

2022/Q3

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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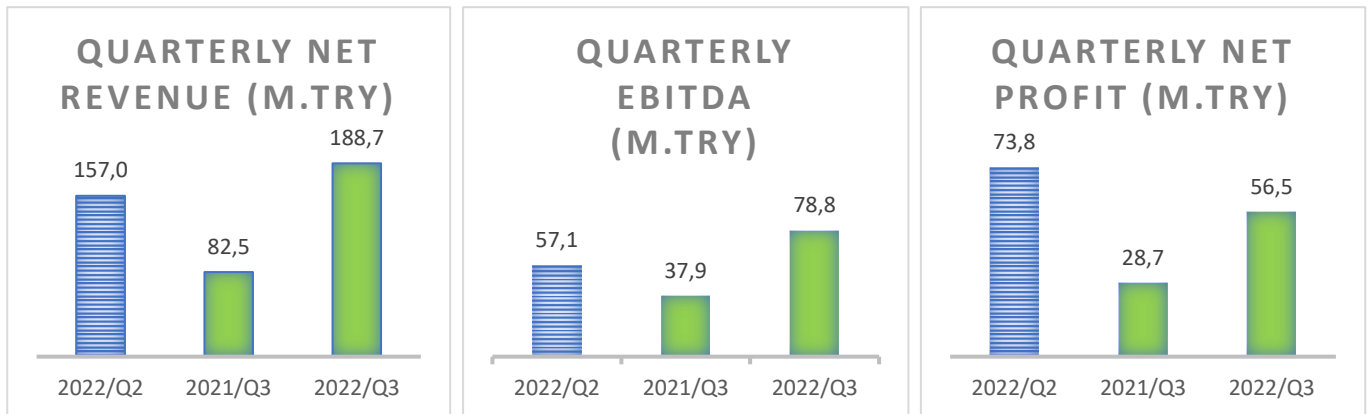
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2022/Q3 increased by 129% 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/Q3.
- Increase in QoQ Revenue recognition from recent projects.

EBITDA in 2022/Q3 increased by 108% yearly and 38% quarterly. Increase was due to:

- Increase in revenue.
- More than expected revenue recognition on particular recently signed projects resulted increase in QoQ gross margin.
- More than expected cost realizations on particular older projects resulted decrease in YoY gross margin.

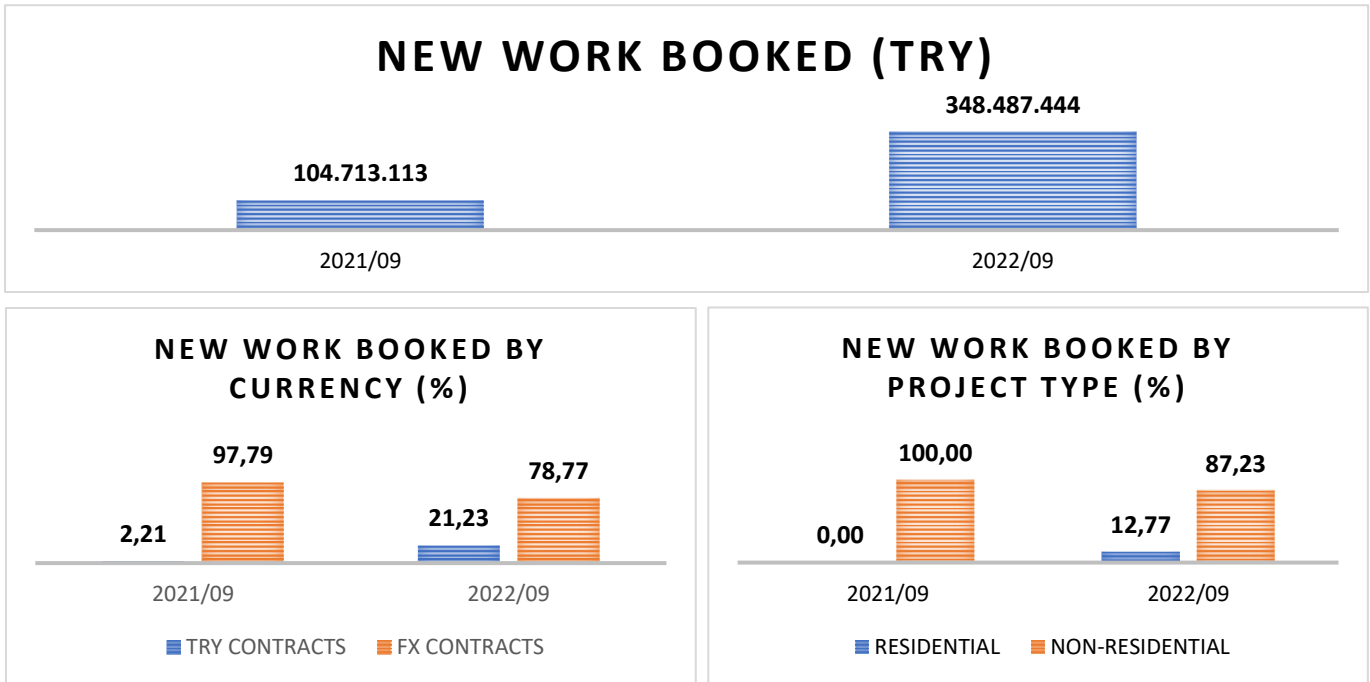
Net Profit in 2022/Q3 increased by 97% yearly and decreased by 23% quarterly. Difference with EBITDA was mainly due to:

