



Tekfen Holding

Financials & Operational Highlights

01.01.2023 – 30.09.2023

Tekfen Group

At a glance



1956 ||||| 2023

1956 Feyyaz Berker, Nihat Gökyiğit and Necati Akçağlılar formed an engineering consulting company

1957 The three partners establish Tekfen Construction Ltd.

1963 Tekfen Industry and Trading Co., Inc. is founded to produce incandescent lamps.

1970 Foundation of Tekfen Manufacturing

1971 Foundation of Tekfen Holding

1975 Iraq-Turkey pipeline

/ Dairy products market-entry with the brand Mis Süt

1978 Tekfen Construction goes overseas

1981 Toros Fertilizer starts production

1984 Foundation of Tekfen Engineering

1989 Foundation of Tekfenbank

/ Acquisition of Akgübre fertilizer

1992 Tekfen Philharmonics

2000 Re-organization in fields of activity

/ Foundation of Tekfen Real Estate Development Group

2001 Acquisition of Bank Ekspres

2003 Tekfen Tower opens

2005 Acquisition of Samsun Gübre fertilizer plant

2006 Completion of BTC crude oil pipeline

2007 Partnership with Eurobank EFG in Tekfenbank

/ Acquisition of EFG Istanbul Securities

/ IPO of Tekfen Holding

2012 Sale of Eurobank Tekfen

2018 Acquisition of Alanar & Alara

2019 Acquisition of 10% share of SOCAR Polimer

/ Acquisition of Gonen Renewable Energy

2020 RUSFEN established

Tekfen Group

Engineering
& Contracting

Agricultural
Industry

Investment

www.tekfen.com.tr

Engineering & Contracting

Main Operations:

- Construction
- Engineering
- Fabrication

Main Companies:

- Tekfen Construction
- Tekfen Engineering
- Tekfen Manufacturing & Engineering
- GATE Construction
- HMB Hallesche Mitteldeutsche Bau-A.G. (HMB)

Agricultural Industry

Main Operations:

- Fertilizer production and distribution
- Terminal services
- Free zone operations
- Seed, sapling and seedling production and distribution
- Agricultural production and trade

Main Companies:

- Toros Agricultural Industry & Trade
- Toros Gonen Renewable Energy
- Toros Meram Renewable Energy
- Agroport
- TAYSEB
- Toros Shipping
- Tekfen Agriculture & Trade
- Alanar Fruit

Investment

Main Operations:

- Venture Capital
- Petrochemical
- Real Estate Investment
- Rental Activities
- Insurance

Main Companies:

- Tekfen Ventures
- Tekfen Holding
- Tekfen Real Estate Investment
- Socar Polymer
- Tekfen Insurance
- Tekfen Tourism
- Tekfen Renewable Energy Solutions

Consolidated Financials

Financials by Segments

Operational Breakdown of Segments

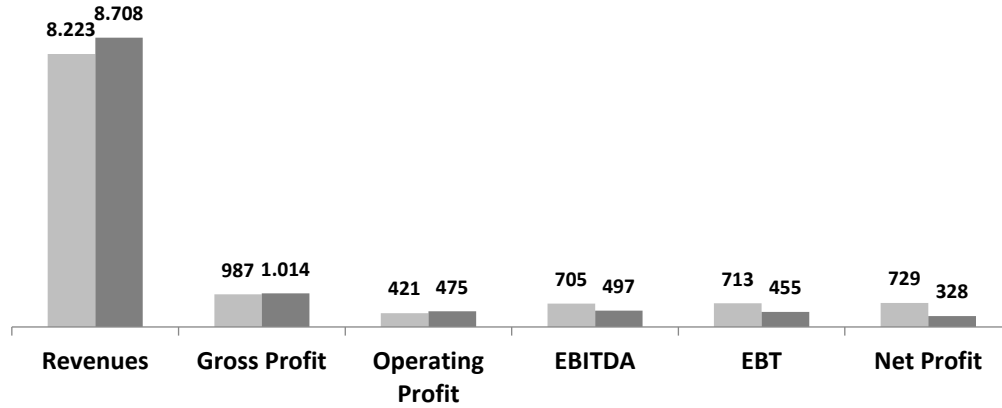
Guidance

CONSOLIDATED FINANCIALS

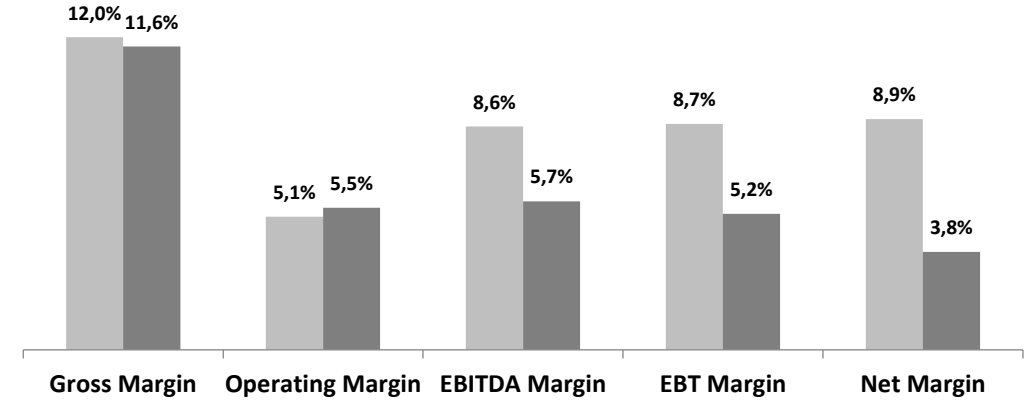
3Q23

(in TRY mn)

■ 3Q22 ■ 3Q23



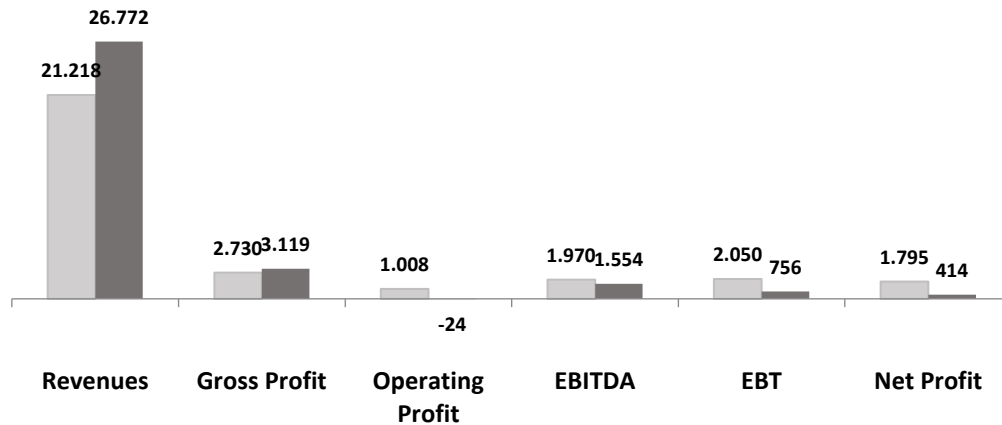
■ 3Q22 ■ 3Q23



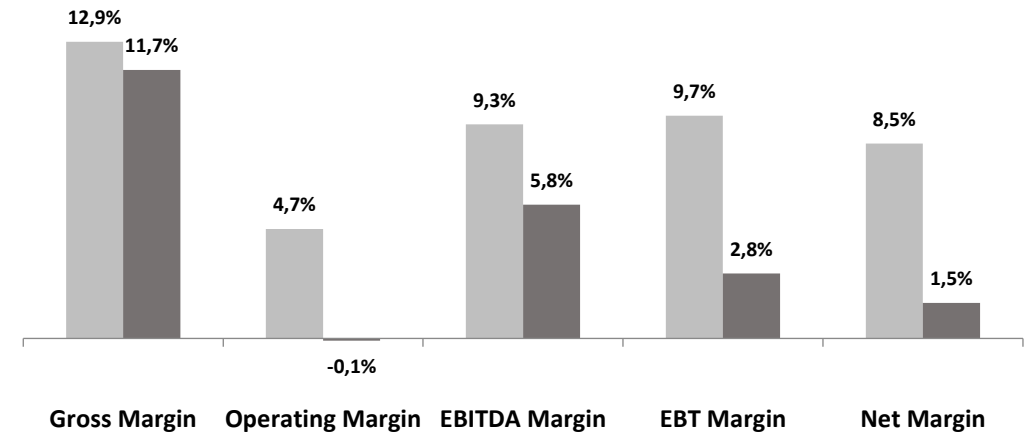
9M23

(in TRY mn)

■ 9M22 ■ 9M23



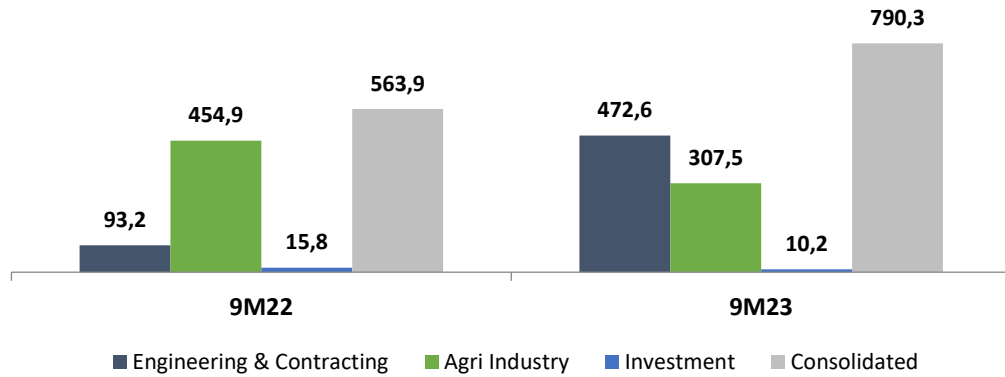
■ 9M22 ■ 9M23



CONSOLIDATED FINANCIALS

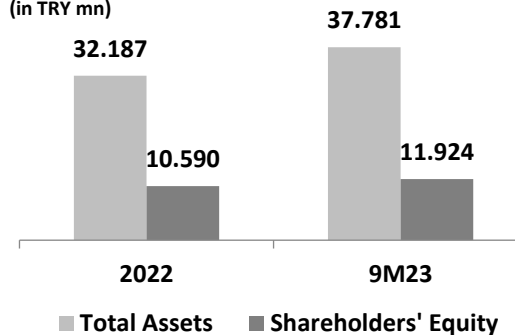
(in TRY mn)

Capital Expenditures



- **YoY CapEx:**
- Capital expenditures grew by 40% YoY, reached to TRY 790 mn in 9M23.
- Capex / Revenues ratio remains around 3% in 1H23.

