

2023/12M

EARNINGS PRESS RELEASE

ORGE[®]
ELECTRICAL CONTRACTING

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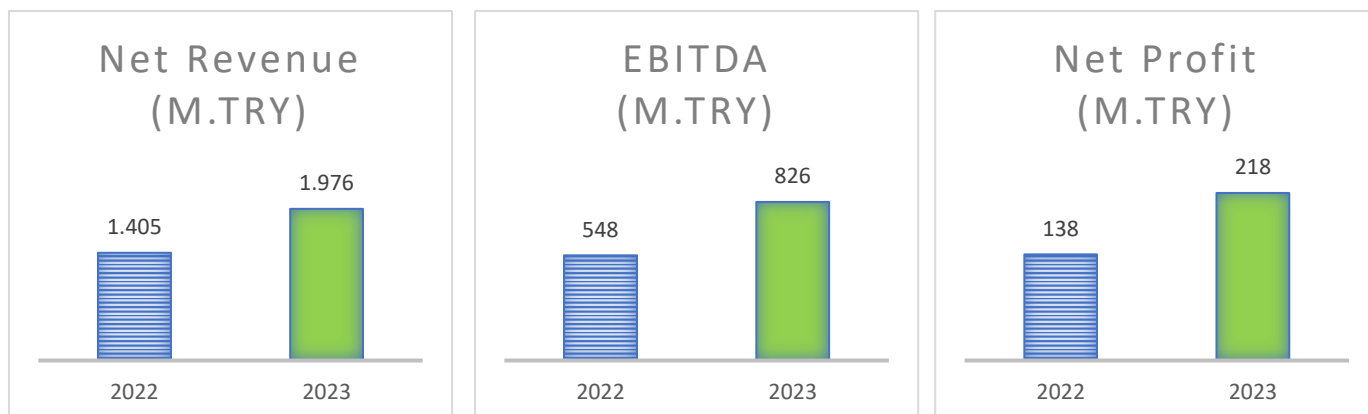
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1. FINANCIAL AND OPERATING HIGHLIGHTS

1.A. FINANCIAL HIGHLIGHTS



Revenue in 2023/12M increased by 41% yearly. Increase was driven by:

- Significant increase in New Work Bookings and Backlog.
- Contract value appreciation in FX contracts, unit amount and price increase in current backlog.
- Weight increase in revenue recognition from recent projects.

EBITDA in 2023/12M increased by 51% yearly. Increase was due to:

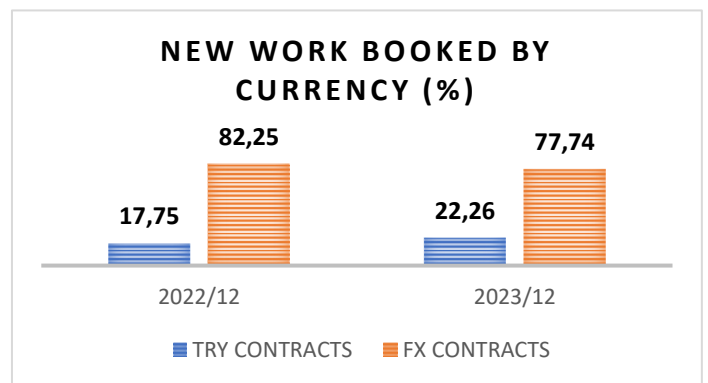
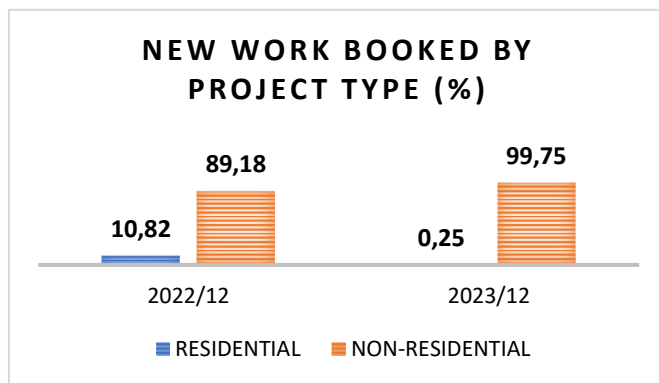
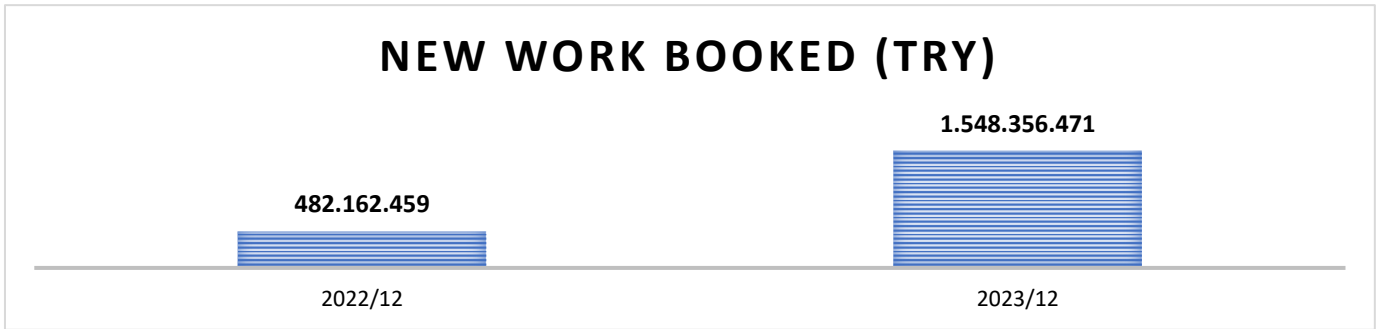
- Increase in revenue.
- More than expected revenue recognition on particular recently signed projects priced with more actual figures and/or escalation rights in contracts and/or have less labor weight within cost structure.
- Discounted material purchases with favorable commodity prices create extra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

