



TEKFEN HOLDING

The future belongs to those who build it.



TEKFEN HOLDING



Tekfen Holding
Financial and Operational Highlights
01.01.2023- 31.12.2023

Ajanda

1

Consolidated Financial Highlights

2

Results by Segment

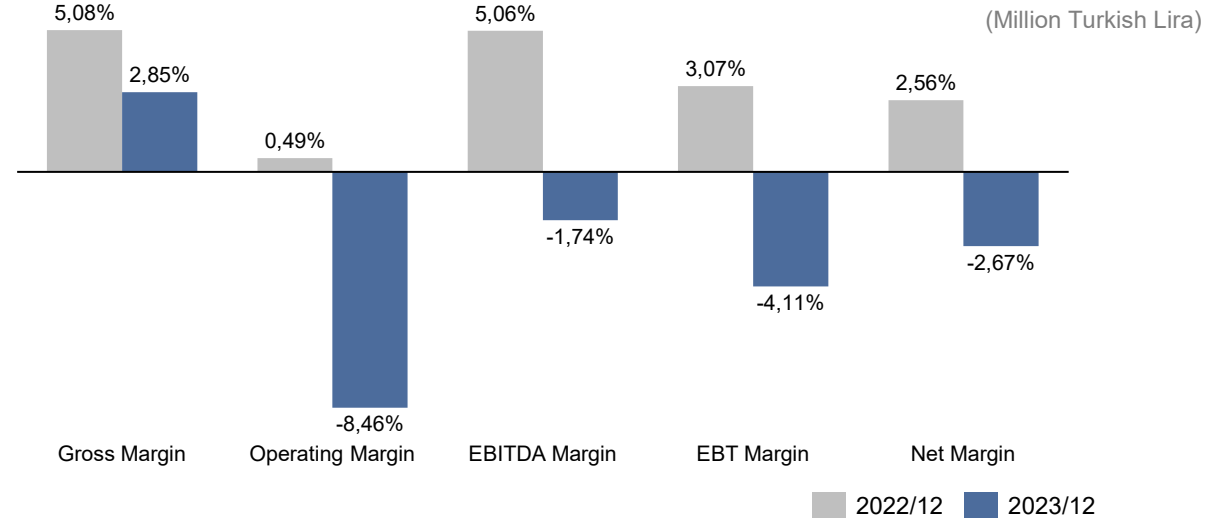
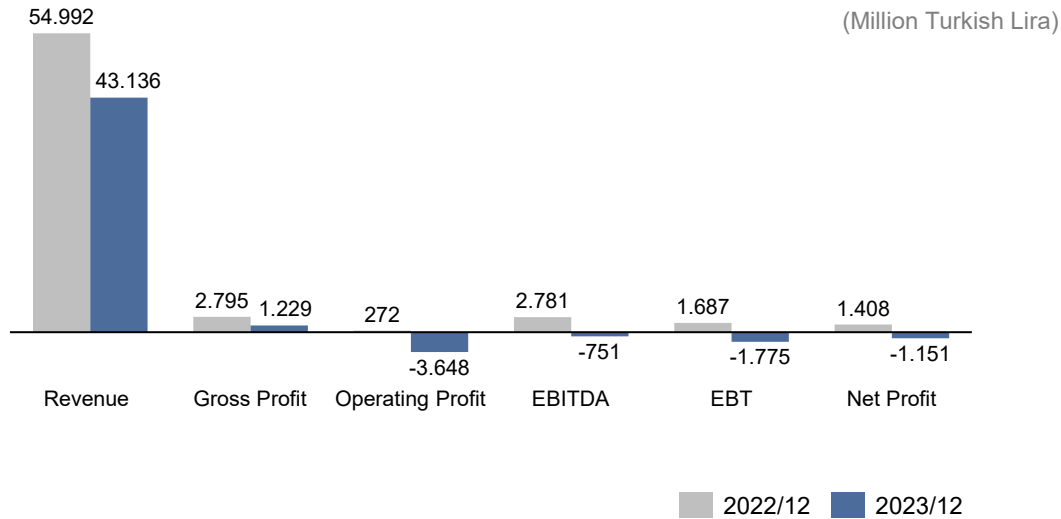
3

Highlights

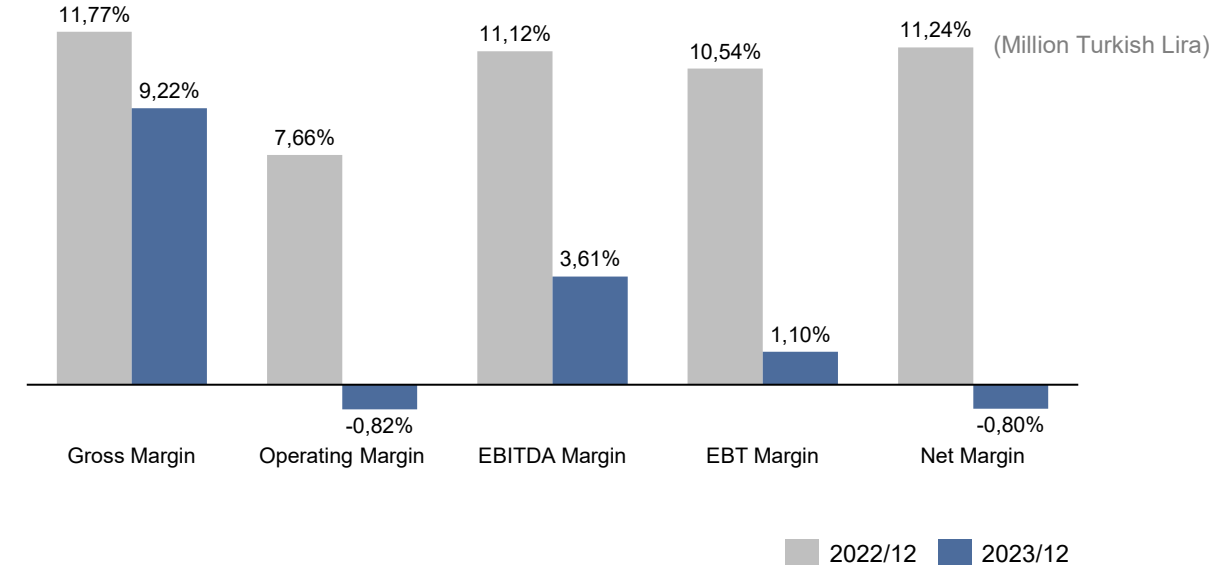
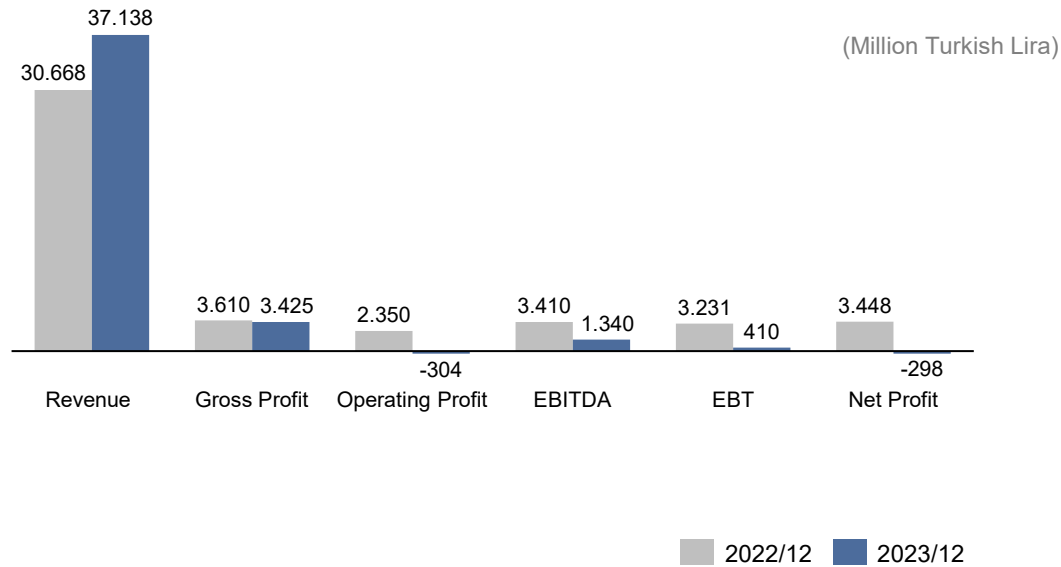
1.Consolidated Financial Highlights