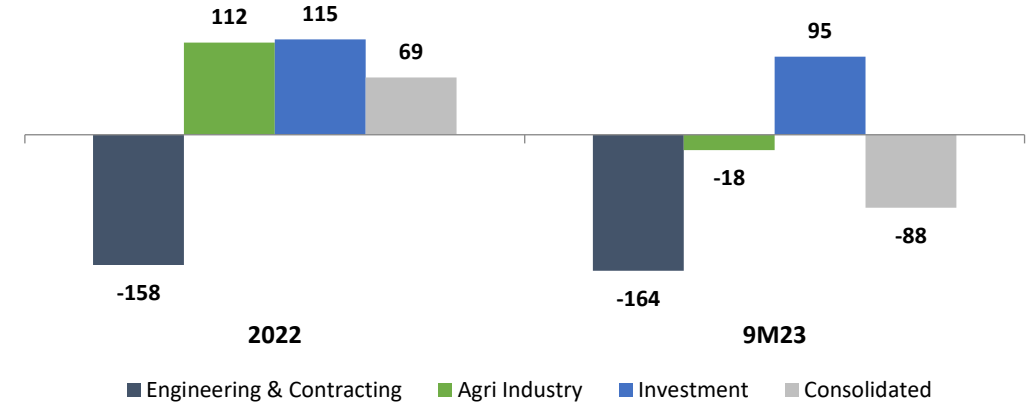
(in TRY mn)



- Total asset grew by 17% in 9M23,
- Shareholders' equity grew by 13%.

(in USD mn)

Net Cash Position



YTD changes in Net Cash Position by Segments:

- USD 7 mn decrease in Engineering & Contracting,
- USD 130 mn decrease in Agri-Industry,
- USD 21 mn decrease in Investment,

USD 158 mn decrease in consolidated Net Cash Position

Consolidated Financials

Financials by Segments

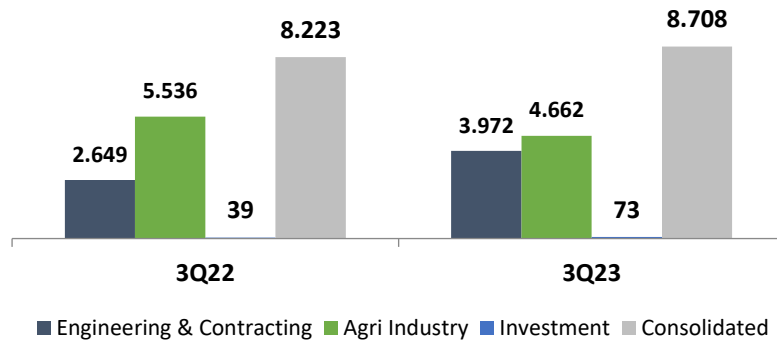
Operational Breakdown of Segments

Guidance

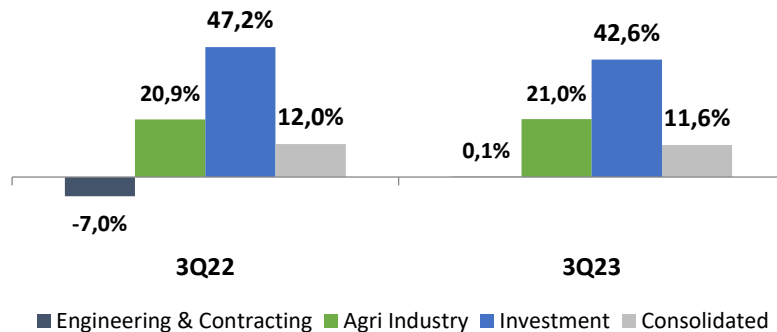
3Q23

(in TRY mn)

Revenues

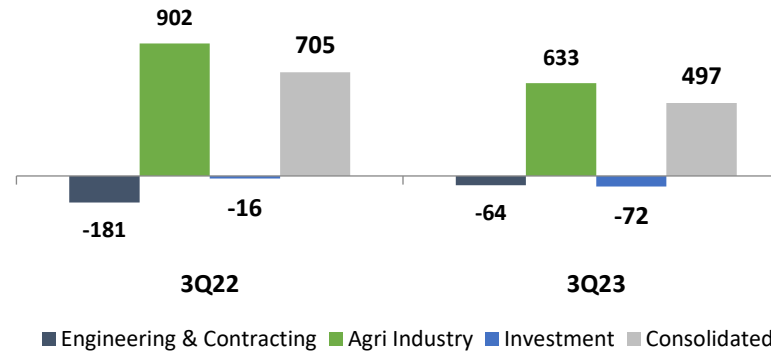


Gross Margin

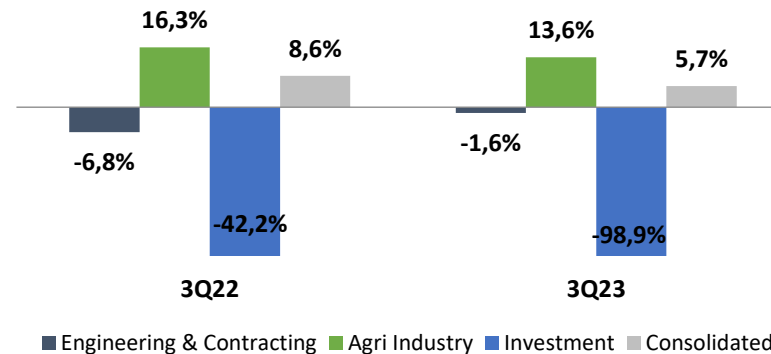


(in TRY mn)

EBITDA

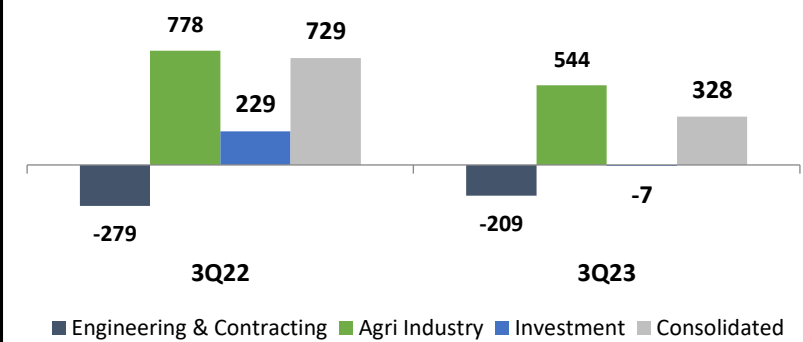


EBITDA Margin

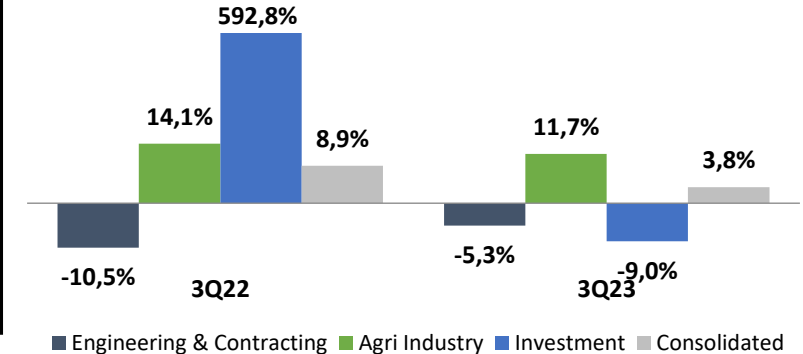


(in TRY mn)

Net Profit



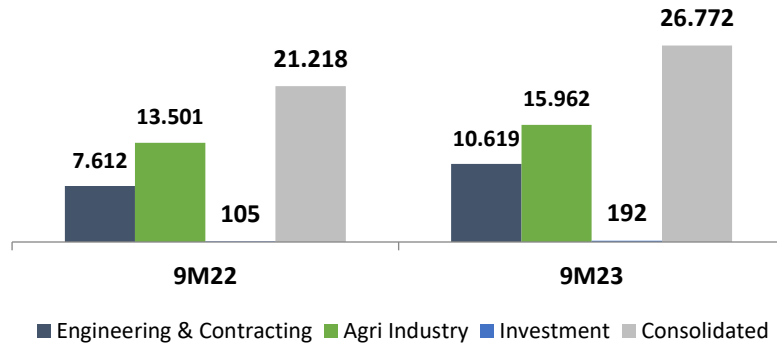
Net Profit Margin



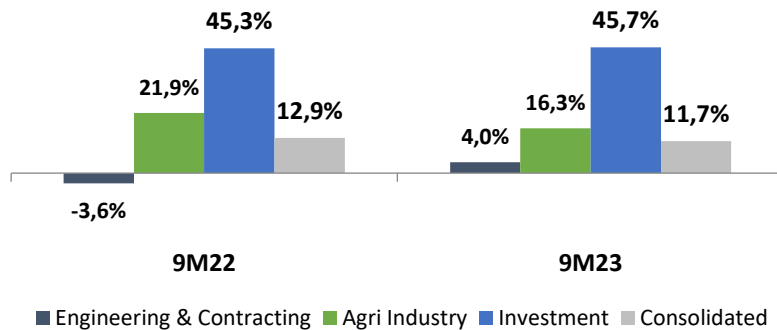
9M23

(in TRY mn)