Net Profit in 2023/12M increased by 58% yearly. Factors effect Net Profit most and explain difference with EBITDA change are:

- Net monetary losses arising from the application of inflationary accounting are proportionally higher for 2022.
- No investment activity gains based on investment properties since re-valued prices are less than inflationary indexed ones.
- Increase in net financial losses due to TRY currency depreciation and interest expenses.
- 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

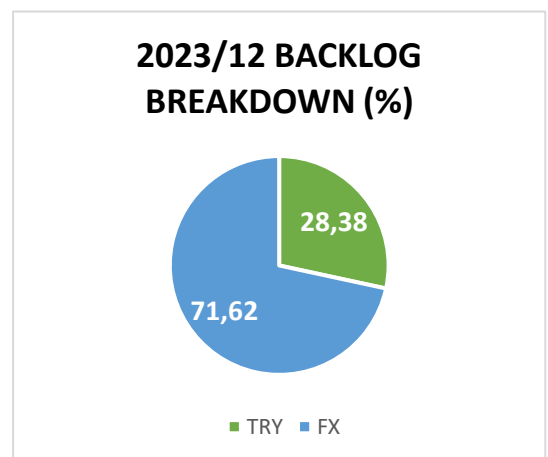
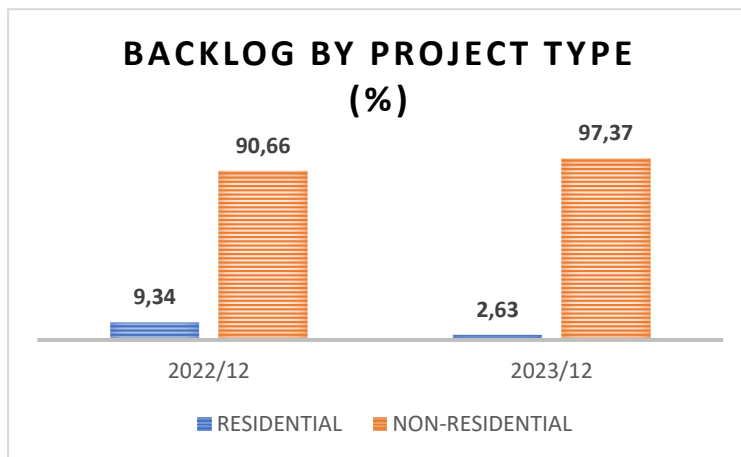
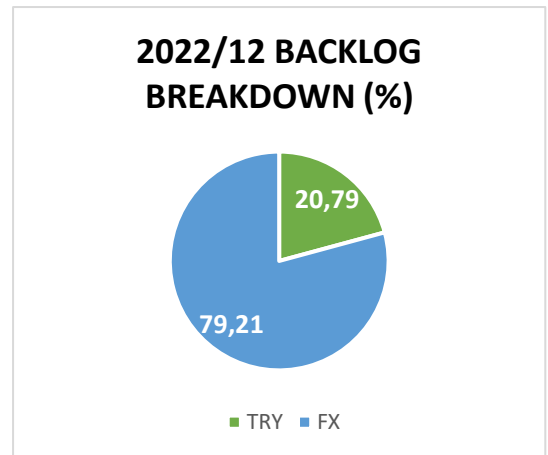
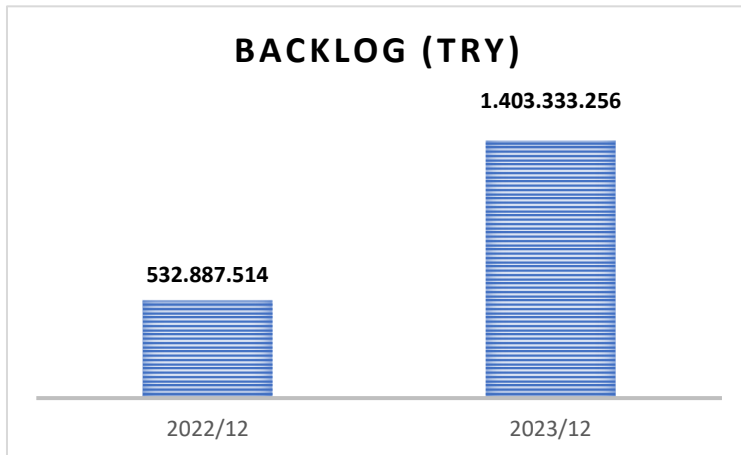
1.B.1. New Work Booked