2023 Year End Consolidated Financial Highlights

IAS 29 Inc



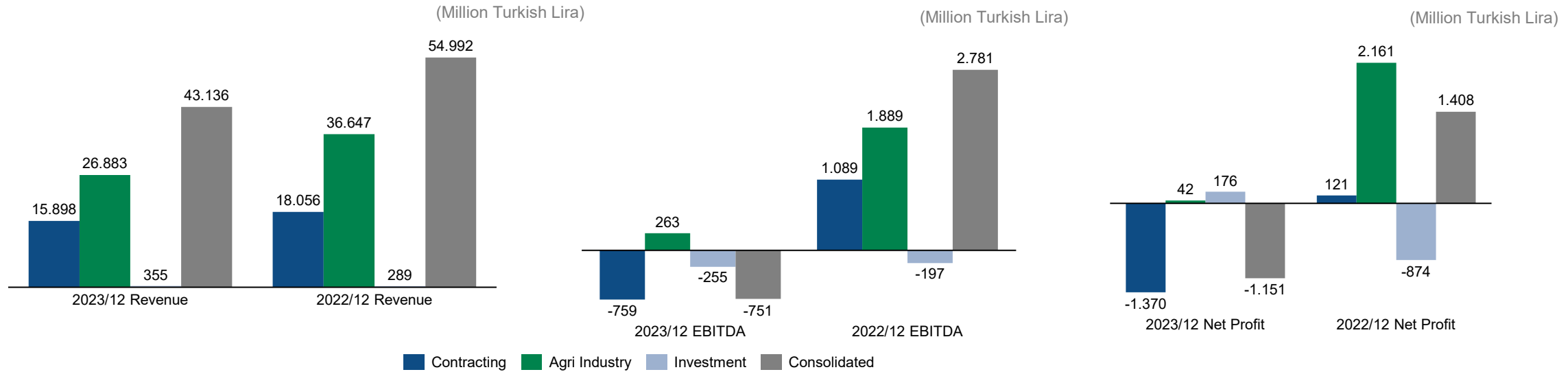
IAS 29 EXG



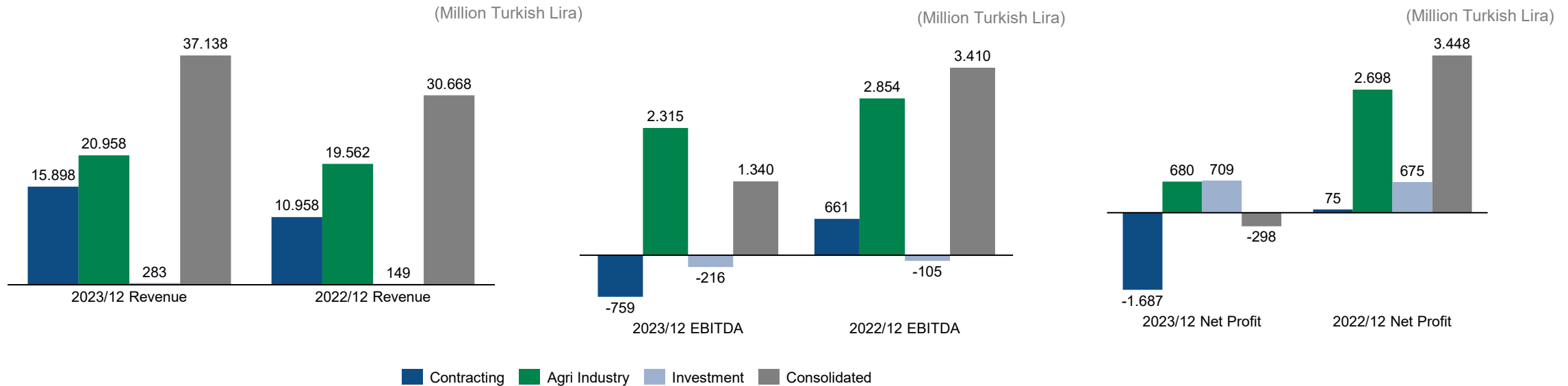
2. Results by Segment

Results by Segment

IAS 29 Inc

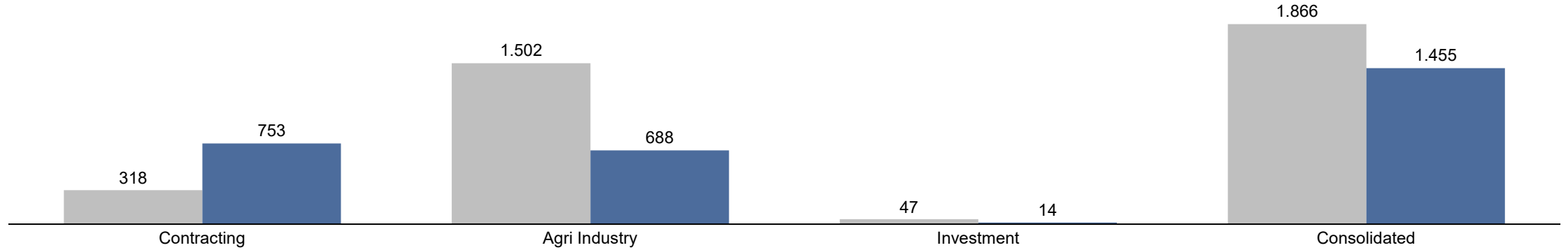


IAS 29 EXG

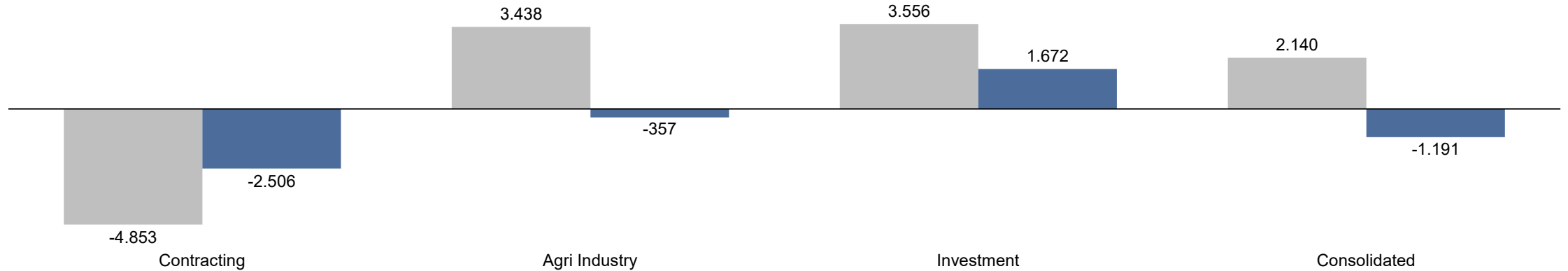


Results by Segment

Capital Expenditures (Million Turkish Lira)