Revenues

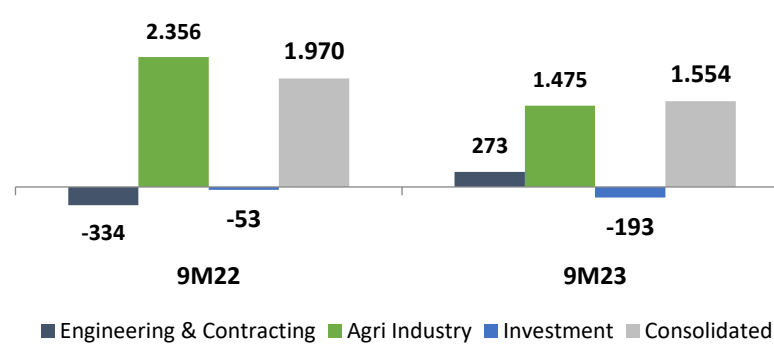


Gross Margin

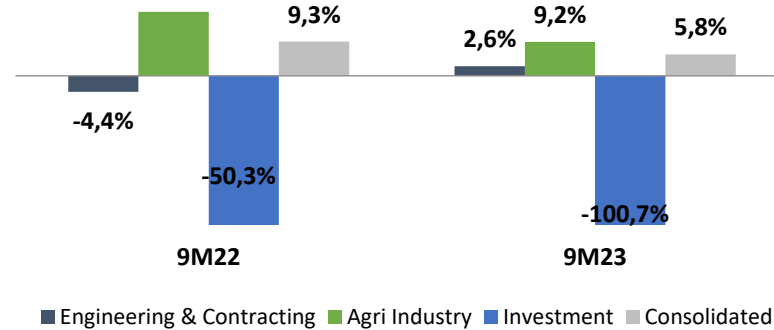


(in TRY mn)

EBITDA

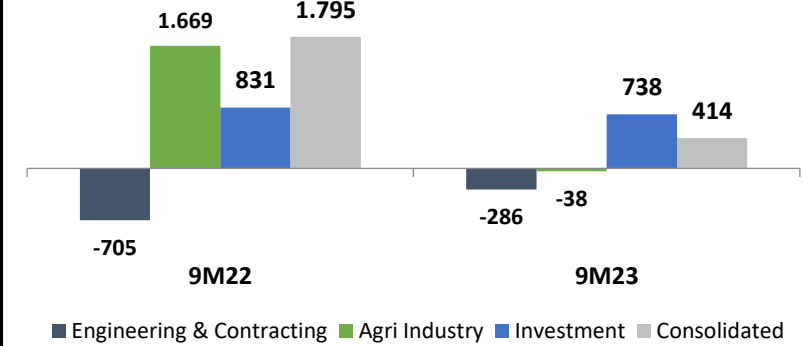


EBITDA Margin

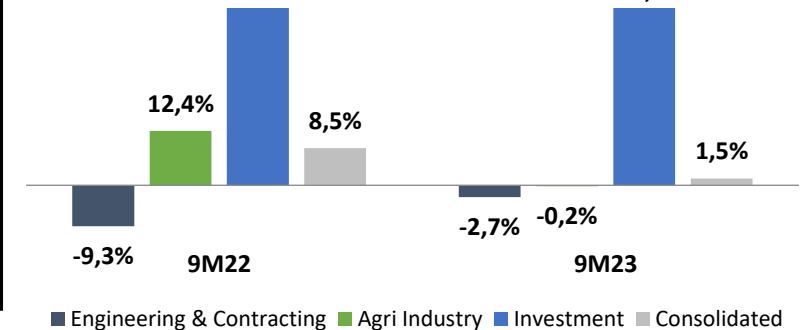


(in TRY mn)

Net Profit



Net Margin



Consolidated Financials

Financials by Segments

Operational Breakdown of Segments

Guidance

Consolidated Financials

Financials by Segments

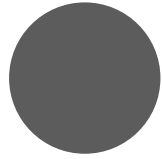
Operational Breakdown of Segments

Engineering & Contracting

Agricultural Industry

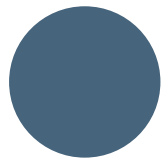
Investment

Guidance



Incidents within the period

- Payment of \$23 million from Baku Olympic Stadium Project has been collected within the period.



Incidents after the period

- Payment of \$6 million has also been collected from Baku Olympic Stadium project after the period. (Remaining receivable \$25,5 millions)
- Approximately \$43 million was collected in the Al Khor Project as a result of the developments that took place after the period.

Russia & Central Asia

- New oil & gas project investments have stopped in Kazakhstan and neighboring countries in CIS region whose export route is over Russia.

Middle East

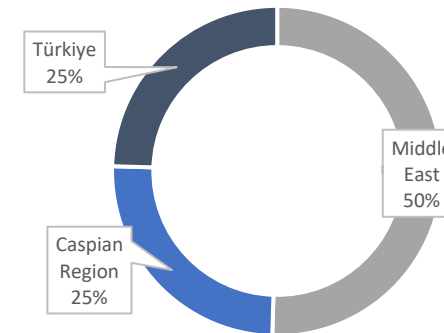
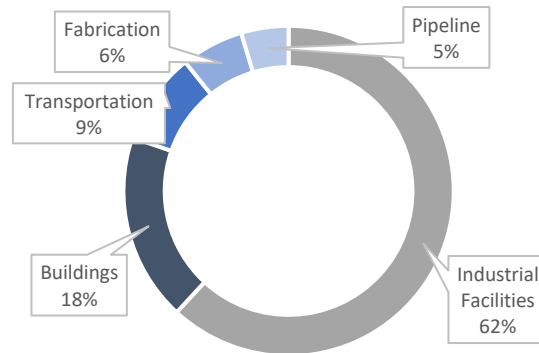
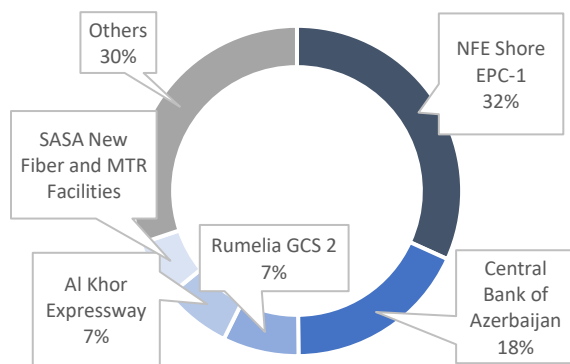
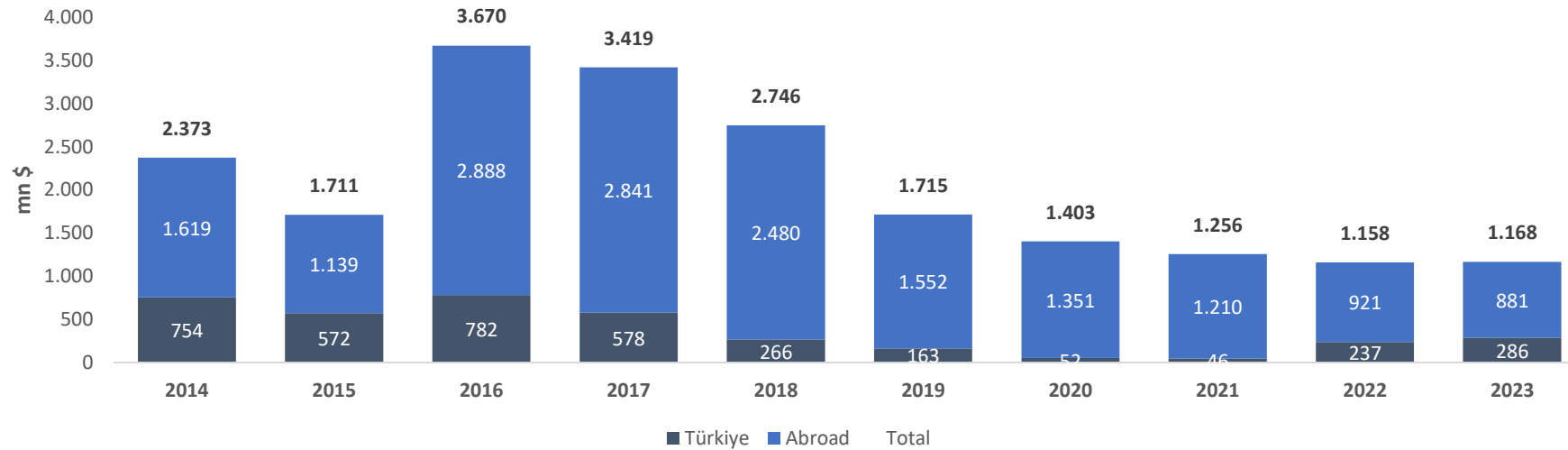
- An increasing number of RFP comes from Saudi Arabia oil & gas superstructures including stadiums for Asian Games, infrastructure for the city of NEOM, and pipelines for the Master Gas System.
- Momentum for the new project investments may increase in the near future due the formation of the new government in Iraq.
- Qatar have started the NFE & NFS projects that will increase the LNG capacity after the World Cup, but other than that investments seem to have stopped for now.
- Manufacturing/fabrication demand seems to be increased in the market.

