

2023/Q3

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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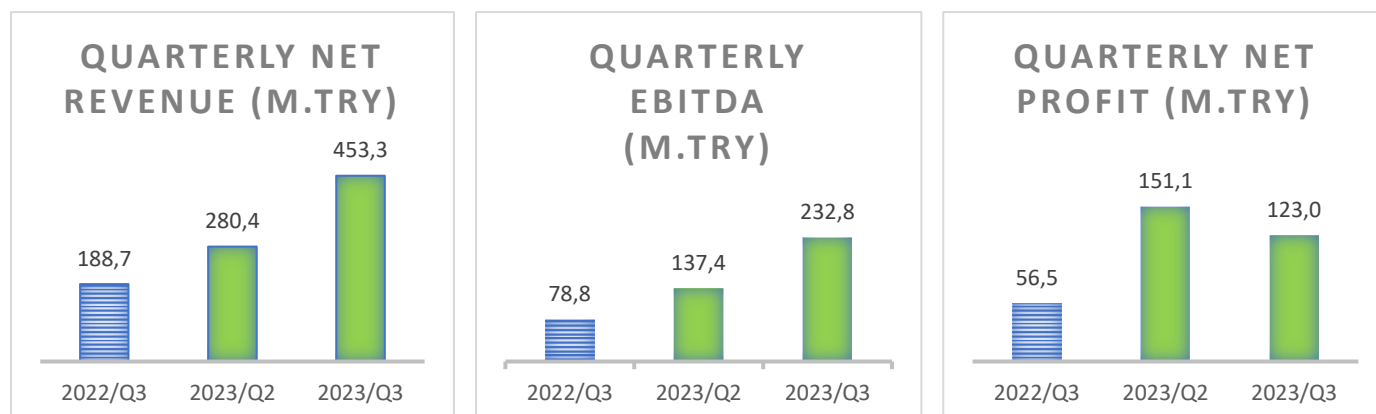
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2023/Q3 increased by 140% yearly and 62% 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 2022/Q3, due to unit amount and price increase particularly compared to 2023/Q2.
- Increase in QoQ Revenue recognition from recent projects.

EBITDA in 2023/Q3 increased by 195% yearly and 69% quarterly. Increase was due to:

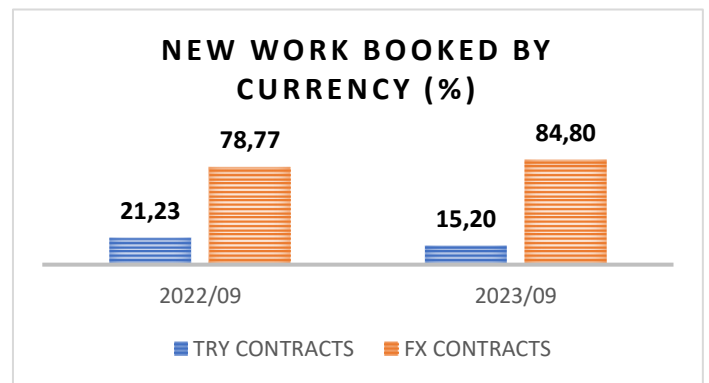
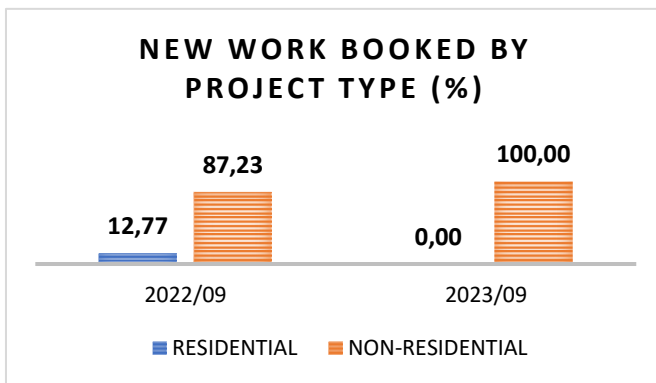
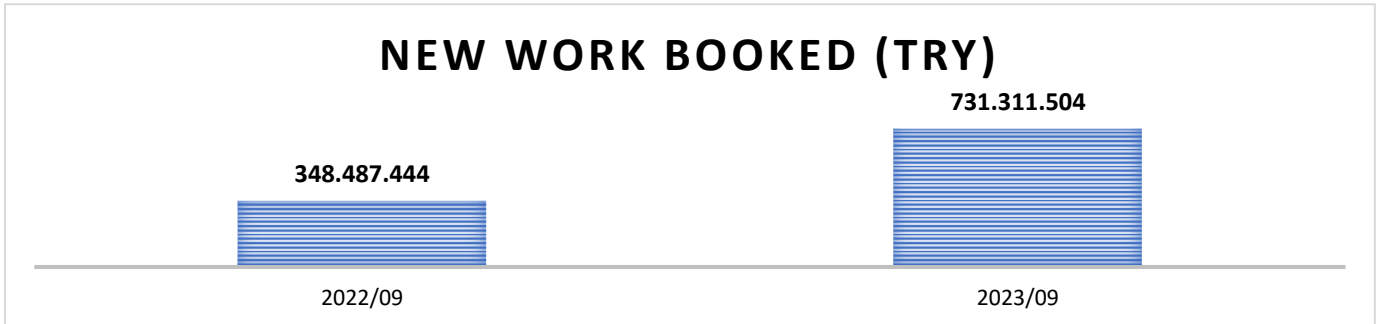
- Increase in revenue.
- More than expected revenue recognition on particular recently signed projects priced with more actual figures and/or escalation rights in contracts and/or have less labor weight within cost structure.
- Discounted material purchases with favorable commodity prices create extra margin for particular projects.