- No investment activity gains based on investment property valuation for current period compared to 2022/Q2.
- Increase in effective tax margin: particularly compared to 2021/Q3.

- Decrease in net financial gains derived from currency gains vs interest expenses particularly compared to 2022/Q2 due to increase debt finance to use window of opportunity.

1.B. OPERATING HIGHLIGHTS

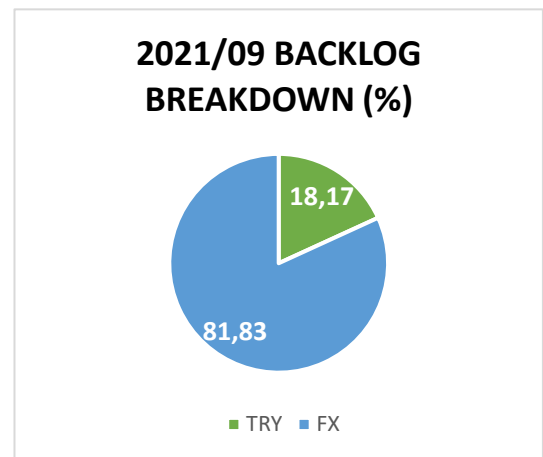
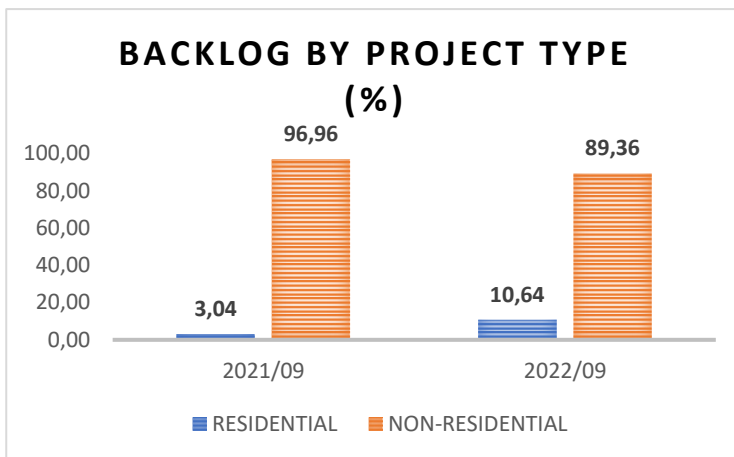
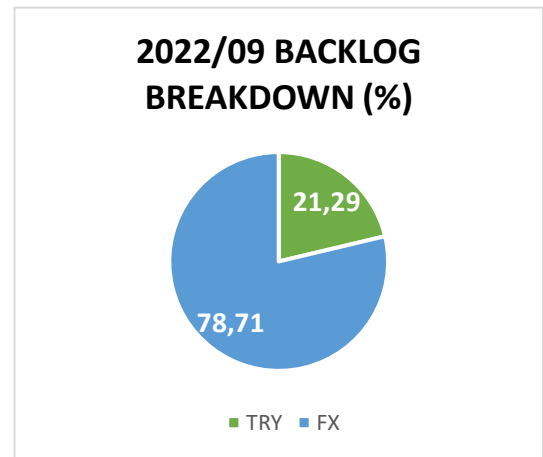
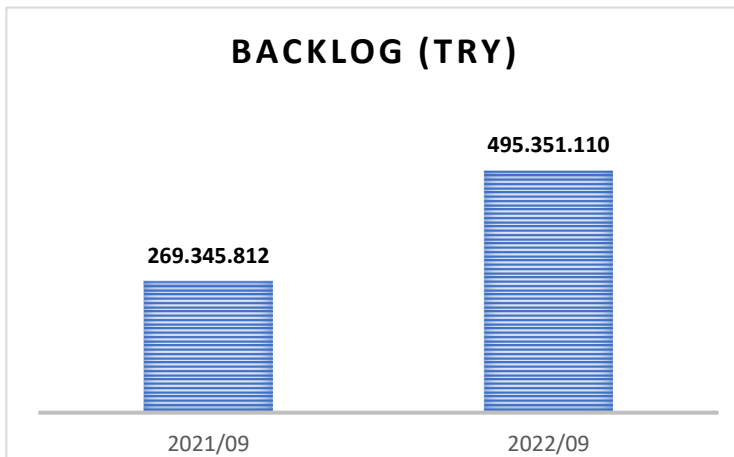
1.B.1. New Work Booked