Backlog as of 30.09.2023



ENGINEERING & CONTRACTING

Backlog



Backlog as of 30.09.2023



ENGINEERING & CONTRACTING

Project	Location	Revenue Based Completion Rate	Remaining Amount (US\$)
Provision of Civil / Structural Construction, Mechanical Fabrication, Mechanical Construction, Instruments Control & Electrical Repair Services for BTC Turkey	Turkey	72,0%	21.157.819
Ceyhan Plant West Jetty Retrofitting & Extension Construction	Turkey	95,8%	1.692.338
TÜPRAŞ Kırıkkale Refinery Sulphur Recovery Unit	Turkey	12,9%	58.147.076
TÜPRAŞ İzmir Refinery Fluid Catalytic Cracker Revamp Installation Works	Turkey	35,6%	35.087.417
North Field East Onshore Project EPC-1 Package Steel Structures Supply	Turkey	20,8%	20.687.470
TÜPRAŞ Kırıkkale Refinery Fire Fighting System Modernization Works Phase 3	Turkey	35,9%	16.957.994
TÜPRAŞ Kırıkkale Refinery Miscellaneous Project Works at 5200 Field	Turkey	99,7%	5.346
TÜPRAŞ Kırıkkale Refinery Condensate System Improvement and Discharge Arm Assembly Works	Turkey	95,1%	25.558
TÜPRAŞ Kırıkkale Refinery Dirty Caustic Wastewater Treatment Unit and Miscellaneous Project Works	Turkey	95,4%	51.577
Olefins Expansion Project Piping Prefabrication Works	Turkey	5,5%	35.187.797
TANAP Emergency & Non-Emergency Pipeline Repair and Project Modifications Services	Turkey	10,9%	14.943.045
Mechanical and Electrical Erection Works of New Fiber and MTR Facilities Project	Turkey	1,9%	66.972.283
Ceyhan Steel Construction Fabrication Plant	Turkey	29,1%	15.566.876
TURKEY TOTAL			286.482.596
Provision of Project Management & Support Services for ACE Project for Fabrication of Topsides & Drilling Facilities	Azerbaijan	99,9%	23.515
Detailed Design & Construction of the New Headquarter of the Central Bank of the Republic of Azerbaijan	Azerbaijan	30,6%	211.081.724
Azfer Projects **	Azerbaijan	92,5%	33.092.528
AZERBAIJAN TOTAL			244.197.766
Haradh Satellite Gas Compression Plants' Pipelines	Saudi Arabia	97,9%	13.908.133
SAUDI ARABIA TOTAL			13.908.133
Design & Construct Services Road Enhancement to North Road Corridor	Qatar	99,7%	2.816.094
Design & Build of Al Khor Expressway	Qatar	96,9%	79.500.291
Main Works for the Fifth Precinct Stadium	Qatar	98,3%	3.366.168
East Industrial Road	Qatar	95,0%	8.933.273
Construction of Link Roads Adjacent to Al Khor Expressway	Qatar	93,1%	13.547.521
North Field East Onshore Project EPC-1 Package	Qatar	19,8%	370.910.629
QATAR TOTAL			479.073.976
FGP Wellhead Pressure Management Project	Kazakhstan	95,5%	41.358.300
Provision of Brownfield Plant Modification Construction Services	Kazakhstan	85,1%	2.139.598
KAZAKHSTAN TOTAL			43.497.899
Provision of Repair Services & Rehabilitation Works for BTC Georgia, SCPC & GPC	Georgia	0,0%	3.250.000
GEORGIA TOTAL			3.250.000
Kharampurskiy Field-PSJC Gazprom External Transport Pipeline	Russia	99,6%	750.365
RUSSIA TOTAL			750.365
General Installation Services for Rumaila	Iraq	99,5%	580.270
Basrah Refinery Upgrading Project Civil Structures & Underground Facilities Construction Works	Iraq	86,5%	2.887.509
Flowline Installation Services For Projects	Iraq	66,6%	6.006.653
ROO General Construction Services 2 (GCS2)	Iraq	3,3%	86.991.916
IRAQ TOTAL			96.466.348
TOTAL			1.167.627.085

2023 Year-end Operational Projections



ENGINEERING & CONTRACTING

Backlog

- Based on the ongoing tenders and continuing new tender invitations, the year-end backlog amount is expected to be around \$1,1 bn - \$1,2 bn.

Claims

- Negotiations with the employer administrations regarding the claims are ongoing.
- Legal processes have been initiated in Russia and Qatar.
- Negotiations with the administration in Saudi Arabia continue.

Consolidated Financials

Financials by Segments

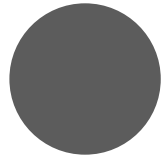
Operational Breakdown of Segments

Engineering & Contracting

Agricultural Industry

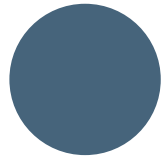
Investment

Guidance



Global

- In the second quarter of the year, natural gas prices showed a stable trend and fell below their pre-war levels, due to stable seasonal conditions and effective gas supply by Europe. In the third quarter, prices remained at pre-war levels but increased slightly compared to previous quarter.
- The slight increase in natural gas prices in the third quarter of the year also increased ammonia production costs in Europe.
- Ukraine's Yuzhny port continued to remain closed due to the war. During this period, ammonia supply continued to be provided from other regions.
- While the decline in container freight price indices continues, there was a slight increase in bulk cargo freight prices, especially in September.



Turkey

- In the third quarter of the year, drought prevailed in various parts of the country. Especially August was marked by severe drought. During this period, the standard precipitation index gave negative signals.
- Exports are completely prohibited between January and April 2023, an update to the export ban was made in April and permission was given to export 10%-50% of the capacity depending on product types until the end of August. For the period covering September-November, export permission was granted for nitrate product types, up to 40% of the production capacity. Export permits for post-November period remain unclear.



Agri Industry (Fertilizer)

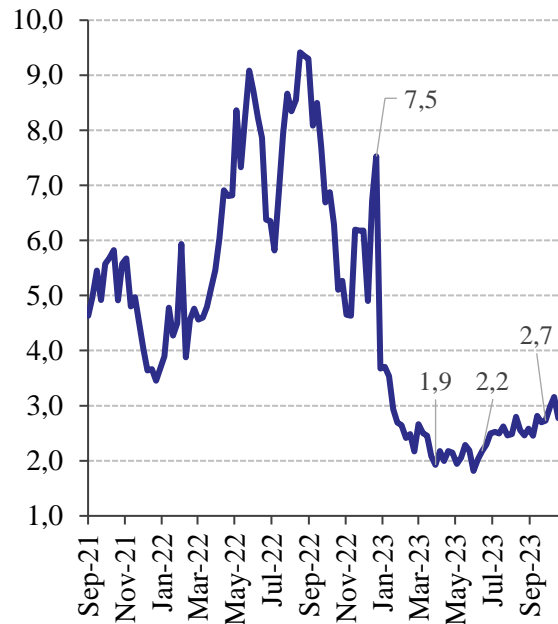
- In the third quarter of the year, domestic sales were slightly below expectations as a result of the increase in fertilizer prices, especially due to exchange rate levels, and the decrease in the abundance of cash in the markets following the increase in interest rates.
- In parallel with the permits given in different forms and quantities throughout the year in the application of export restrictions, 84 thousand tons of exports were made in the first nine months of 2023.

Global Developments

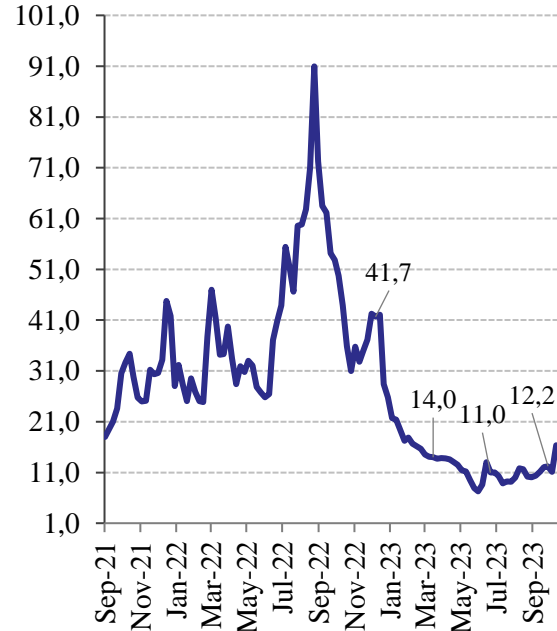


AGRI INDUSTRY | FERTILIZER

Henry Hub, USD/mmBTU



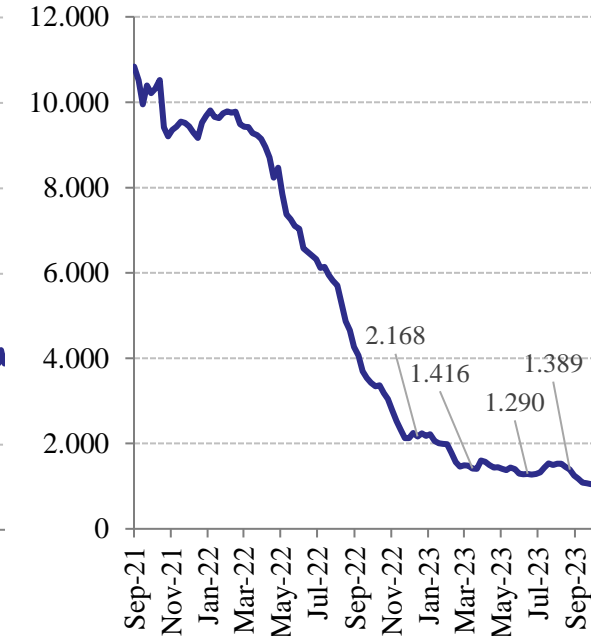
TTF, USD/mmBTU



Baltic Dry Index



Freightos Baltic Container Index



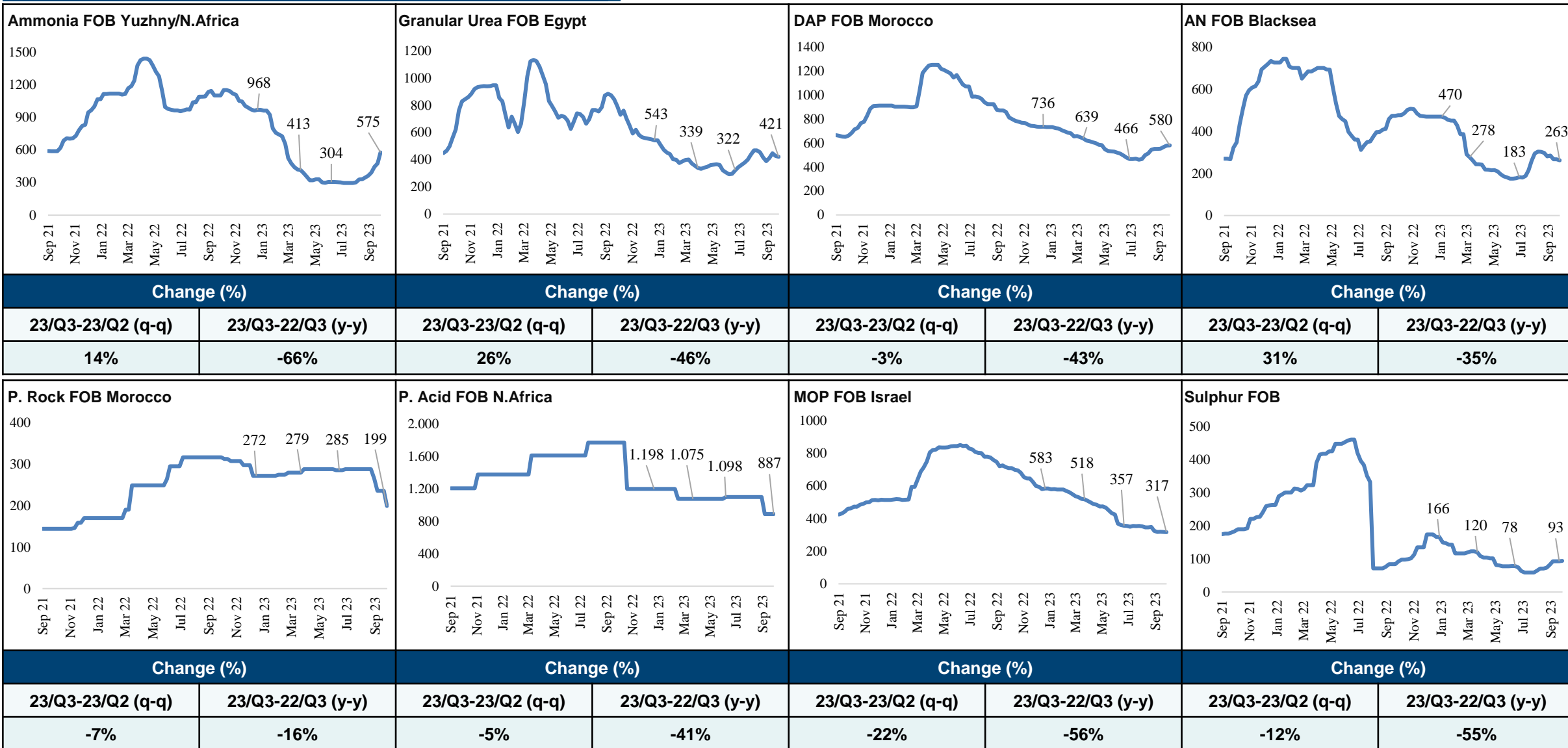
➤ In the second quarter of the year, TTF natural gas prices declined and remained stable below their pre-war levels due to the efficient supply of gas across Europe. In the third quarter, natural gas prices increased slightly, but prices were still below pre-war levels.