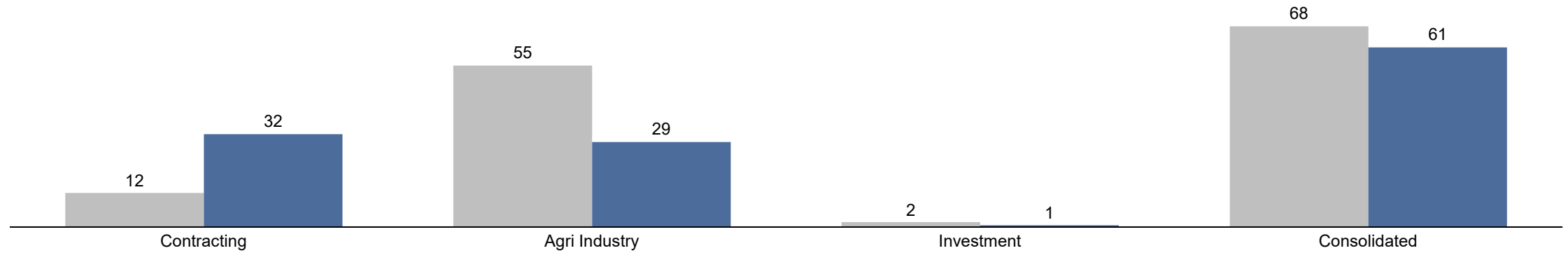


Net Cash Position (Million Turkish Lira)

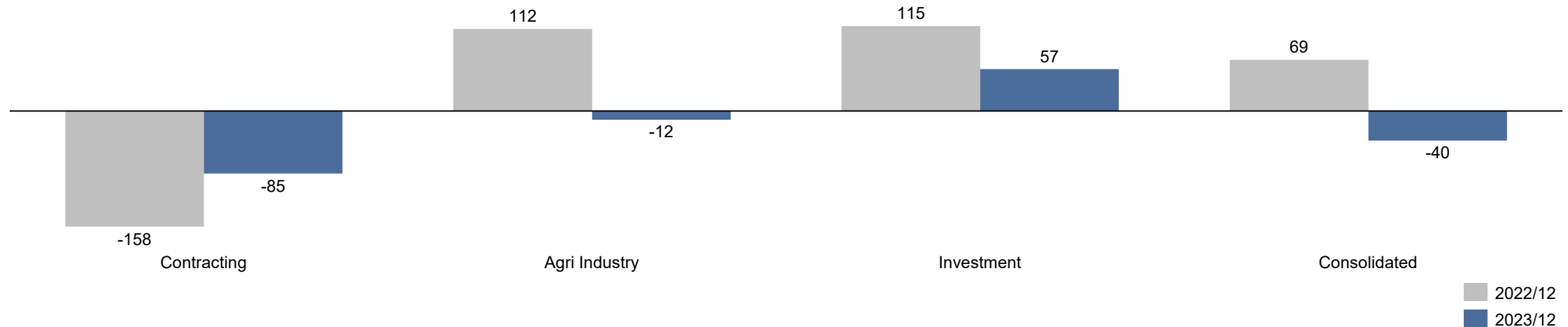


Results by Segment

Capital Expenditures (Million USD)



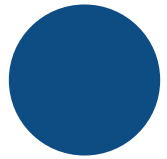
Net Cash Position (Million USD)



3. Highlights

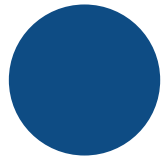
3.1 Contracting Group

Highlights



Contracting Group

- In the Qatar NFE project, a provision has been set aside for the estimated end-of-project loss of 130 million US dollars.
- A claim of 50 million US dollars has been collected for the Qatar Al-Thumama project.
- An amount of 19.5 million US dollars has been collected for additional works in the Saudi Arabia Haradh project, while compensation negotiations for cost increases from previous periods continue with the Administration.
- As of January 2024, the full amount of the receivable for the Baku Olympic Stadium project, totaling 54.5 million US dollars, has been collected.
- The first installment of 6 million US dollars has been collected for the Libya project as per the agreement signed, with a payment plan agreed upon for the remaining 15.2 million US dollars.
- Arbitration proceedings have been initiated with the Administration for compensation claims under the Russia Kharampur project.
- Completed mergers within the scope of the company's strategic transformation:
 - Merger of Tekfen Construction with GATE
 - Merger of Ceyhan Steel Factory with TİMAŞ
- Under the new strategic plan:
 - Sales have been made from non-core assets such as the Topkapı land and other idle assets.
 - Offices in countries not within our strategic focus have been closed.
 - Organizational changes have been made for central management of support and shared services to achieve synergy and cost savings within the contracting group.

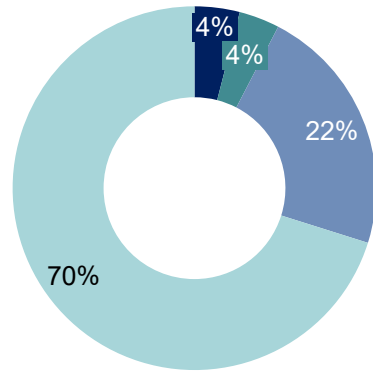
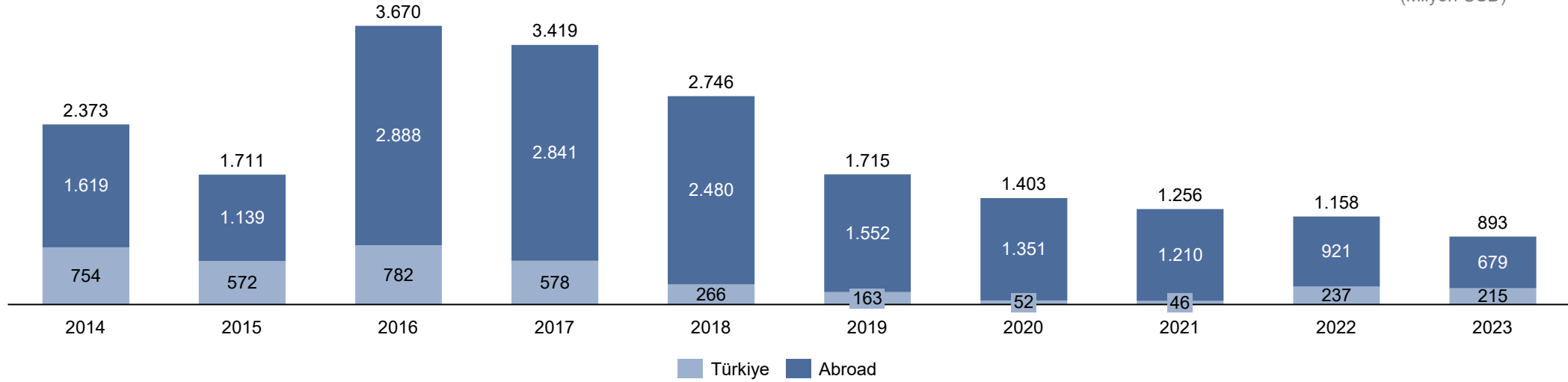


Katar NFE Project

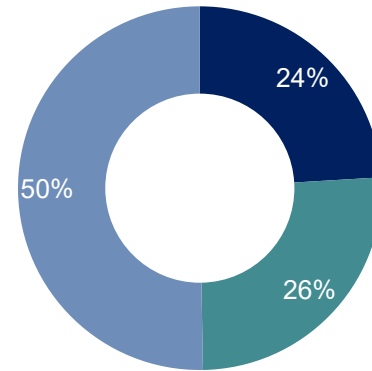
- According to the contract signed between Tekfen Construction and Chiyoda Technip partnership in January 2022, the NFE EPC-1 project was undertaken. The financial completion rate of the project is 39%.
- Due to delays in the establishment of temporary camps, workshops, warehouses, and office facilities, as well as mobilization phase, an increase in the estimated cost of the project is foreseen. The negative changes in project estimates, including the aforementioned cost increase and additional revenues, have been accounted for in accordance with TFRS, and a provision has been set aside in the financial statements for a total of 130 million US dollars.
- As a result of these losses, changes have been made in the company and project management organization, negotiations with the administration are ongoing, and efforts to reduce project losses through increased project efficiencies and savings are continuing at the administration level.