Net Profit in 2023/Q3 increased by 118% yearly and decreased by 19% quarterly. Difference with EBITDA was mainly due to:

- No investment activity gains based on investment property valuation for current period particularly compared to 2023/Q2 where real estates are re-valued.
- Increase in Deferred Tax losses due to increase in corporate tax rate to %25 and all ongoing projects net gains are taxed with new tax rate.

1.B. OPERATING HIGHLIGHTS

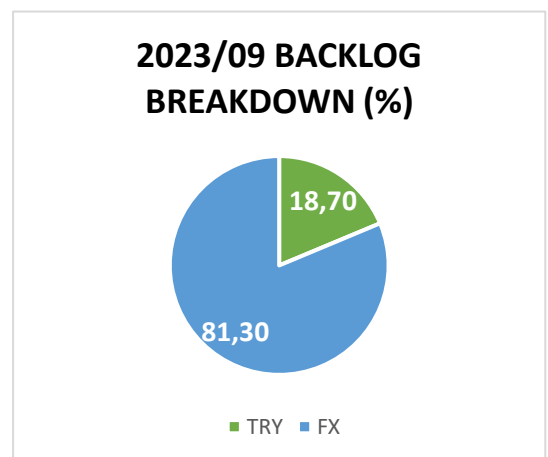
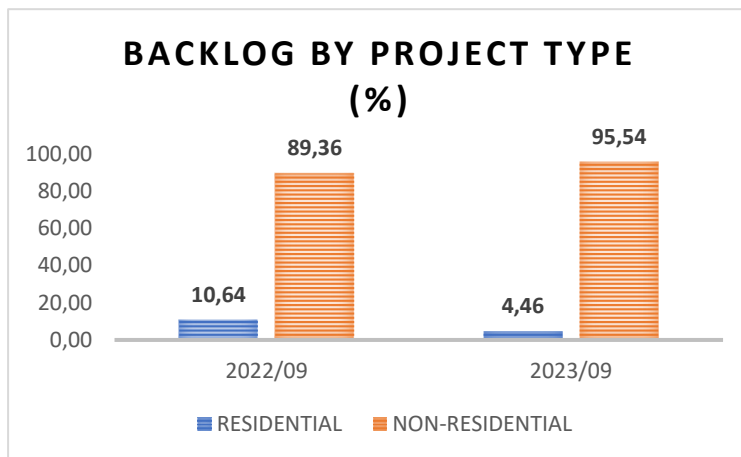
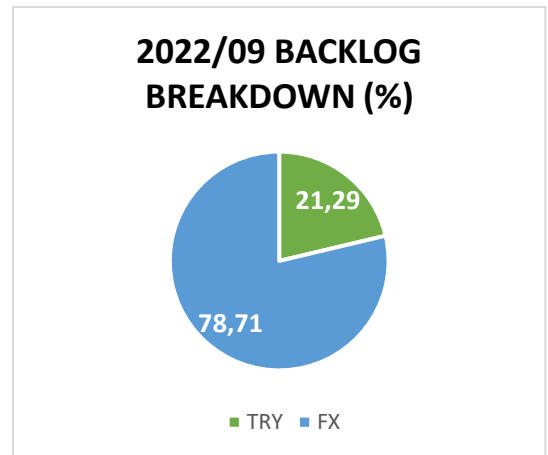
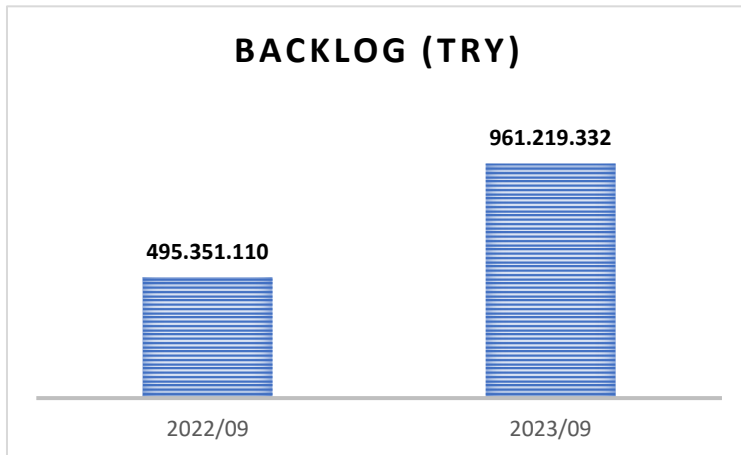
1.B.1. New Work Booked