➤ While the decline in container freight price indices continued, there was a slight increase in bulk freight prices, especially in September.

"Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on whole numbers, not the rounded numbers presented."

Changes in Prices

AGRI INDUSTRY | FERTILIZER



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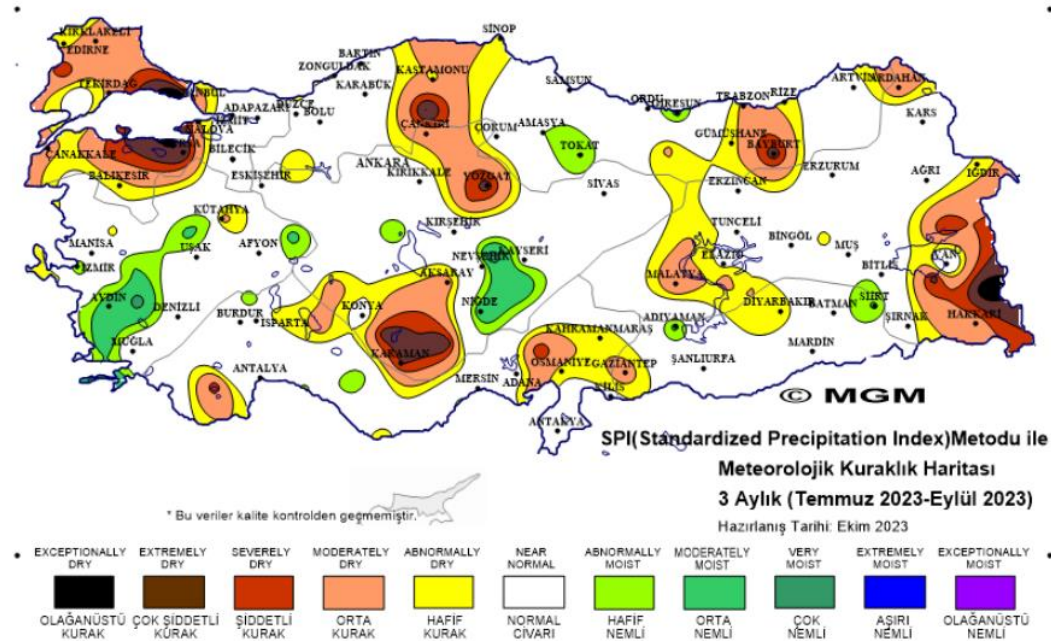
Developments in Agricultural Production

AGRI INDUSTRY | FERTILIZER

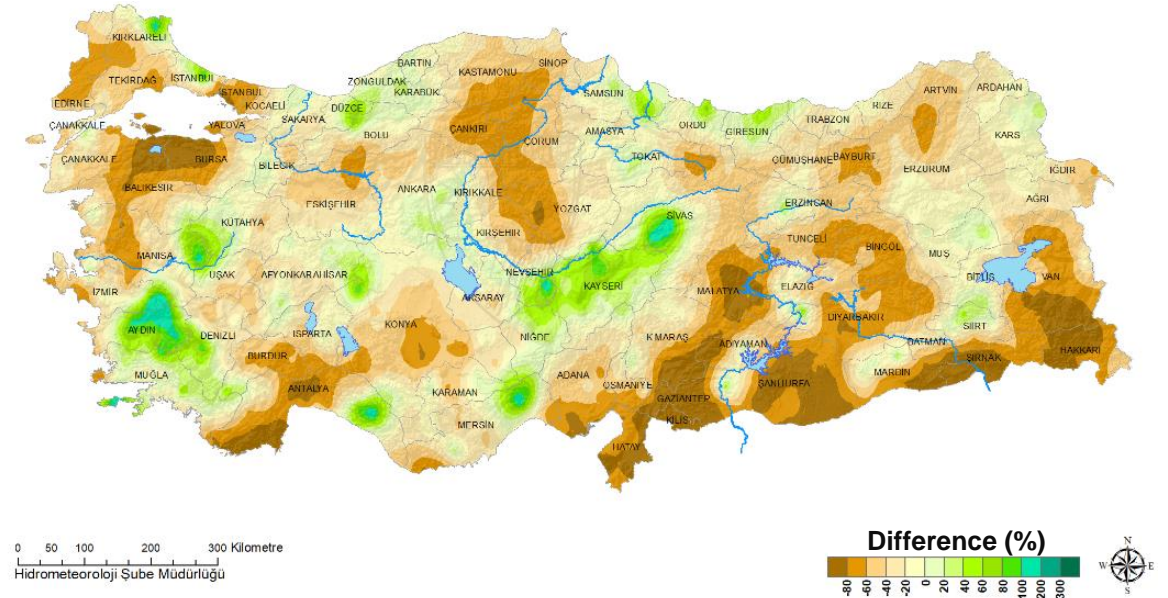
- In the third quarter of the year, drought prevailed in various parts of the country. Especially August was marked by severe drought. During this period, the standard precipitation index gave negative signals.

- September precipitation in Turkey was below normal and last year's September rainfall. Rainfall decreased by 33% and 14% compared to normal and y-y, respectively.

Standardized Precipitation Index (July 2023 - September 2023)



Rainfalls Comparison with Normal (September 2023)

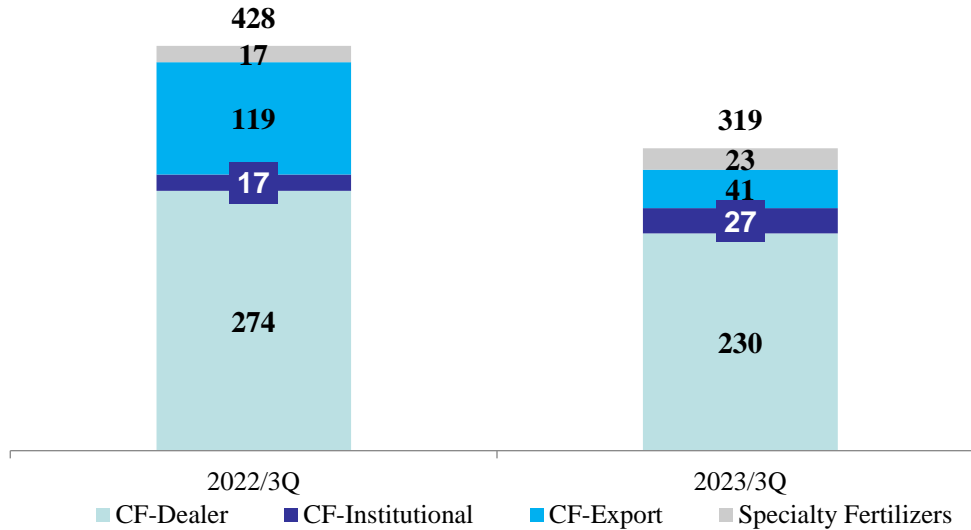


Fertilizer Sales

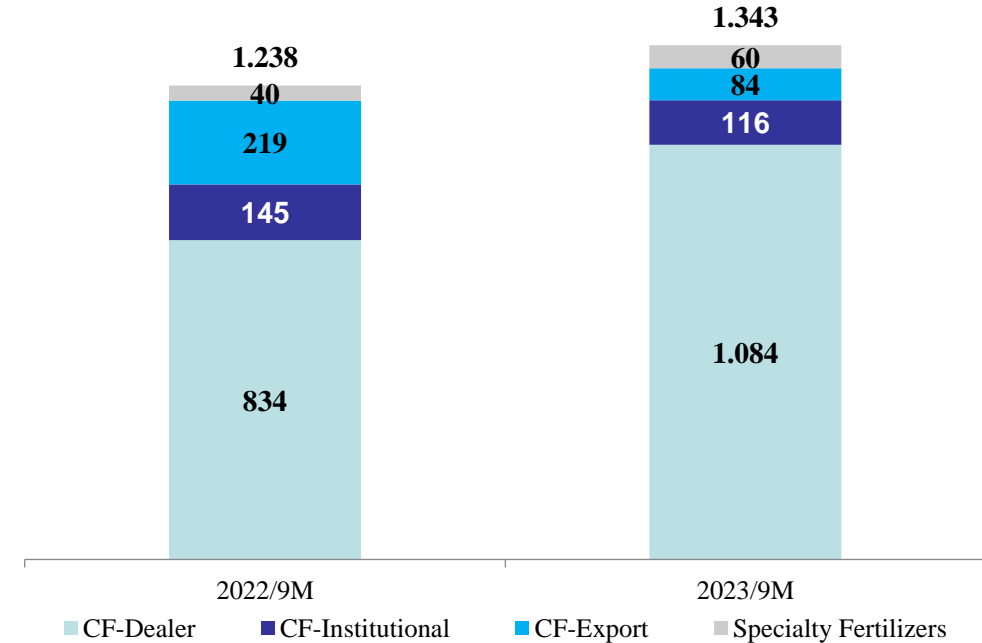


AGRI INDUSTRY | FERTILIZER

3rd Quarter (k Tons)



Cumulative (k Tons)



