



Akfen Construction Goes Public Book-Building Process Scheduled for January 15-16-17

Akfen Construction Tourism and Trade Inc. (Akfen Construction), which holds an investment portfolio comprising three city hospitals with a total capacity of 2,600 beds developed under Public-Private Partnership (PPP) projects, a student dormitory with a capacity of 2,264 beds, 145 residential units, and 39 commercial spaces, is going public.

The company's investment portfolio offers predictable cash flow thanks to its long-term structure, which is safeguarded against currency and inflation risks.

Following the approval of its public offering application by the Capital Markets Board (CMB), Akfen Construction will collect demand from investors between January 15-16-17, 2025, under the leadership of Vakif Investment and Tera Investment.

Founded in 1986, Akfen Construction initially started as a contracting company and gradually evolved into a leading investment company by developing various projects both in Turkey and abroad. The company's public offering application has now been approved by the CMB.

The public offering will be conducted through a consortium led by **Vakif Investment Securities Inc. and Tera Investment Securities Inc.**, consisting of 42 brokerage firms. The book-building process will take place between January 15-17, 2025. **A total of 95,487,612** nominal shares will be offered to the public at a price of 38.70 TL per share, with **66,841,328 TL** coming from a capital increase and **28,646,284 TL** from the sale of shares by the sole shareholder, Akfen Holding Inc.

The proceeds from the public offering will be used by Akfen Construction to finance new investments, reduce financial liabilities, and meet its working capital needs for ongoing operations. Post-IPO, Akfen Construction will have a public float rate of 15%. The company's shares will be traded on Borsa Istanbul under the ticker symbol **"AKFIS."**

A Long-Term Portfolio Providing Predictable Cash Flow with Currency and Inflation Protection

Transforming from a contracting company to an investor-focused entity, Akfen Construction has concentrated on PPP projects that provide long-term, predictable cash flows safeguarded against currency and inflation risks. Having become a well-known brand in this field, the company is a preferred partner both as an investor and project manager in Turkey and abroad.

Today, Akfen Construction derives a significant portion of its operations and revenues from its role as the investor and operator of three city hospitals developed under the PPP model, as well as from student dormitories and investment-oriented real estate projects. The company also continues to undertake various contracting projects, primarily hospital construction and renovation projects, both domestically and internationally.



Akfen Construction's portfolio includes the **Isparta City Hospital with 845 beds, the Eskisehir City Hospital with 1,150 beds, the Tekirdag City Hospital with 605 beds, the Hacettepe Dormitory and Guesthouse with 2,264 beds, as well as real estate assets consisting of 145 residential units and 39 commercial spaces.**

As of the nine-month period ending in 2024, Akfen Construction reported adjusted revenue of 8.2 billion TL, primarily generated from rental income from the hospitals. The company's total assets amount to approximately 43 billion TL.

"A Revenue Structure Beyond a Traditional Construction Company"

Akfen Construction's Chairman of the Board, Selim Akin, stated, **"Akfen Construction's business model significantly differs from that of traditional construction companies. We have focused on long-term, sustainable investments that offer predictable cash flows, such as Public-Private Partnership projects. Our investment portfolio provides significant security in terms of steady and foreseeable income streams, thanks to rental payments protected against inflation and currency fluctuations, along with public institutions being the contractual counterparties."**

Highlighting that these features make Akfen Construction stand out in the eyes of investors, Akin added, **"We aim to use our long-term rental income, which is safeguarded against currency and inflation risks, to invest in new PPP projects in health and education sectors both domestically and internationally, as well as in social infrastructure projects such as elderly care homes and addiction centers, and real estate projects like student dormitories and tourism facilities. We are committed to growing the company with this strategy."**

CONTINUING GROWTH DOMESTICALLY AND INTERNATIONALLY

Selim Akin emphasized that Akfen Construction will continue to pursue organic and inorganic growth opportunities in its areas of operation after the public offering. He stated, **"We will closely monitor city hospital and school projects developed under the PPP model in Turkey and global markets. Additionally, we will focus on social infrastructure projects such as addiction centers and elderly care homes. Furthermore, we will evaluate student dormitory and multifunctional real estate projects both in Turkey and abroad."**

Akin also noted that potential investment opportunities within the projects developed by Akfen Group's subsidiaries and affiliates would present significant growth potential for Akfen Construction, saying, **"This diversity strengthens our potential for long-term growth and value creation."**

MANAGING \$491 MILLION WORTH OF CONTRACTING PROJECTS

While diversifying its portfolio with currency- and inflation-protected revenues, Akfen Construction is also carrying out contracting projects with a total value of \$491 million. The company's contracting projects include the Yalikavak Loft Project in Bodrum, consisting of 29 villas, and the Kiyikisilacik tourism project in Mugla Milas, comprising 464 units.

In Croatia's capital, Zagreb, Akfen Construction is restoring the historical Sisters of Mercy Hospital, which was damaged by an earthquake. The project involves rebuilding two buildings and renovating four buildings. The company is also constructing the 600-bed Iskenderun State Hospital and the 600-bed Amasya State Hospital. Additionally, Akfen Construction has completed the construction of three emergency hospitals in Altinozu, Erzin, and Payas in Hatay, each with a capacity of 50 beds.



About Akfen Construction

Founded in 1986, Akfen Construction started as a contracting company and later transformed into an investor and project management entity. The company focuses on long-term PPP projects that provide predictable cash flows, forming a significant portion of its operations and revenues. Today, Akfen Construction continues to undertake hospital projects primarily, both domestically and internationally, while its portfolio also includes student dormitories and other investment-oriented real estate projects.