



## **TEKFEN HOLDİNG A.Ş.**

### **Announcement**

**Date:** 02 January 2024

**Subject:** About Tekfen Construction's Project in Russia

**Reference:** i) Our statement dated 26.09.2023

ii) Note 4 of our financial statements dated 30.09.2023.

In the mentioned statement, it is indicated that our subsidiary Tekfen Construction and Installation Inc. (Tekfen Construction), along with OOO Rusfen, of which it owns 100% shares, signed a contract with Kharampurneftegaz LLC Company for the construction and assembly works of a 90 km long gas pipeline between Kharampur Gas Field and the Gazprom Main Pipeline in the Russian Federation. The contract value is stated to be RUB19,527,364,329 (approximately USD311 million), with a start date of February 1, 2020, and a completion period of 16 months.

Further, as indicated in Note 4 of our financial statements dated 30.09.2023; due to various adversities during the construction process of the project, the financial results reflected in the consolidated financial statements at the beginning of the project have been entirely included in the expected loss at the end of the project as of the reporting date, based on changing costs. Negotiations for the compensation of our remaining losses were ongoing with the employer administration.

Upon realizing that an agreement cannot be reached in negotiations with the employer administration regarding the compensation of our losses, it is resolved to file a lawsuit for approximately RUB9,954,112,493.80 (approximately USD111.5 million at USD/RUB = 89.25) worth of claims on behalf of Tekfen Construction and Installation Inc. and OOO Rusfen Consortium against the employer OOO Kharampurneftegaz for the compensation of all rights, receivables and assets related to this project. The application is currently in the preliminary review and evaluation stage by the relevant court.