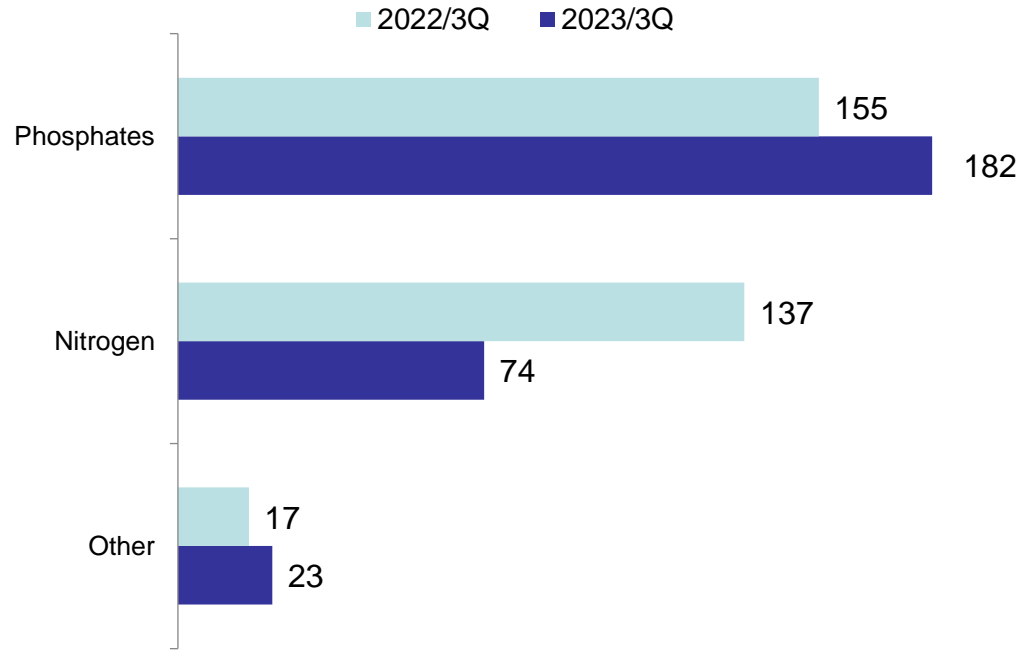
- In the 3rd quarter of 2023, total domestic classical fertilizer sales were decreased by 10%, y-y.
- In the 3rd quarter of 2023, sales of specialty fertilizers increased by 33% compared to the previous year.

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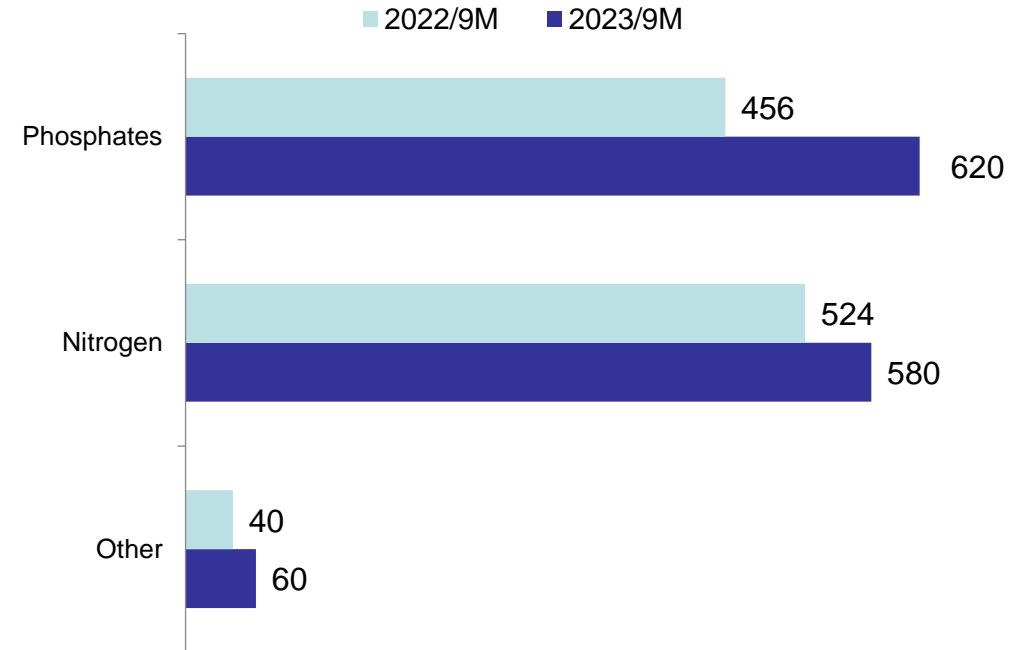
Domestic Fertilizer Sales by Products

AGRI INDUSTRY | FERTILIZER

3rd Quarter (k Tons)



Cumulative (k Tons)



➤ Average domestic fertilizer prices in the Q3 of 2023 decreased by 30% in USD terms and increased by 2% in TL terms compared to Q3 of 2022.

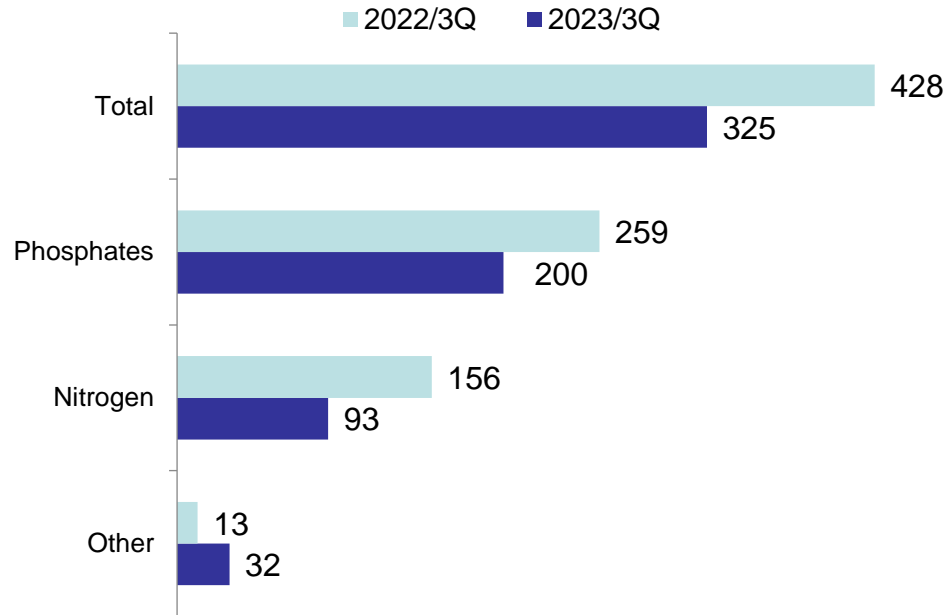
	2022/Q3	2023/Q3	Change (y-y)		2022/9M	2023/9M	Change (y-y)
Average Domestic Fertilizer Price (USD/ton)	636	443	-30%	Average Domestic Fertilizer Price (USD/ton)	596	483	-19%
Average Domestic Fertilizer Price (TL/ton)	11.640	11.845	2%	Average Domestic Fertilizer Price (TL/ton)	9.574	10.062	5%

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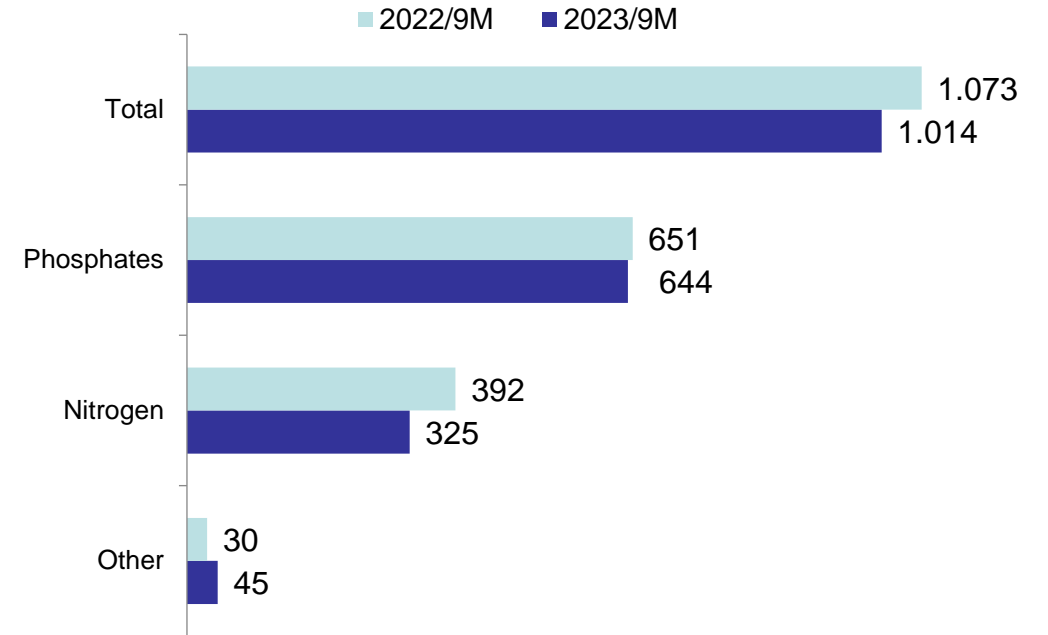
Fertilizer Production

AGRI INDUSTRY | FERTILIZER

3rd Quarter (k Tons)



Cumulative (k Tons)



- In the 3rd quarter of 2023 production tonnage decreased by 24% compared to the same period last year. In parallel with the decrease in production tonnage, the capacity utilization rate decreased by 24 point to 62% in 3Q23.