New work booked in 2022/9M increased 348,487,444 TRY compared to 104,713,113 TRY 2021/9M.

- 87% of new contracts are non-residential.
- FX terms weight in new contracts at 79%.

1.B.2. Backlog



Backlog increased 495,351,110 TRY as of 30.09.2022, compared to 269,345,812 TRY as of 30.09.2021.

- Non-residential weight in backlog at 89%.
- 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
SABIHA GÖKÇEN AIRPORT SUBWAY	11.600.030 EUR	DECEMBER 2023
TURKCELL ANKARA DATA CENTER	2.274.485 EUR + 15.800.614 TL	DECEMBER 2022
TURKCELL GEBZE DATA CENTER	1.988.038 EUR + 11.618.486 TL	DECEMBER 2022
KOCAELİ INTEGRATED HEALTCARE CAMPUS	29.777.256 TL + 5.707.474 EUR	FEBRUARY 2023
BAŞAKŞEHİR-KAYAŞEHİR SUBWAY	4.675.000 EUR	FEBRUARY 2023
DUDULLU-BOSTANCI SUBWAY	4.151.346 EUR	FEBRUARY 2023
TÜVTÜRK SOLAR POWER PLANT PROJECT	1.987.905 USD	FEBRUARY 2023
ISTANBUL NEW AIRPORT-HALKALI SUBWAY	2.128.149 EUR + 12.124.054 TL	MAY 2023
M9 ve M3 METRO EXTENSION LINES	1.080.000 EUR	JUNE 2023
FOLKART NEFES PROJECT	325.400 EUR + 889.174 USD + 22.109.505 TL	AUGUST 2023
GEBZE - DARICA SUBWAY	2.685.000 EUR + 23.950.000 TL	FEBRUARY 2024

1.B.3. Other Major Developments in 2022/9M 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. The remaining payment balance of repurchased shares as of announcement date is nominal value of 99.413 TL.
- 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 TL 1.500.000, 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)

-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 tender bid was awarded, signing process started

(Contract Size: EUR 1,900,000)

- New works booked after the period;

-Turkcell Gebze Data Center Project

(Contract Size: EUR 1,988,038 + TRY 11,618,486)

-Göncay Plastik Solar Power Plant Project contract signing process started

(Contract Size: USD 1,335,281)

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the 2022/Q3 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 two 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 adapted to inflationist environment and downtrend in commodity prices.

When put aside not having investment property valuation gains for Q3, net profit margin is stable with the contribution of recent projects progress, despite an increase at the quarterly effective tax margin,