31.12.2023 Backlog

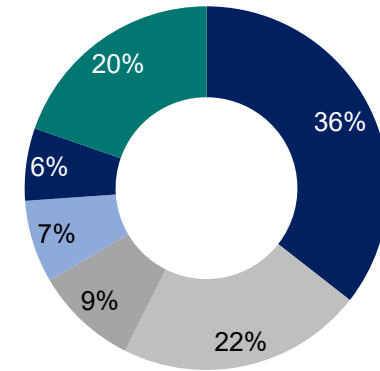
(Milyon USD)



- Transportation
- Pipeline
- Building
- Industrial



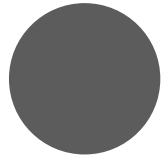
- Türkiye
- Caspian Region
- Middle East



- NFE
- Azerbaijan Merkez Bankası
- ROO General Construction Services
- New Fiber and MTR Facilities Project
- TÜPRAŞ Kırıkkale Rafinerisi
- Other

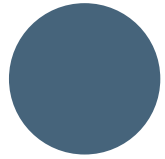
3.2 Agri- Industry

Highlights



Global

- With effective effective gas supply bu Europe in 2023, natural gas prices showed a stable trend and continued to remain below their pre-war levels. In the fourth quarter, prices continued at pre-war levels and showed a horizontal upward trend.
- Ukraine's Yuzhny port continued to remain closed due to the war. During this period, ammonia supply continued to be provided from other regions.
- There was an increase in both container and bulk cargo freight prices in December 2023 due to the crisis in the Red Sea.



Turkey

- While moderate drought prevailed in various parts of the country in the fourth quarter of the year, a normal or rainy period was left behind throughout the country.
- 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. After December, restrictions were applied to all product groups.



Agri Industry (Fertilizer)

- Dealers made early purchases in the third quarter of the year. In the fourth quarter of the year, there was a decrease in dealers' demand due to lower demand from farmers and downward trend in fertilizer prices.
- In parallel with the permits given in different forms and quantities throughout the year in the application of export restrictions, 114 thousand tons of exports were made in 2023.