New work booked in 2023/9M increased TRY 731,311,504 compared to TRY 348,487,444 2022/9M.

- All of new contracts are non-residential.
- 85% 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 TRY 961,219,332 as of 30.09.2023, compared to TRY 495,351,110 as of 30.09.2022.

- Non-residential weight in backlog at 95,5%.
- FX-based contract value increased to 81,3% 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
PENDİK-FEVZİ ÇAKMAK SUBWAY	EUR 9,630,917 + TRY 54,723,773	FEBRUARY 2025	ONGOING
BAKIRKÖY-KİRAZLI SUBWAY	EUR 10,900,000	MARCH 2024	ONGOING
KOCAELİ INTEGRATED HEALTCARE CAMPUS	TRY 29,777,256 + EUR 5,707,474	DECEMBER 2023	ONGOING
GEBZE-DARICA SUBWAY	EUR 2,685,000 + TRY 31,793,510	OCTOBER 2024	ONGOING
ISTANBUL NEW AIRPORT-HALKALI SUBWAY	EUR 2,128,149 + TRY 25,124,798	MARCH 2024	ONGOING
TURKCELL ANKARA DATA CENTER	EUR 2,274,485 + 15,800,614 TL	DECEMBER 2023	ONGOING
TURKCELL GEBZE DATA CENTER	EUR 1,988,038 + TRY 11,618,486	DECEMBER 2023	ONGOING
FOLKART NEFES PROJECT	EUR 325,400 + USD 889,174 + TRY 22,109,505	DECEMBER 2023	ONGOING
TÜVTÜRK SOLAR POWER PLANT PROJECT	USD 1,987,905	DECEMBER 2023	ONGOING
GÖNCAY PLASTİK SOLAR POWER PLANT PROJECT	USD 1,335,281	DECEMBER 2023	ONGOING
KOÇ UNIVERSITY DORM PROJECT	EUR 810,178 + TRY 22,072,013	JANUARY 2024	ONGOING
KALİBRE BORU SOLAR POWER PLANT PROJECT	USD 954,985	DECEMBER 2023	ONGOING
FOÇA HOLIDAY RESORTS	TRY 17,983,250	JUNE 2024	ONGOING

1.B.3. Other Major Developments in 2023/9M and Beyond

- Maximum repurchase limit was increased to TRY 40,000,000 from TRY 20,000,000 by the board of directors.
- Previously repurchased ORGE shares in Borsa Istanbul with nominal value of TRY 891,413 was sold to institutional investors (Current Balance: 0 share).
- E-Mobility Department was established for the production of Electric Vehicle Charging Units, Manager and Personnel were employed, industrial design registration applications were made for 2 selected models (AC/DC).
- New works booked in the period;
 - Pendik-Fevzi Çakmak Subway contract signed
(Contract Size: EUR 9,630,917 + TRY 54,723,773)
 - Bakırköy-Kirazlı Subway additional contract signed
(Contract Size: EUR 9,000,000)
 - Koç University Dorm Project contract signed
(Contract Size: EUR 711,968 + TRY 17,618,237)
 - Kalibre Boru Solar Power Plant Project contract signed
(Contract Size: USD 954,985)
 - Foça Holiday Resorts contract signed
(Contract Size: TRY 17,983,250)
 - Dudullu-Bostancı Subway additional contract signed
(Contract Size: EUR 648,573)
 - Equipment supply order from domestic client
(Order Size: USD 539,659)
 - Gebze-Darıca Subway contract revision
(Contract Size: TRY 7,843,510)
 - New Airport-Halkalı Subway contract revision
(Contract Size: TRY 6,625,795)
 - New Airport-Halkalı Subway contract revision
(Contract Size: TRY 6,374,949)
- After the end of period;
 - Koç University Dorm Project additional contract signed
(Contract Size: EUR 98,210 + TRY 4,453,776)
 - Bodrum Hillside Hotel Project contract signing process started
(Contract Size: will be announced when signed)
 - Contract signing process started for equipment supply to domestic client
(Order Size: USD 2,500,000)
 - Collaboration Agreement signed with Secheron SA (Switzerland) for sales of DC System Equipment in Türkiye.