New work booked in 2023/12M increased TRY 1,548,356,471 compared to TRY 482,162,459 2022/12M.

- All of new contracts are non-residential.
- 78% 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 1,403,333,256 as of 31.12.2023, compared to TRY 532,887,514 as of 31.12.2022.

- Non-residential weight in backlog increased to 97,37%.
- FX-based contract value decreased to 71,62% of backlog. Risk management is transformed and maintained with provisions regarding FX-inflation-commodity price escalations in particular partially 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	JUNE 2025	ONGOING
BAKIRKÖY-KİRAZLI SUBWAY	EUR 10,900,000	DECEMBER 2024	ONGOING
TANAP DYNAMIC UPS SYSTEM PROJECT	USD 10,480,070	JULY 2025	ONGOING
BURSA EMEK-CITY HOSPITAL SUBWAY	EUR 6,954,845 + TRY 65,854,642	JULY 2025	ONGOING
BODRUM HILLSIDE HOTEL	EUR 3,907,628 + TRY 102,633,429	DECEMBER 2024	ONGOING
İZMİR AMERICAN HOSPITAL	EUR 2,782,818 + TRY 70,033,144	DECEMBER 2024	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	DECEMBER 2024	ONGOING
FOLKART NOVA PROJECT	EUR 725,158 + USD 1,215,674 + TRY 65,065,443	MAY 2025	ONGOING
FOLKART NEFES PROJECT	EUR 325,400 + USD 889,174 + TRY 25,999,505	JUNE 2024	ONGOING
GÖNCAY PLASTİK SOLAR POWER PLANT PROJECT	USD 1,335,281	MAY 2024	ONGOING
KALİBRE BORU SOLAR POWER PLANT PROJECT	USD 954,985	MAY 2024	ONGOING
FOÇA HOLIDAY RESORTS	TRY 17,983,250	JUNE 2024	ONGOING

1.B.3. Other Major Developments in 2023/12M 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: 110,000 share).
- A Letter of Intent was signed for the purchase of shares corresponding to 15 percent of the capital of Lixhium Bilişim Hizmetleri A.Ş. for TRY 10,000,000
- On 15.03.2024, within the scope of the machinery and equipment investment regarding the production of EV Charging Units to be carried out in Istanbul / Sancaktepe, an Investment Incentive Certificate of TRY 45,683,669 and a period of 3 years was received from the Ministry of Industry and Technology.
- **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)
 - Bodrum Hillside Hotel contract signed
(Contract Size: USD 3,907,628 + TRY 102,633,429)
 - Collaboration Agreement signed with Secheron SA (Switzerland) for sales of DC System Equipment in Türkiye.
 - İzmir American Hospital contract signed
(Contract Size: EUR 2.881.028 + TRY 70,033,144)
 - Bursa Emek-City Hospital Subway contract signed
(Contract Size: EUR 6,954,845 + TRY 65,854,642)
 - 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 13,000,744)

- **After the end of period;**

- TANAP Dynamic UPS System Project contract signed
(Contract Size: USD 10,480,070)
- İstanbul Airport Aircraft Hanger Project contract signing process started
(Contract Size: EUR 3,900,900 + TRY 118,000,000)
- Folkart Nova Project contract signed
(Contract Size: EUR 725.158 + USD 1.215.674 + TRY 65.065.443)
- Dudullu-Bostancı Subway additional contract signed
(Contract Size: EUR 810,363)
- Pendik-Fevzi Çakmak Subway additional contract signed
(Contract Size: EUR 280,000)
- İzmir American Hospital Project contract revision
(Contract Size: TRY 13,401,981)
- Metal Oksit Solar Power Plant Project contract signed
(Contract Size: USD 147,900)