Global Highlights

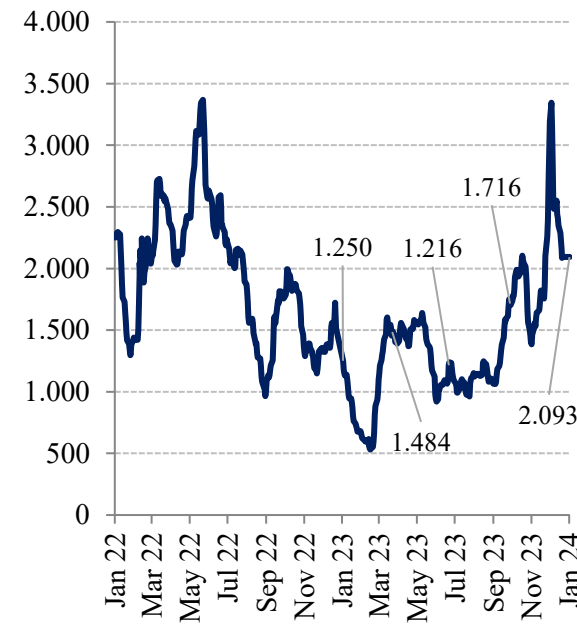
Henry Hub, USD/mmBTU



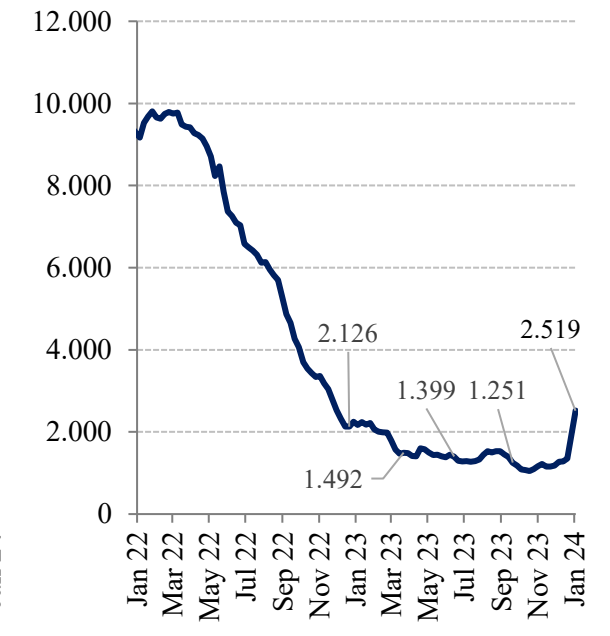
TTF, USD/mmBTU



Baltic Dry Index



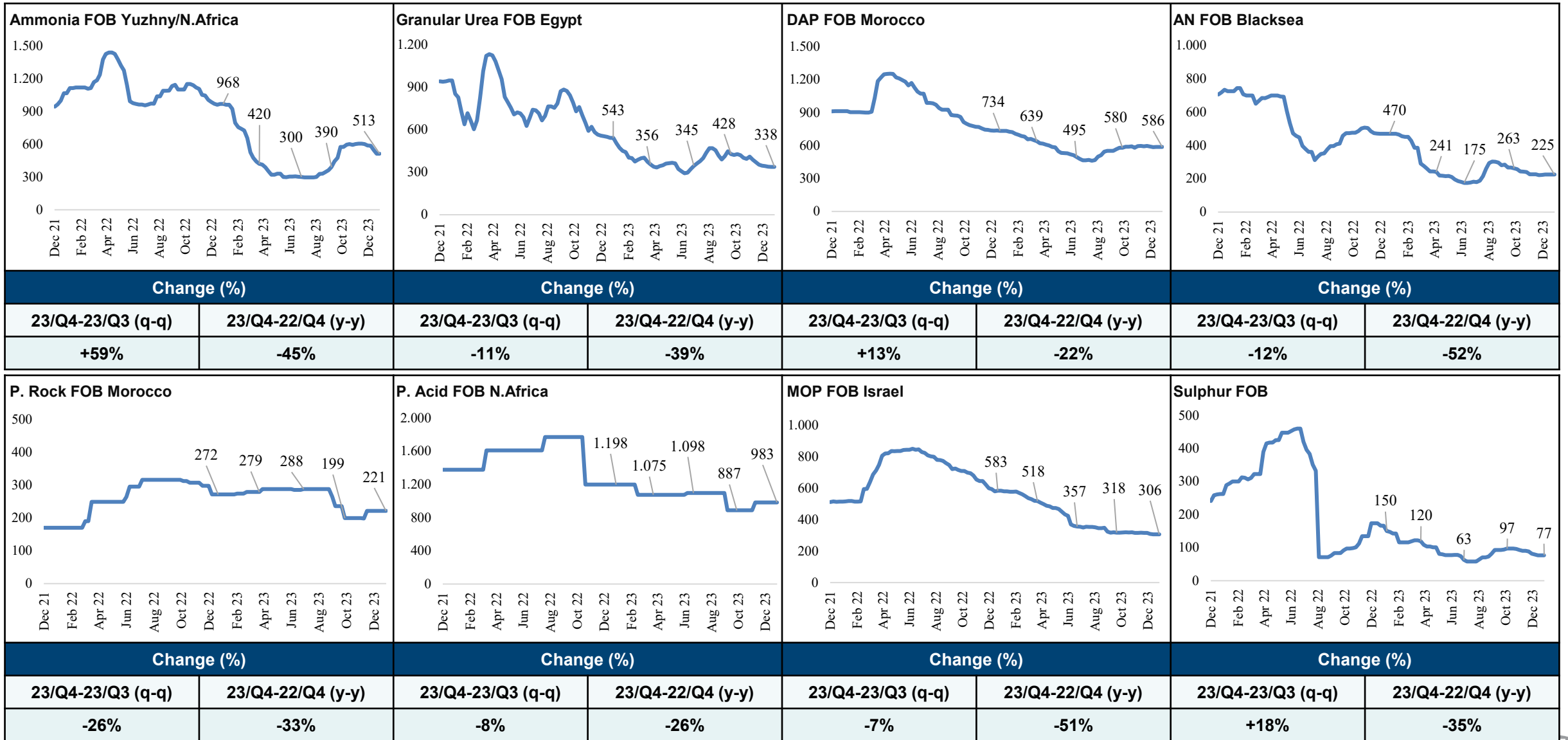
Freightos Baltic Container Index



- In the fourth quarter of the year, with the efficient gas supply across Europe, TTF natural gas prices decreased and remained stable, falling below their pre-war levels. 2023 was a year in which natural gas prices fell rapidly and then remained flat.

- There was an increase in both container and bulk cargo freight price indices in the last quarter of 2023.

Changes in Prices

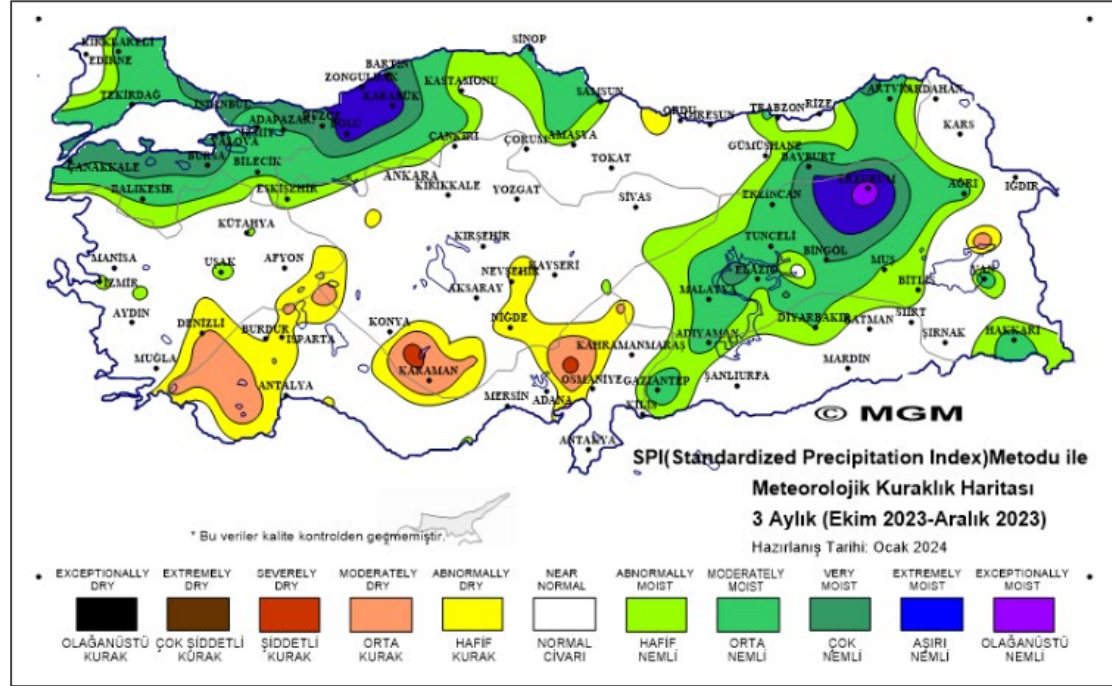


"Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on whole numbers, not the rounded numbers presented."

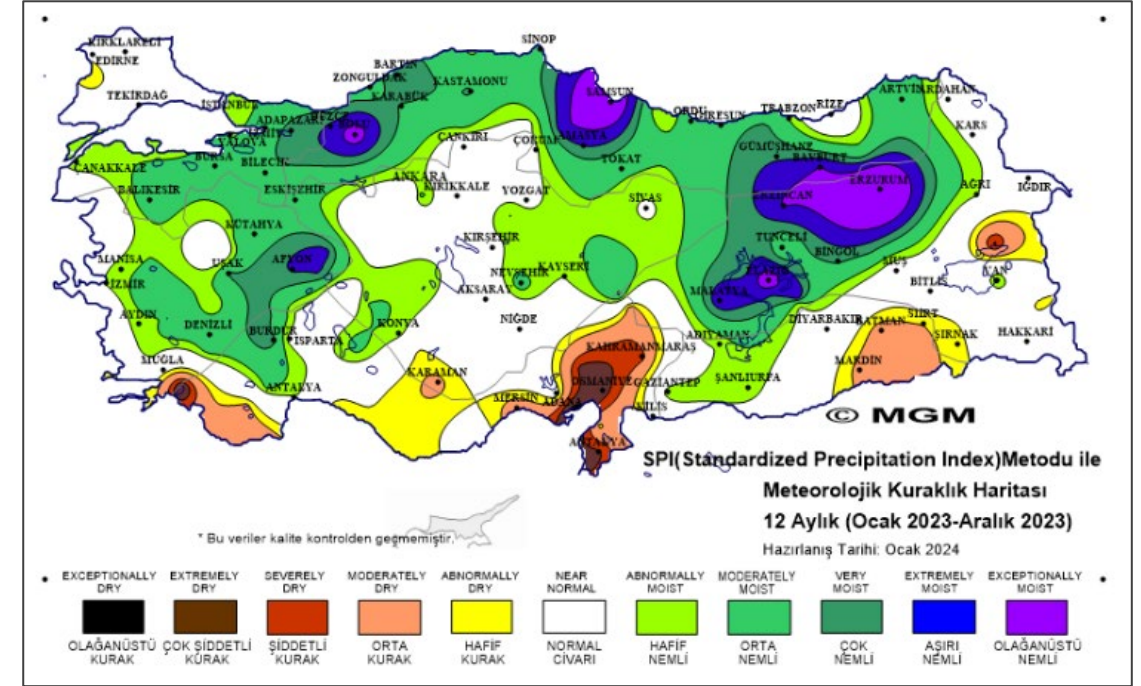
Developments in Agricultural Production

- While moderate drought prevailed in various parts of the country in the fourth quarter of the year, a normal or rainy period was left behind throughout the country. A similar picture is observed when looking at the entire year 2023.