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the 2023/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-tourism we have received one important hotel project contract amount to be announced when the signing process completed. During the period we gave a start to our first investment project EV charging. We're pushing hard and thrilled to give a start to production when financial and operational feasibility works are completed.

Our revenues keep up their growth pace thanks to new works booked and value growth in older backlog, progress increase 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 optimizing procurement timing and tender pricing taking into account trends in commodity prices.

Having investment no property valuation gain, we experienced increase in YoY net profit margin, despite a huge increase in deferred tax losses due to corporate tax rate effected all our ongoing projects. Since most of the losses accounted for prior terms, that can be considered for a one time correction. Net profit is expected to increase in ordinary manner in upcoming quarters.

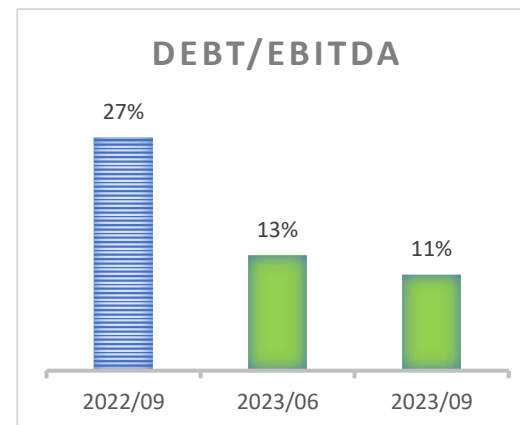
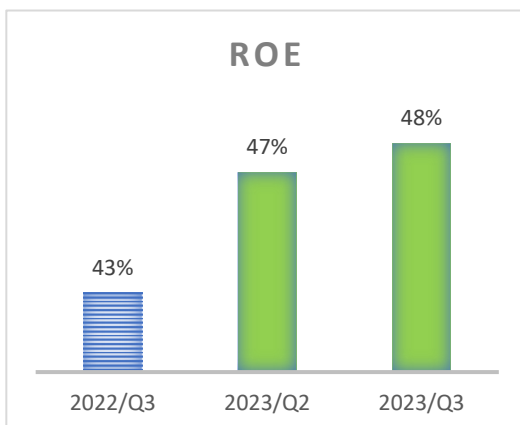
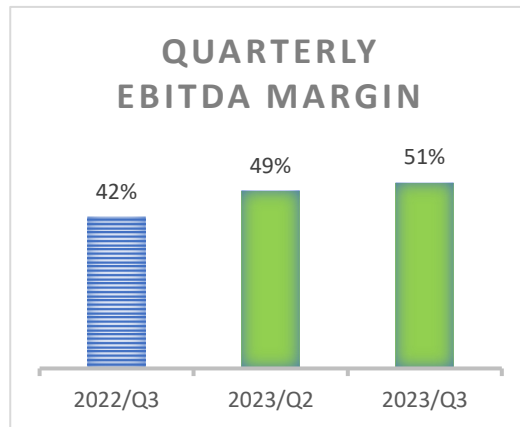
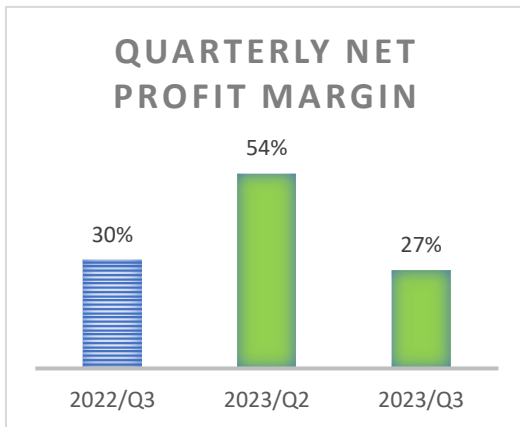
As of the disclosure day, we're updating our financial guidance for 2023. Our base scenario for 2023 and beyond is: normalization in governance and economic activity, liquidity, indicators and prices; and their convergence to the expectations of the company.