2. MANAGEMENT COMMENTARY ON THE RESULTS

ORGE completed the year 2023 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 received 3 new subway contracts and +5 additions in our current contracts extending our reach beyond İstanbul. We received a premium residences-tourism project and one important hotel project. Our first oil&gas project received from TANAP is particularly important for ORGE. We hope it will lead us through new geographies with new partners abroad. Two hospital projects received-one is completed- also extends our partnership with reputable investors also can be considered as a symbol of our work quality. During the period we gave a start to our first investment project on production of EV chargers. We're pushing hard and thrilled to give a start to production when financial and operational feasibility works are completed in this year. One of the key developments of after-period is MOU signing with an EV marketplace leading firm for a strategic investment, that can bring synergies to ORGE in EV eco-system.

One of the key elements of current year in financial environment is the initial application of inflationary accounting (TAS 29). Within this regard, Since ORGE has limited non-monetary assets in return for its non-monetary resources (equity), and non-monetary assets have already been valued; therefore, a net monetary position loss occurred as a result of the indexation of shareholders' equity originating from previous years' profits and net period profits. Due to these losses, the increase in net profit for the period was limited and the decrease in net profit margin was significant.

Even inflationary accounting our operations in consideration;

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.

Experiencing net monetary loss derived by inflationary accounting, effective tax margin increases due to corporate tax rate increase; also a net loss from investment property valuations, and increase in net financial losses we maintained our bottom line in positive zone with lower margins.

On the other hand; According to the results, inflation accounting has not been applied, since than have not been independently audited; our company seems to have managed to reach the best levels in its history in revenue, EBITDA and net profit figures and also in operating and profitability margins.

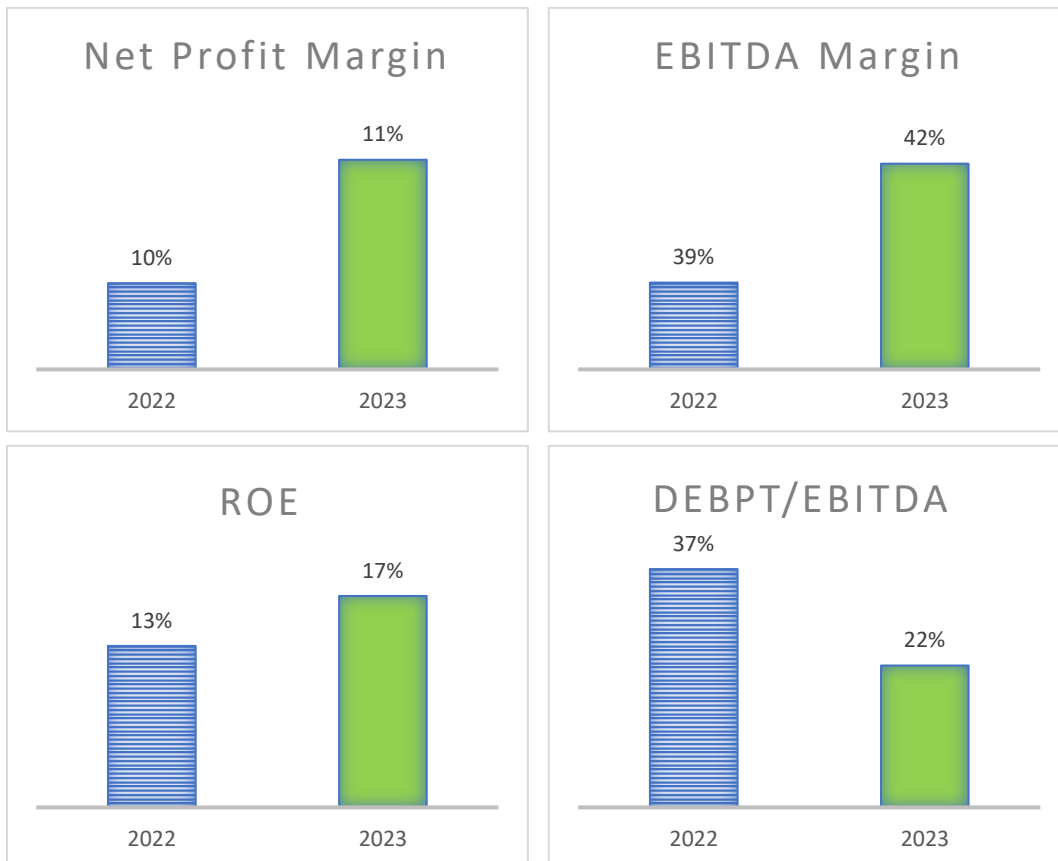
Our base scenario for 2024 and beyond is: normalization in governance and economic activity, liquidity, indicators and prices; and their convergence to the expectations of the company.