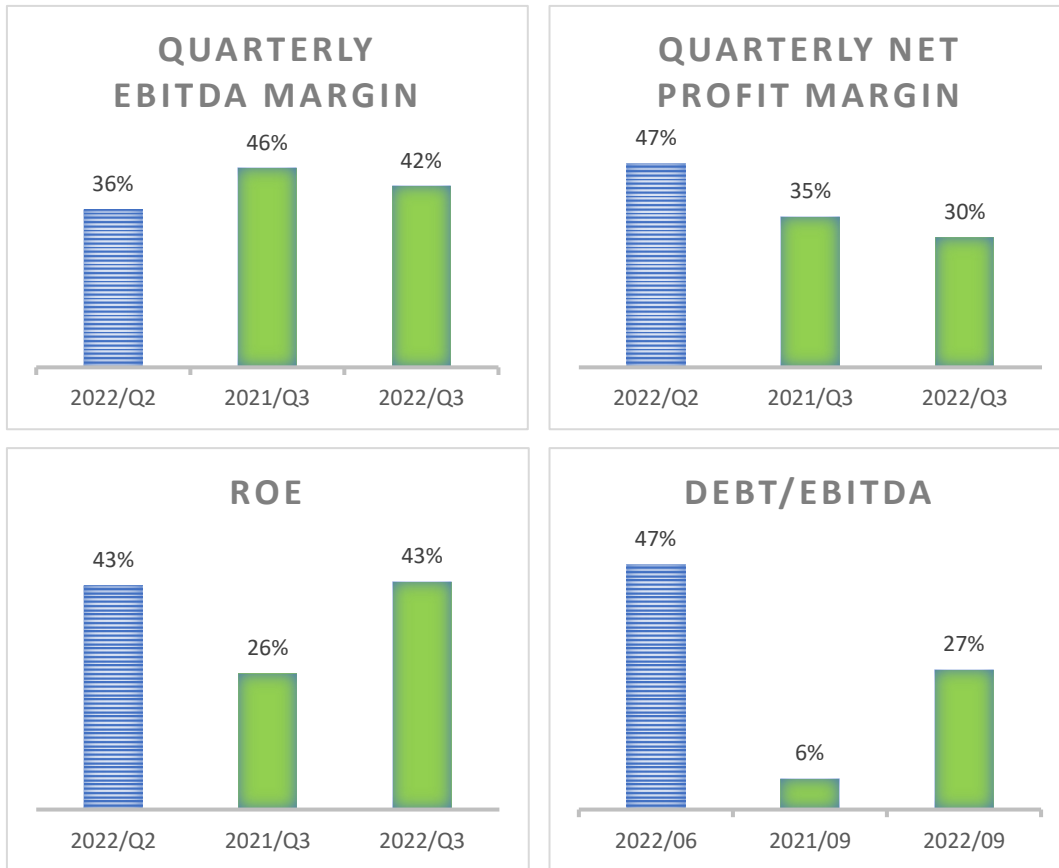
As of the disclosure day, we upgrade our financial targets. Our base scenario for 2022 is: normalization in economic activity, indicators and prices; and their convergence to the expectations of the company.

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 %100 growth (prior: 80%) and 100% increase (Prior: %80) in Operational Profit for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2021/9M	2022/9M
Revenue	194.486.910	493.524.391
Gross Profit	75.616.321	205.298.868
Operating Profit	68.689.125	192.043.474
Profit Before Tax	73.363.675	213.148.544
Net Profit	55.063.034	170.811.795
Equity	296.133.312	506.127.550
Profitability Ratios (%)	2021/9M	2022/9M
Gross Profit Margin	38,88	41,60
Operating Profits Margin	35,32	38,91
Net Profits Margin	28,31	34,61
Equity Profitability Margin	25,92	43,41
Liability Ratios (%)	2021/12M	2022/9M
Total Fin. Debt / Equity	16,73	26,44
Total Debt / Equity	68,44	75,57
Total Debt / Total Assets	40,63	43,04
Equity / Total Assets	59,37	56,96
Net Financial Liabilities (TRY)	16.288.421	60.840.267
Market Value as of 30.06 (TRY)	470.400.000	1.084.800.000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2022/Q3;

Decreased by 4 pp compared to 2021/Q3 and increased by 6 pp compared to 2022/Q2 mainly due to:

- More than expected revenue recognition on particular recently signed projects comparing 2022/Q2, resulted increase in QoQ gross margin.
- Less projects in growth phase and benefit unit and price increase comparing 2021/Q3.
- Decrease in QoQ net other operational gains: mainly currency gains, a deduction item in EBITDA calculation.

Net Profit margin in 2022/Q3 decreased by 5 pp yearly and 17 pp quarterly, mainly due to:

- No investment activity income by investment property valuation compared to 2022/Q2.

- Net financial gains decreased particularly compared to 2022/Q2,
- Effective tax margin increased particularly compared to 2022/Q2

ROE in 2022/Q3 increased by 17 pp yearly and in line with 2022/Q2, mainly due to:

- Increase in Equity base is more than annualized net profit comparing 2021/Q3.

Net Financial Debt / EBITDA in 2022/9M is at 27%; it was 6% in 2021/9M and 47% in 2022/6M, 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 surpassing annualized EBITDA.
- Debt payments in Q3 are higher than new bank debt received.

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS

ECI – Early Contractor Involvement

- Current: 262 KM Ongoing construction in İstanbul: 180 KM
- 2025 target: 442 KM / 2029 target: 638 KM
- İzmir, İzmit, Mersin – Subway Projects
- Est. electrical scope 12-20%

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 build 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.
- 8th. most visited city: İstanbul
- 2022 target: 42 million visitors, 35 billion USD revenue
- 2028 target: 120 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

2022/12M (Updated:09/11/2022)

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 **100%**; average number of employees by **20%**, and operating profit by **100%**.

2022/12M (Previous)

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 **80%**; average number of employees by **20%**, and operating profit by **80%**.

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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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