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 85% revenue growth and 100% increase in operational profit for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2022/9M	2023/9M
Revenue	493,524,391	1,005,817,678
Gross Profit	205,298,868	507,985,494
Operating Profit	192,043,474	443,820,147
Profit Before Tax	213,148,544	490,976,200
Net Profit	170,811,795	349,873,569
Equity	506,127,550	1,018,958,569
Profitability Ratios (%)	2022/9M	2023/9M
Gross Profit Margin	41,60	50,50
Operating Profits Margin	38,91	44,13
Net Profits Margin	34,61	34,78
Equity Profitability Margin	43,41	55,39
Liability Ratios (%)	2022/12M	2023/9M
Total Fin. Debt / Equity	18,65	14,51
Total Debt / Equity	70,97	76,43
Total Debt / Total Assets	41,51	43,32
Equity / Total Assets	58,49	56,68
Net Financial Liabilities (TRY)	45,872,684	61,891,458
Market Value as of 30.09 (TRY)	1,084,800,000	5,116,000,000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2023/Q3;

Increased by 9 pp compared to 2022/Q3 and 2 pp compared to 2023/Q2 mainly due to:

- Additional gross margin maintained by contract value appreciation in FX contracts, particularly compared to 2022/Q3, due to unit amount and price increase particularly compared to 2023/Q2
- More than expected revenue recognition on particular recently signed low-labor&low-delay projects resulted maintaining gross margin.
- Additional margin maintained by favorable material purchases.
- No margin contraction due to minimum wage increase and/or severance provisions as faced in 2023/Q2.

Net Profit margin in 2023/Q3 decreased by 3 pp yearly and 27 pp quarterly, mainly due to:

- No investment activity income by investment property valuation particularly compared to 2023/Q2 with valuation gains.
- Increase in tax margin mainly from caused by deferred losses due to corporate tax rate increase.

ROE in 2023/Q3 increased by 5 pp yearly and 1 pp quarterly, mainly due to:

- Annualized net profit increase is more than Equity base comparing 2022/Q3.

Net Financial Debt / EBITDA in 2023/9M is at 11%; it was 27% in 2022/9M and 13% in 2023/6M, decrease was stemmed mainly from:

- Major increase in annualized EBITDA.
- Less favorable debt environment, lessened debt finance,
- Debt payments in 2023/Q3 are higher than new bank debt received.

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS

ECI – Early Contractor Involvement

- Current: 329 KM
- Ongoing construction in İstanbul: 136 KM
- 2025 target: 441 KM / 2029 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 3 projects were won.
- Roof Solar Power Plant (SPP) potential in the Domestic Market in 2024 is projected 5000 MW / USD 1,5 Billion.
- Only 3% of industrial plants yet completed or started to built SPP

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%

INTERNATIONAL WORKS / ORGE TRADING (OTC)

- Retail supply sales/e-commerce initiatives
- Key distributor collaborations with international supplier brands
- Opportunity to follow up different country experiences of investors and main contractors
- High awareness and recognition thanks to the electrical contracting network
- OTC supply and sales transactions contribute to ORGE's revenue and profitability and cash flow optimization
- Rapid cash generation with limited risk, limited workforce and organization
- OTC activities may contribute the hedge against commodity price risk with inventory management
- The large demand expected to arise in higher quality electrical materials, especially cables, within the scope of the reconstruction of the earthquake-affected areas, the reconstruction and/or the initial construction of the regions in the possible earthquake-affected area

ELECTRIC VEHICLE (EV) CHARGING STATIONS

- According to the International Energy Agency (IEA) data, it is aimed to have 12.7 million 'public' charging stations in the world by 2030
- The Global Public Charger Market is expected to be approximately USD 400 Billion in size
- In 2030, the number of privately owned chargers is expected to be 28 million units in the USA and 29 million units in Europe
- Türkiye is expected to own 250,000 public (Ministry of Industry and Technology) and 750,000 privately owned charging stations by 2030.
- The US and European private property market size is expected to be USD 600 billion in 2030 (IEA/MC KINSEY)
- The total public and private market size in Turkey is expected to be USD 5.75 billion.
- Only TOGG (Turkish EV) production is 1 million
- Currently, Chinese companies are making limited exports, including Türkiye
- A significant growth acceleration is expected to occur with two-wheeled vehicles

5. EXPECTATIONS AND EARNINGS GUIDANCE

2023/12M (Updated:08/11/2023)

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 **85%**; maintaining the average number of employees and increase our operating profit by **100%**.

2023/12M (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 **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.org.tr and www.orge.com.tr websites.

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