Standardized Precipitation Index (October 2023 - December 2023)

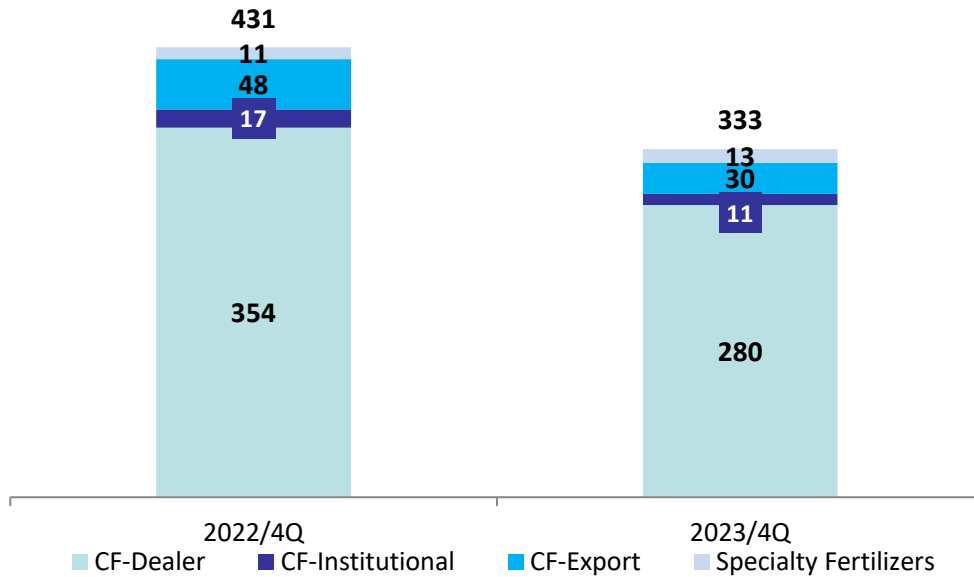


Standardized Precipitation Index (January 2023 - December 2023)

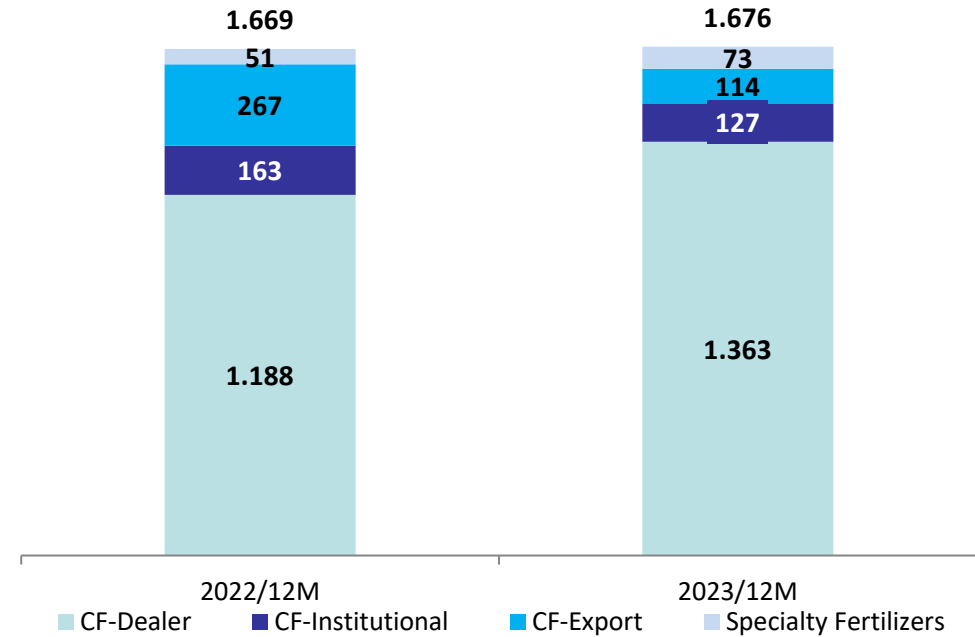


Fertilizer Sales

4th Quarter (k Tons)



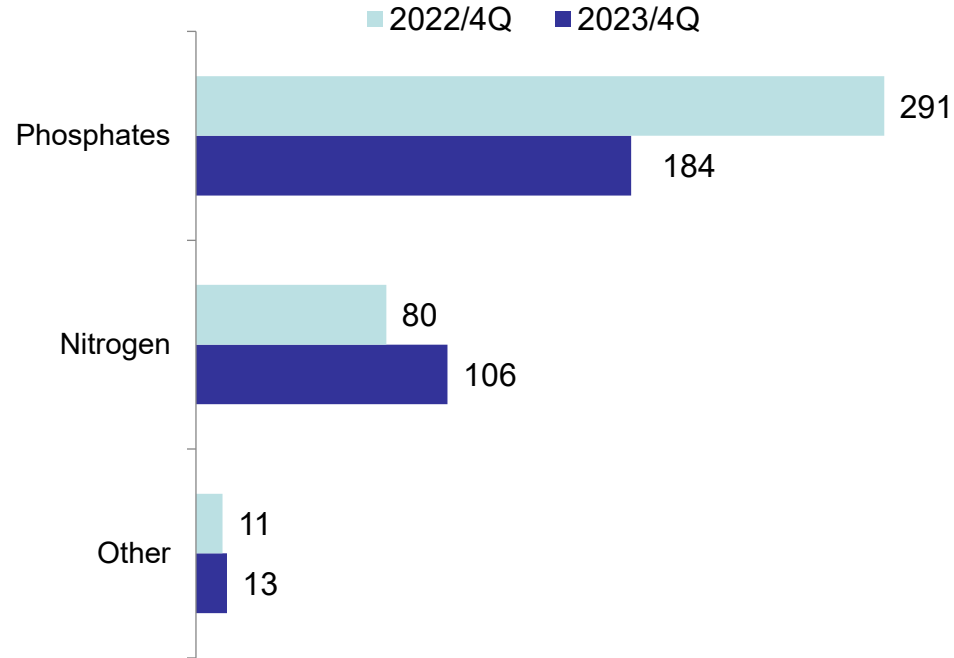
Cumulative (k Tons)



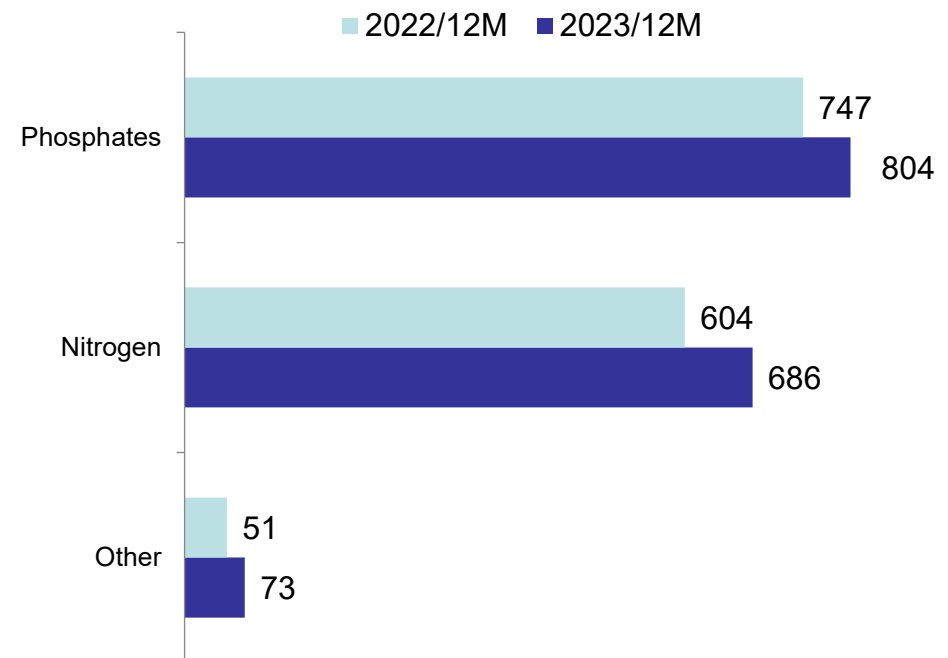
- In the 4th quarter of 2023, total domestic classical fertilizer sales were decreased by 21%, y-y.
- In the 4th quarter of 2023, sales of specialty fertilizers increased by 17% compared to the previous year.