	2022/3Q	2023/3Q
Capacity Utilization Rate	86%	62%

	2022/9M	2023/9M
Capacity Utilization Rate	72%	68%

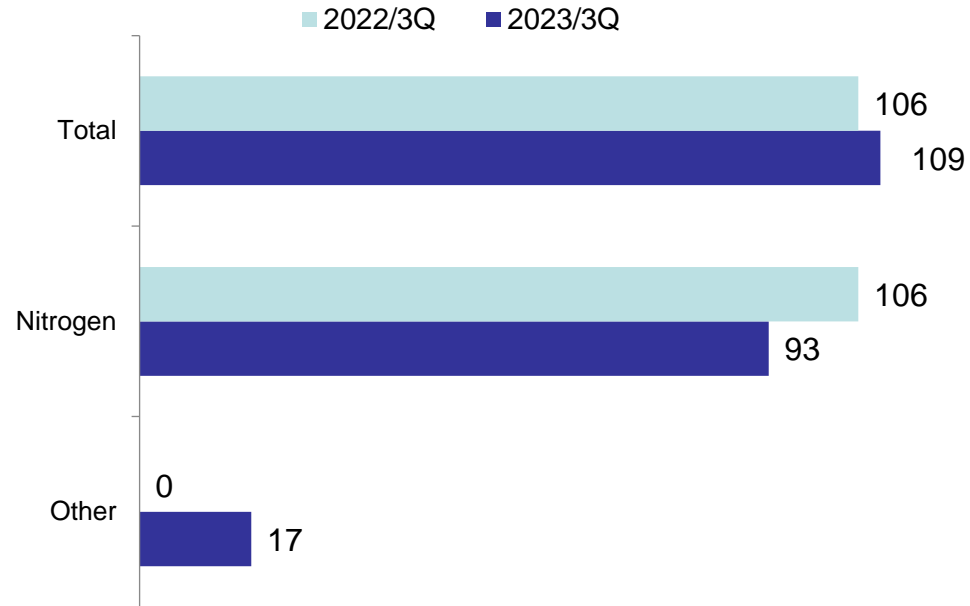
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Fertilizer Procurement

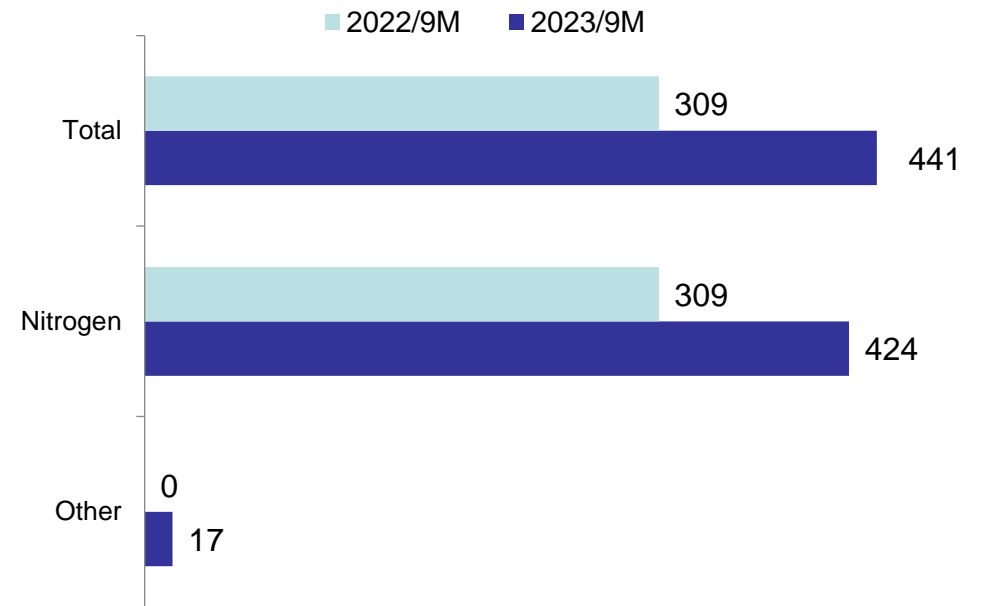


AGRI INDUSTRY | FERTILIZER

3rd Quarter (k Tons)



Cumulative (k Tons)



- In the 3rd quarter of 2023, fertilizer procurement increased by 3% compared to the same period last year.

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Global

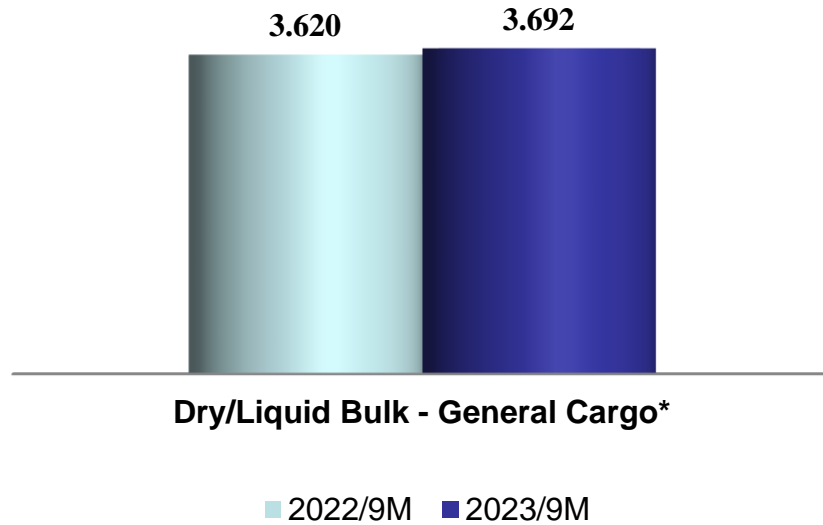
- The intensity experienced in the MIP port and for this reason some bulk carriers to call at Torosport Ceyhan.
- Turkish Grain Board allowed wheat and maize exports in the July and received export permission demands for a total of 1.5 million tons.
- Even if there is no increase in global demand, due to the war-induced disruptions in Ukrainian ports and the restrictions imposed on Russian origin products, there is an increase in the storage demands of liquid bulk products such as fuel oil, edible oil, liquid chemicals in the Black Sea and Mediterranean basins regionally.
- Fluctuations in commodity prices pushed the level of stocks and strengthened the importance of ports which have advanced warehouse connections.



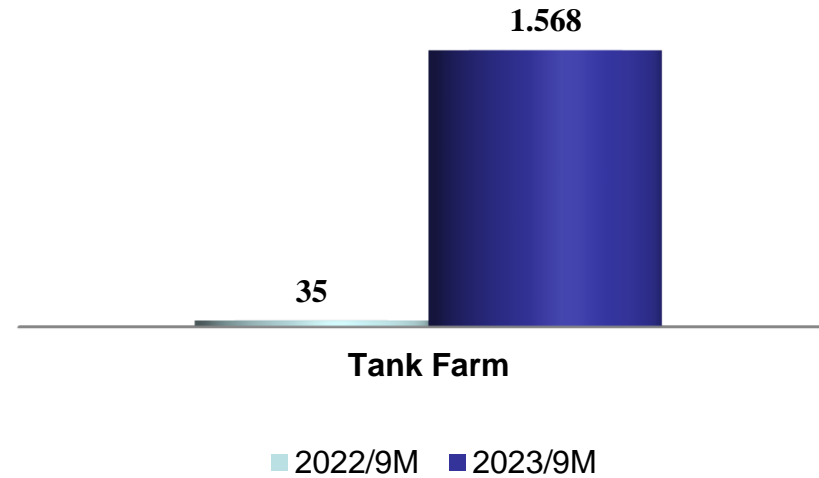
Agri Industry Group (Terminal)

- Torosport handled around 280k tonnes of grains for exports following the export permissions in 3Q23.
- New bonded warehouses were put into service due to the increasing need for bonded warehouses in coal imports. Industrial companies importing coal in the region started to use the new bonded warehouses.
- Occupancy rate reached to 100% in liquid storage tanks in recent months.

Handled Quantity (k Tons)



Leased capacity (k m³)



- In the first nine months of 2023, handled quantity in Toros Terminals increased by 2% compared to the same period last year.
- The occupancy rate of the tank terminal realized at 88,2% in the first nine months of 2023. (2022/9M: 3,4%)

* Handling of products stored in the tank terminal is not included.

"Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on whole numbers, not the rounded numbers presented."



Agri Industry Group (Others)

Agricultural Production

- The total revenues of the Agricultural Production Group in the first nine months of 2023 increased by 34% compared to the same period of the previous year and amounted to TL 195 million. In the first nine months of 2023, Tekfen Agri sold 4,516 tons of seed potatoes, 3.100 tons of wheat seeds, 243 tons of flour wheat, 1,198 tons of sifted wheat and 38k banana saplings. In the first nine months of 2023, Alanar Fruit sold a total of 1.963 tons of fruit, including 1.116 tons of export and 848 tons of domestic sales. In this period, 12k saplings were sold by Alanar Fruit.

TAYSEB (Free Trade Zone)

- TAYSEB's revenues in the first nine months of 2023 grew by 12% y-y and reached 506 million TL.

Gas Stations

- Total revenues of the fuel stations in the first nine months of 2023 realized at 466 million TL by 71% y-y growth.
- Toros Tarım's Build-Operate-Transfer contract with General Directorate of Highways regarding operation of Fuel Stations has ended on 17 September 2023 and the company decided not to participate in new tender. Due to the delays in tender process, Toros Tarım still operates the fuel stations but is expected to transfer ownership at the end of November and exit this business line.

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2023 Year-end Operational Projections



AGRI INDUSTRY GROUP

Fertilizer	Year-end Expectations
Total Sales	1,8 million tons
Domestic Market Share	27%
Capacity Utilization Rate	73%