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 50% revenue growth and 50% increase in operational profit for current year.

3. KEY FINANCIAL DATA

Financial Data (TRY)	2022/12M	2023/12M
Revenue	1,404,595,578	1,975,946,092
Gross Profit	575,378,467	880,556,850
Operating Profit	542,782,577	765,450,801
Profit Before Tax	161,504,035	294,498,494
Net Profit	138,226,238	218,283,541
Equity	1,095,776,719	1,321,746,881
Profitability Ratios (%)	2022/9M	2023/9M
Gross Profit Margin	40.96	44.56
Operating Profits Margin	38.64	38.74
Net Profits Margin	9.84	11.05
Equity Profitability Margin	12.61	16.51
Liability Ratios (%)	2022/12M	2023/9M
Total Fin. Debt / Equity	18.64	13.86
Total Debt / Equity	72.01	65.38
Total Debt / Total Assets	41.87	39.53
Equity / Total Assets	58.13	60.47
Net Financial Liabilities (TRY)	45.872.684	-24.027.323
Market Value as of 31.12 (TRY)	2,120,000,000	4,960,000,000

3.A. KEY FINANCIAL RATIOS



3.B. MANAGEMENT EXPLANATION ON THE VARIATIONS

EBITDA margin in 2023/12M increased by 3 pp compared to 2022/12M mainly due to:

- Additional gross margin maintained by contract value appreciation in FX contracts, unit amount and price increases.
- More than expected revenue recognition on particular recently signed low-labor&low-delay projects resulted increase in gross margin.
- Additional margin maintained by favorable material purchases.
- Margin contraction due to minimum wage increase and/or severance provisions managed to be balanced with low-labor&low-delay projects.

Net Profit margin in 2023/12M increased by 1 pp yearly mainly due to:

- Net monetary losses arising from the application of inflationary accounting are proportionally higher for 2022.
- No investment activity income by investment property valuation since inflationary indexed values are higher.
- Increase in tax margin mainly from caused by deferred losses due to corporate tax rate increase.

ROE in 2023/12M increased by 4 pp yearly mainly due to:

- Annualized net profit increase is more than Equity base.

Net Financial Debt / EBITDA in 2023/12M is at 22%; it was 37% in 2022/12M decrease was stemmed mainly from:

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

4. KEY FUTURE OPPORTUNITIES

RAILWAY SYSTEMS

ECI – Early Contractor Involvement

- Current Lines (İstanbul): 329 KM
- Ongoing construction in İstanbul: 136 KM
- 2030 target (İstanbul): 740 KM
- İzmir, İzmit, Mersin – Subway Projects
- Est. electrical scope 12-20%

RAILWAYS IN TURKEY’S INVESTMENT PLAN FOR 2024

- Total Investments: TRY 1,007 Billion
 - Transportation Investments: TRY 319 Billion (32%)
 - Railway Investments from Ministry: TRY 13 Billion
 - Railway Investments from Municipalities: TRY 47 Billion
 - Railway Investments for Istanbul: TRY 20,6 Billion
 - Railway Investments for Izmir: TRY 8 Billion
 - Railway Investments for Mersin: TRY 4,8 Billion
 - Railway Investments for other cities: TRY 13,5 Billion

RENEWABLE ENERGY

- Awarded 10 MW projects in 4 contracts. Completed works at +20 different places.
- 3 of our jobs are at the acceptance stage.
- We do not prefer to grow through pure price competition.
- We are looking for qualified projects/investors that will converge to the general company margins.
- We have business development efforts where we can fund, build and operate.
- We also carry out business development activities as EPC and investor operators to meet the demand in nearby geographies abroad.

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, USD 60 billion revenue
- 2028 target: 90 million visitors, USD 100 billion 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 (CS)

- According to the International Energy Agency (IEA) data, it is aimed to have 13,8 million 'public' charging stations in the world by 2030
- The Global Public Charger Market is expected to be approximately USD 300 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 150,000 public (Ministry of Industry and Technology) and 750,000 privately owned charging stations by 2030 (Current 18,000 public CS).
- The total public and private market size in Turkey is expected to be USD 5 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

2024/12M

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%** and increase our 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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