Domestic Fertilizer Sales by Products

4th Quarter (k Tons)



Cumulative (k Tons)

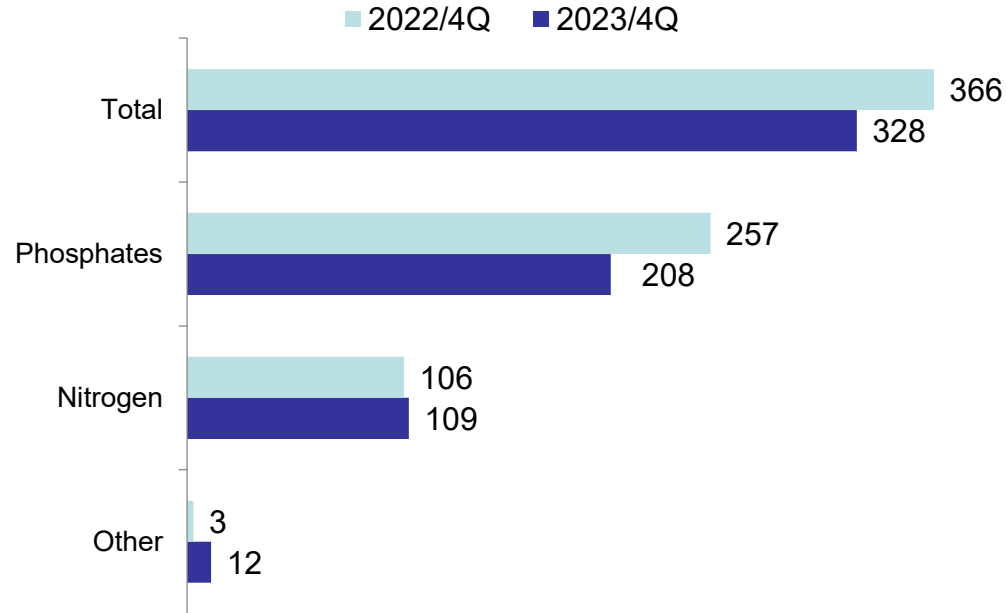


➤ Average domestic fertilizer prices in the Q4 of 2023 decreased by 33% in USD terms and increased by 3% in TL terms compared to Q4 of 2022.

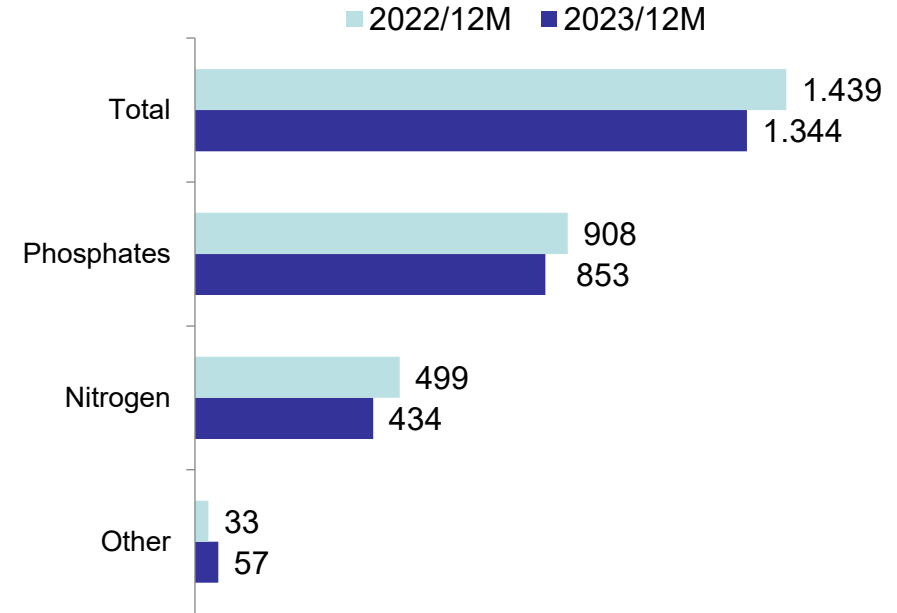
	2022/Q4	2023/Q4	Change (y-y)		2022/12M	2023/12M	Change (y-y)
Average Domestic Fertilizer Price (USD/ton)	660	443	-33%	Average Domestic Fertilizer Price (USD/ton)	613	475	-23%
Average Domestic Fertilizer Price (TL/ton)	12.263	12.641	3%	Average Domestic Fertilizer Price (TL/ton)	10.312	10.574	3%

Fertilizer Production

4th Quarter (k Tons)



Cumulative (k Tons)



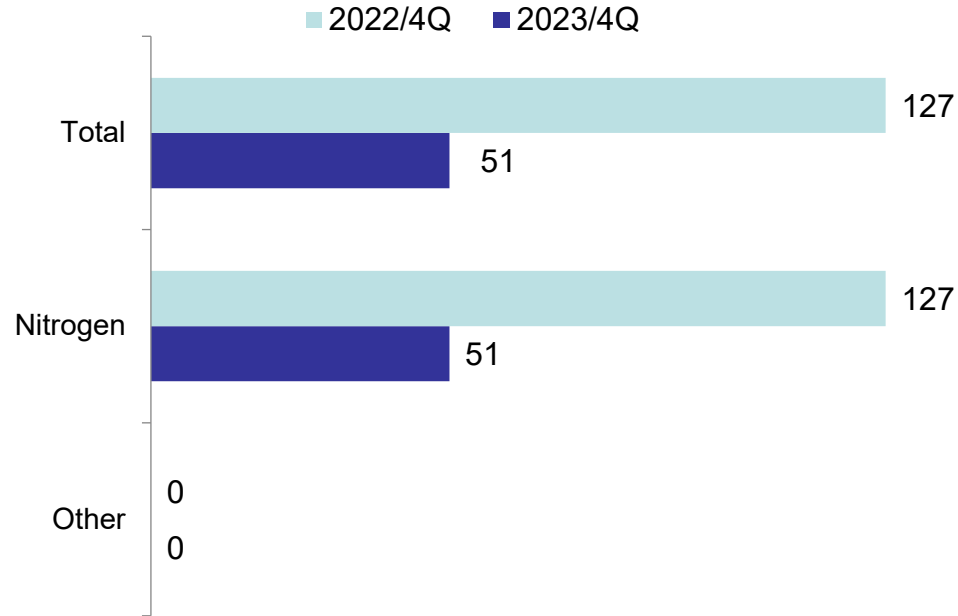
- In the 4th quarter of 2023 production tonnage decreased by 10% compared to the same period last year. In parallel with the decrease in production tonnage, the capacity utilization rate decreased by 11 point to 65% in 4Q23.

	2022/4Q	2023/4Q
Capacity Utilization Rate	76%	65%

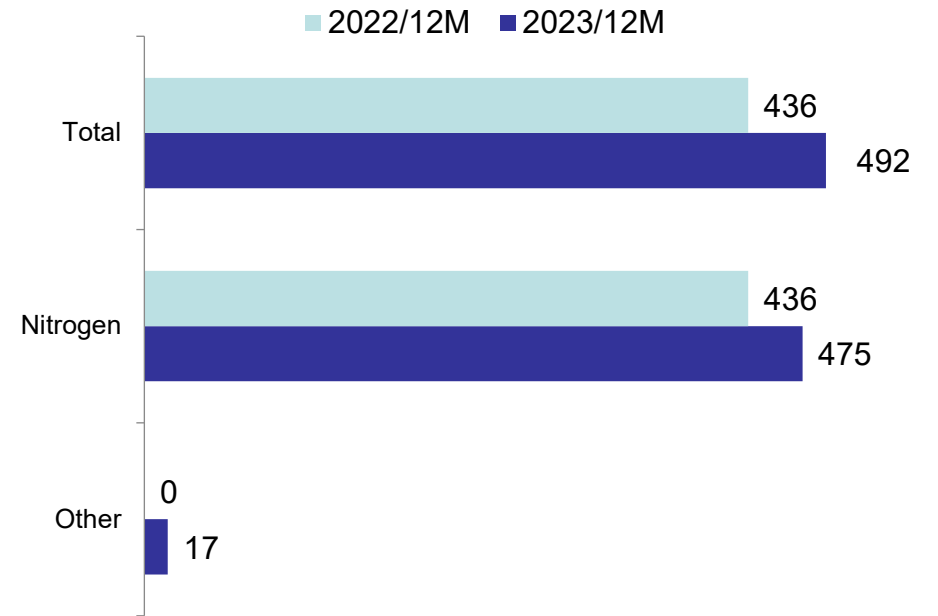
	2022/12M	2023/12M
Capacity Utilization Rate	75%	67%

Fertilizer Procurement

4th Quarter (k Tons)



Cumulative (k Tons)



- In the 4th quarter of 2023, fertilizer procurement decreased by 59% compared to the same period last year.
- 2023 full year fertilizer procurement increased by 13% compared to the same period last year.

