Equity	16,73	18,65
Total Debt / Equity	68,44	70,97
Total Debt / Total Assets	40,63	41,51
Equity / Total Assets	59,37	58,49
Net Financial Liabilities (TRY)	16.288.421	45.872.684
Market Value as of 31.12 (TRY)	496.000.000	2.120.000.000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2022/Q4;

Increased by 13 pp compared to 2021/Q4 and decreased by 1 pp compared to 2022/Q3 mainly due to:

- More than expected revenue recognition on particular recently signed low-labor&low-delay projects resulted maintaining QoQ gross margin.
- Increase in QoQ net other operational gains: mainly currency, and gains, a deduction item in EBITDA calculation.

Net Profit margin in 2022/Q4 increased by 20 pp yearly and 31 pp quarterly, mainly due to:

- Increase in investment activity income by investment property valuation particularly compared to 2022/Q3 with no valuation gains.
- Net financial gains decreased particularly compared to 2021/Q4,
- Effective tax margin decreased particularly compared to 2022/Q3

ROE in 2022/Q4 increased by 17 pp yearly and 4 pp quarterly, mainly due to:

- Increase in Equity base is more than annualized net profit comparing 2021/Q4.

Net Financial Debt / EBITDA in 2022/12M is at 16%; it was 16% in 2021/12M and 27% in 2022/9M, yearly increase and quarterly decrease was stemmed mainly from:

- Debt finance for inventory building for upcoming projects and to take advantage of debt finance window of opportunity normalized.
- Debt payments in Q4 are higher than new bank debt received.

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS

ECI – Early Contractor Involvement

- Current: 321 KM
- Ongoing construction in İstanbul: 120 KM
- 2025 target: 441 KM / 2030 target: 685 KM
- İzmir, İzmit, Mersin – Subway Projects
- Est. electrical scope 12-20%

RAILWAYS IN TURKEY’S INVESTMENT PLAN FOR 2023

- Total Investments: TRY 454 Billion
 - Transportation Investments: TRY 122 Billion (27%)
 - Railway Investments from Ministry: TRY 16 Billion
 - Railway Investments from Municipalities: TRY 27 Billion
 - Railway Investments for Istanbul: TRY 16,8 Billion
 - Railway Investments for Izmir: TRY 3,7 Billion
 - Railway Investments for Mersin: TRY 2,2 Billion
 - Railway Investments for Ankara: TRY 1,9 Billion
 - Railway Investments for Antalya: TRY 1,7 Billion
 - Railway Investments for other cities: TRY 640 Million

RENEWABLE ENERGY

- Renewable Energy Department was established
- Tender for the two projects were won.
- Roof Solar Power Plant (SPP) potential in the Domestic Market in 2023 is projected 3800 MW / 1 Billion USD
- Only 3% of industrial plants yet completed or started to built SPP

EV CHARGING

- More than 300% annual growth in electric vehicle sales
- As of 2023, upward acceleration expectation with the release of TOGG to traffic
- 3,500+ charging stations (CS) in Turkey currently.
- CS are estimated to reach 54 thousand in 2023, 1.1 million in 2030, and 4.8 million in 2040.

INDUSTRIAL PLANTS,

- Automotive sector investments: e-mobility
- Tax incentives for chemical, petroleum plants

- Renewable energy transition for factories/plants
- Cooperation with international contractors
- Est. electrical scope 12-20%

DATA CENTERS

- IT Complex, data center construction & renovations
- Within the scope of the Attraction Area Program (Energy, fiber communication infrastructure, investment location allocation, interest-free investment loan supports)
- Among the priority investment incentive areas
- An ideal and an alternative Disaster Recovery Center (FKM/DRC) for neighboring and Gulf Countries
- Current data center area: 100.000 sqm
- Target: 400.000 sqm in 5 years
- Est. electrical scope 15-25%

SMART BUILDINGS / TOURISM INVESTMENTS

- Business development at elite segment residential and touristic projects at Turkey, Cyprus and EMEA
- Premium segment hotel demand
- Turkey, one of top 10 most visited country.
- 2023 target: 60 million visitors, 56 billion USD revenue
- 2028 target: 90 million visitors, 100 billion USD revenue
- Ministry Guidance: visitors and revenue increase by %30-%45
- Tax incentives
- Est. electrical scope 12-20%

5. EXPECTATIONS AND EARNINGS GUIDANCE

2023/12M

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 **50%**; average number of employees by **20%**, and operating profit by **50%**.

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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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