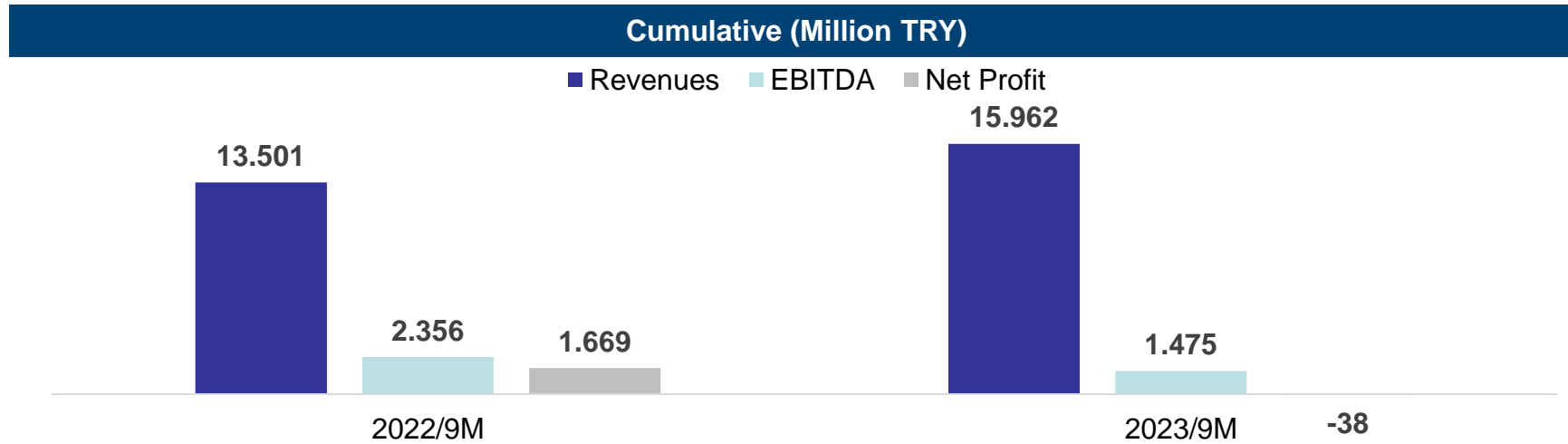
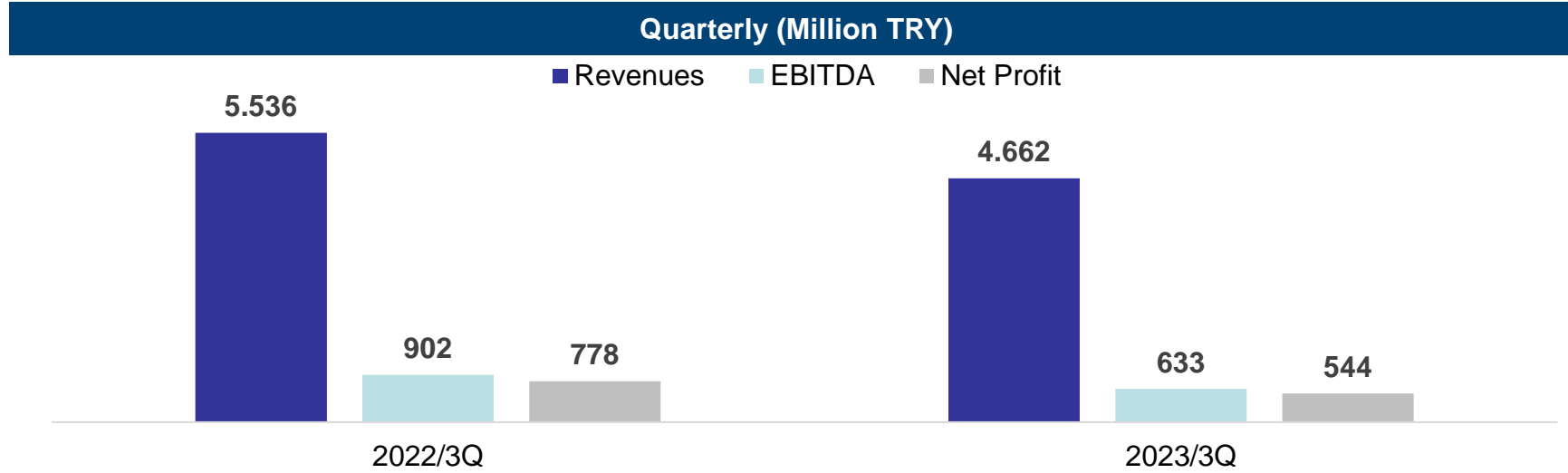
Terminal	Year-end Expectations
Dry/Liquid Bulk* - General Cargo	5 million tons
Occupancy Rate in Tank Terminal	90%

* Handling of products stored in the tank terminal is not included.

Revenue, EBITDA & Net Profit



AGRI INDUSTRY GROUP



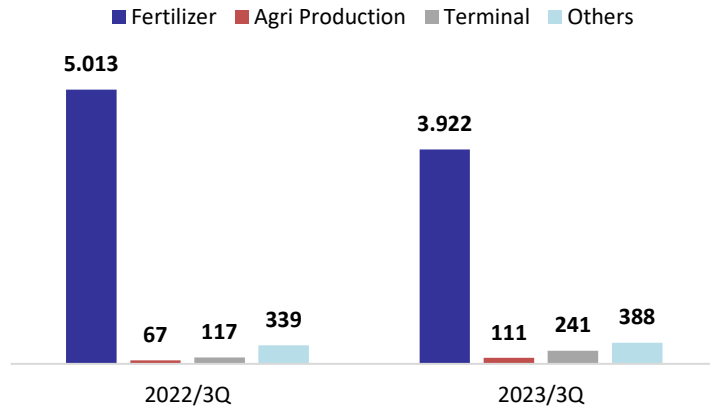
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Revenue, EBITDA and Net Profit

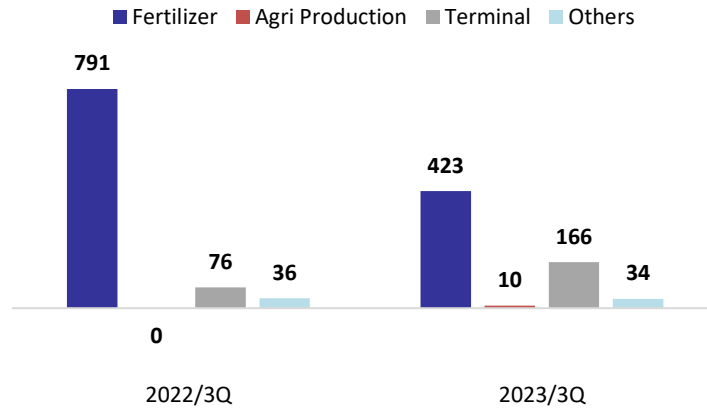
AGRI INDUSTRY GROUP

Quarterly (Million TRY)

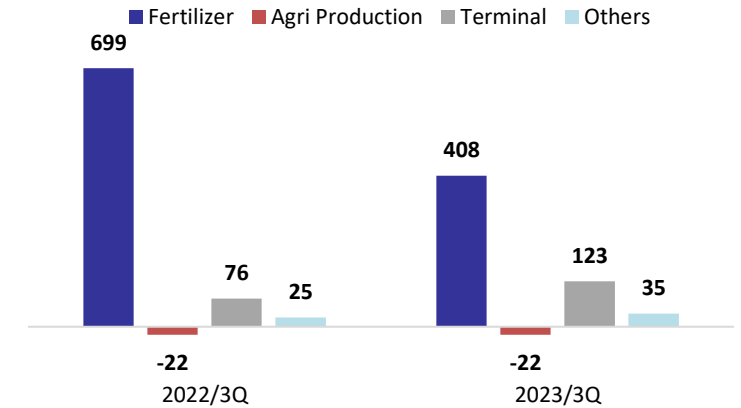
REVENUE



EBITDA

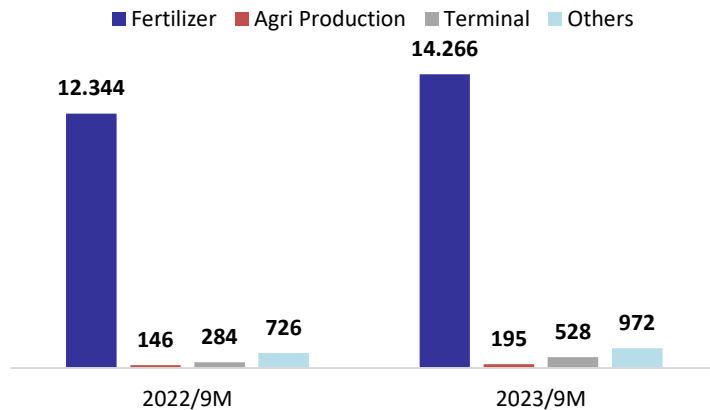


NET PROFIT

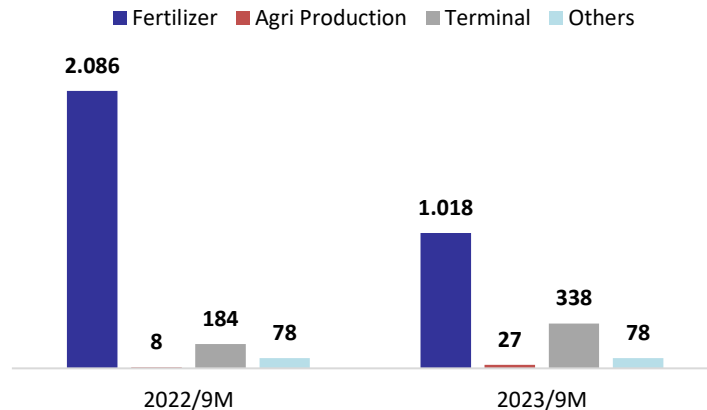


Cumulative (Million TRY)

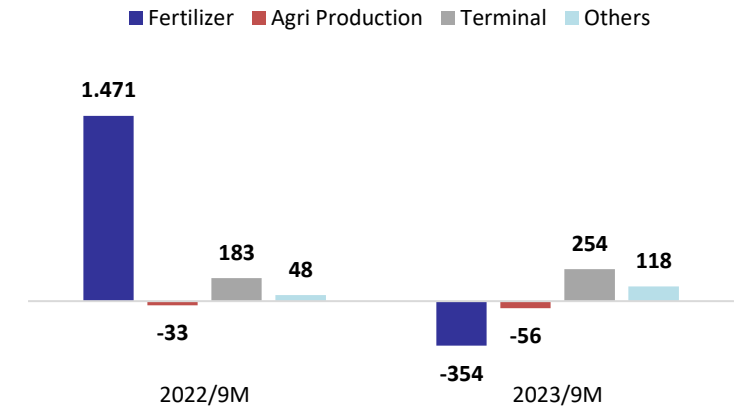
REVENUE



EBITDA



NET PROFIT



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Consolidated Financials

Financials by Segments

Operational Breakdown of Segments

Guidance

2023 YEAR-END EXPECTATIONS

(in TRY million)	Initial Guidance		New Guidance	
Revenues	2023		2023	
Engineering & Contracting	15.628		15.628	
Agri Industry	20.519		19.575	
Investment	233		238	
Total	36.380		35.441	
EBITDA	2023	Margin	2023	Margin
Engineering & Contracting	386	2,5%	386	2,5%
Agri Industry	2.907	14,2%	2.536	13,0%
Investment	-269	-115,5%	-292	-123,0%
Total	3.024	8,3%	2.630	7,4%
Net Profit	2023	Margin	2023	Margin
Engineering & Contracting	-480	-3,1%	-480	-3,1%
Agri Industry	1.367	6,7%	809	4,1%
Investment	554	237,7%	714	300,3%
Total	1.441	4,0%	1.042	2,9%

- Negotiations with the administration for the Qatar NFE project are ongoing and will be updated in Q4.

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