Highlights

Global

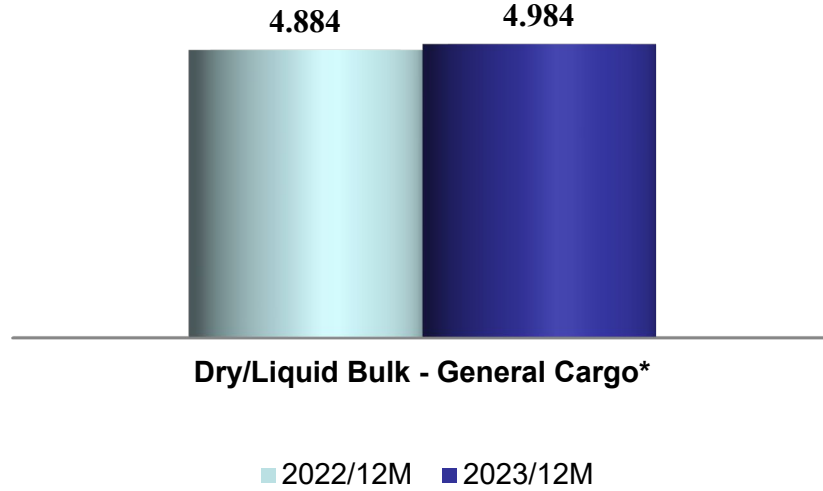
- Turkish Grain Board allowed wheat and maize exports in the July and received export permission demands for a total of 2 million tons.
- Even if there is no increase in global demand, due to the war-induced disruptions in Ukrainian ports and the restrictions imposed on Russian origin products, there 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)

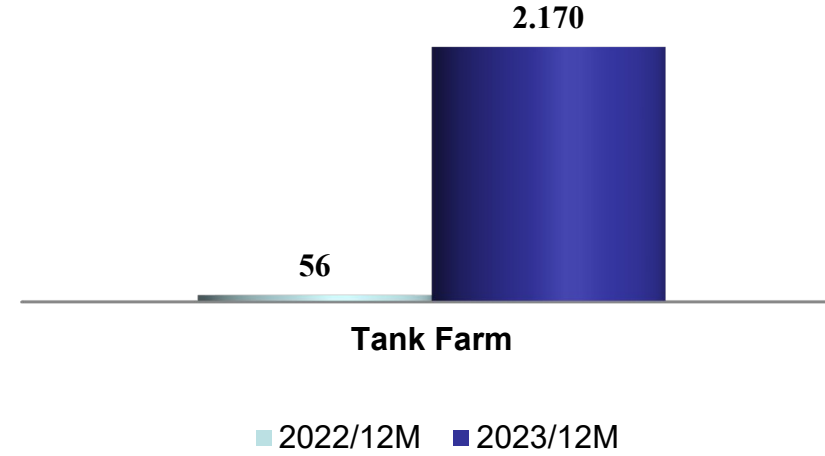
- With the permission to export grain, approximately 330k tons of grain were handled for export purposes at Torosport in the 4th quarter. Torosport received a ~30% share from total grain export operations.
- New bonded warehouses were put into service due to the increasing need for bonded warehouses 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.
- The intensity experienced in the MIP port and for this reason some bulk carriers to call at Torosport Ceyhan.

Terminal Services

Handled Quantity (k Tons)



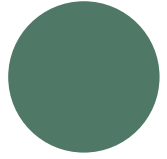
Leased capacity (k m³)



- In 2023 full year, handled quantity in Toros Terminals increased by 2% compared to the same period last year.
- The occupancy rate of the tank terminal realized at 91,5% in 2023. (2022/12M: 4,3%)

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

Highlights



Agri Industry Group (Others)

Agricultural Production

- In 2023, Tekfen Agri sold 4,516 tons of seed potatoes, 8.775 tons of wheat seeds, 1.974 tons of flour wheat, 2.689 tons of sifted wheat, 557 tons of barley and 40k banana saplings.
- In 2023, Alanar Fruit sold a total of 2.197 tons of fruit, including 1.259 tons of export and 939 tons of domestic sales. In this period, 25k saplings were sold by Alanar Fruit.

TAYSEB (Free Trade Zone)

- In 2023, the total trade volume of 19 free zones in Turkey decreased from 32 billion USD to 30.8 billion USD which corresponded to a 4% decrease. Adana Yumurtalık Free Zone constituted 5% of the total trade volume with 1.68 billion USD in 2023.

Gas Stations

- The Build-Operate-Transfer contract with the General Directorate of Highways for the operation of Toros Tarım's fuel stations ended on September 17, 2023, and the company decided not to participate in the new tender. Due to the prolongation of the tender process, the operation of the fuel stations continued until 28 February 2024 and the transfer process was completed.

3.3 Investments

Highlights



Investments

- With the aim of consolidating the real estate assets located in Tekfen Tower, Ulus, and Akmerkez under a single entity, Tekfen Real Estate company has been established, and the transfer of the mentioned assets to the relevant company is ongoing.
- Marketing and sales activities have commenced for the Berlin DAHLEM project, and it is aimed to complete the sale of all assets by the end of 2024.
- Following an independent valuation study conducted by a valuation company for Socar Polymer, in which the Group holds a 10% ownership stake, the value corresponding to the Tekfen share is determined to be 763.5 million Turkish Lira.
- The market value of the 10.47% stake in Akmerkez GYO is 502.8 million Turkish Lira.
- As part of the strategic plan set in 2023, investment activities related to renewable energy, identified as a new growth area, have been initiated:
- Tekfen Renewable Energy Solutions Inc. has been established.
- A share transfer agreement has been signed for the Marmara RES wind energy facility. Approval has been obtained from the competition authority. Transfer proceedings are ongoing.
- Pre-feasibility studies are underway for the green ammonia investment project.



TEKFEN HOLDING

The future belongs to those who build it.



TEKFEN HOLDING



DISCLAIMER

Tekfen Holding A.S. (the “Company”) has prepared this presentation (the “Presentation”) in order to provide investors with general information about the Company. The contents of this Presentation is based on public information and on data provided by the Company management. Neither the Company nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation. This Presentation does not constitute an offer or invitation to purchase the securities of the Company. Investors and prospective investors interested in the securities of the Company are required to conduct their own independent investigations and appraisal of the business, financial condition of the Company and the nature of its securities. Except for the historical information contained herein, the statements made in this Presentation with respect to the Company’s plans, strategies, beliefs and other prospective matters are forward-looking statements that involve risk and uncertainty that are not under the Company’s control which may cause actual results to differ materially from those anticipated. Except where otherwise indicated, this Presentation speaks as of the date hereof. We undertake no duty to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.