INVESTING IN INFRASTRUCTURE & PPP PROJECTS IN TÜRKİYE?
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES
- Healthcare
- Transportation

FAVORABLE INVESTMENT CLIMATE
WHY INVEST IN TÜRKİYE?

10 reasons to invest in Türkiye

1. ROBUST ECONOMY
2. DOMESTIC + ACCESSIBLE MARKETS
3. STRATEGIC LOCATION
4. FAVOURABLE DEMOGRAPHICS
5. SKILLED AND COMPETITIVE LABOR FORCE
6. CONTINUOUS REFORM PROCESS
7. BUSINESS-FRIENDLINESS
8. LUCRATIVE INCENTIVES
9. BENIGN R&D ECOSYSTEM
10. SECTORAL OPPORTUNITIES
EXECUTIVE SUMMARY

TÜRKİYE HAS A STRONG CASE FOR INVESTMENT IN INFRASTRUCTURE

Investment Need for Development

- Turkish economy is robustly growing with an average annual GDP growth rate of 5.4%.
- Türkiye's 85.3 million strong population is growing with additional 1 million people every year coupled with a rapid urbanization process which has resulted in more than 24 urban centers with populations over 1 million.
- Türkiye's growing trade volume and strategic location compels Türkiye to develop its infrastructure.

Track Record with Significant Opportunities in the Pipeline

- Türkiye has implemented $195 Billion worth of Public Private Partnership (PPP) projects in a variety of sectors. This trend has picked up in recent years with a bright prospect.
- Türkiye has set ambitious targets to upgrade its infrastructure.
- From transportation to healthcare and energy, ample opportunities are available in the pipeline.

Favorable Investment Climate

- Türkiye has a favorable investment legislation for PPP investments that can be realized through various models, such as build-operate, build-operate-transfer, transfer of operational rights, etc.
- Türkiye’s investment climate is further strengthened by domestic and international laws that protect investments and provide international arbitration.
- Türkiye's macroeconomic policies, investments and more importantly, strong public finance management support PPP investments that require guaranteed purchase.
AGENDA

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OPPORTUNITIES
- Healthcare
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FAVORABLE INVESTMENT CLIMATE
TÜRKİYE’S INVESTMENT NEED IN INFRASTRUCTURE IS DRIVEN BY SEVERAL FACTORS

**GROWING ECONOMY**
Turkish economy has been robustly growing with an average annual GDP growth rate of 5.4% from 2002 to 2022

**GROWING POPULATION**
Türkiye’s population has been rapidly growing by 1 million every year

**GROWING VOLUME**
Türkiye’s foreign trade volume has increased from $88 billion in 2002 to $612 billion in 2022

**URBANIZATION**
As Turkish economy has developed, people from rural areas have migrated to urban centers

**STRATEGIC LOCATION**
Türkiye is strategically located in the proximity of energy resources and trade routes

**GROWING NEED FOR EFFICIENCY**
In order to maintain competitiveness, Türkiye needs to enhance efficiency and productivity by investing in infrastructure

Source: TurkStat
ROBUST ECONOMY

TRACK RECORD GROWTH AND BRIGHT FUTURE WITH PROVEN RESILIENCE

11th largest economy in the World

RANKING OF ECONOMIES BY GDP AT PPP

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2003</th>
<th>2019</th>
<th>2022</th>
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AVERAGE ANNUAL GDP GROWTH (%)

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Total Population in 2022 **85.3 Million**

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<th>Population</th>
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<tbody>
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<tr>
<td>Ankara</td>
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<tr>
<td>İzmir</td>
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<tr>
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<td>Diyarbakır</td>
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<td>Balıkesir</td>
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<td>Malatya</td>
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<td>Ordu</td>
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<tr>
<td>Erzurum</td>
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<td>Afyonkarahisar</td>
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<td>Sivas</td>
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<td>Adıyaman</td>
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<td>Batman</td>
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<td>Çorum</td>
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<tr>
<td>Ağrı</td>
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</tr>
</tbody>
</table>

Source: TurkStat, 2022

24 urban centers
With Populations over 1 million
STRATEGIC LOCATION

HUB FOR MULTINATIONALS TO MANUFACTURE, EXPORT AND MANAGE

Working Hours Intersect with 16 Time Zones

PROXIMITY TO MAJOR MARKETS
1.3 billion people and $28T GDP in Europe, MENA and Central Asia at 4 hour flight-distance

CONNECTIVITY
Turkish Airlines connects you to 342 destinations in 121 countries

MANUFACTURING & EXPORT HUB FOR MULTINATIONALS

AS WELL AS MANAGEMENT HUB FOR MULTINATIONALS

Exporting 85% of its production

80 countries

Production base for MENA

Nestle

70 countries

89 countries

Ford

14 countries

B/S/H/

Exporting 87% of its production

TOYOTA

85 countries

Ge Healthcare

30 countries

Cargill

66 countries

Microsoft

Knauf

Sanofi

66 countries

70 countries

80 countries

14 countries

22 countries

Table: Key Companies and Their Global Operations

- Cargill: 66 countries
- Microsoft: 70 countries
- Nestle: Production base for MENA (70 countries)
- TOYOTA: Exporting 85% of its production (85 countries)
- Ford: Exporting 87% of its production (87 countries)
- B/S/H: 89 countries
- Knauf: 80 countries
- Sanofi: 14 countries
- GE Healthcare: 22 countries

Other companies mentioned: BOSS, BOSCH, GE Healthcare

invest.gov.tr
Türkiye has a significant investment need in infrastructure development.

2022-2040

$569 Billion
Investment current trends

$975 Billion
Investment needed

$405 Billion
Investment gap

Türkiye's Infrastructure Current Trends and Need ($ Billion)

Investment Need by Sector (2022-2040)

Transport $581.1

Road $499.0

Energy $242.0

Telecom $99.0

Water $53.0

Airports $18.0

Ports $1.1

Rail $63.0

Investment Gap by Sector: $335 bn in Road, $48 bn in Energy, $19 bn in Rail, $2.2 in Water, $0.66 bn in Airports

Source: Global Infrastructure Hub (GIH)
THE TURKISH GOVERNMENT HAS STEADILY INCREASED ITS PUBLIC INVESTMENT BUDGET BETWEEN 2021-2023 DESPITE THE PANDEMIC.

**Increase in Investment Budget**
Transportation, R&D, health and education sectors has the biggest jumps compared to other sectors.

**Carefully Selected Pipeline**
Project selection will be extra important in the post-covid era so prioritization and rationalization has begun in the Public Investment Program.

**Coherence Between Macroeconomic Policies and Infrastructure Investments**
Projects that not only financially more viable compared to traditional procurement but also more resilient by creating value to future generations will be prioritized. Affordability will be crucial.
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FAVORABLE INVESTMENT CLIMATE
FOR THE LAST 19 YEARS, USE OF PPP MODELS INCREASED AS AN ALTERNATIVE TO PUBLIC PROCUREMENT

PPP Contracts in Türkiye
($ Billion**)

Investment
Fees*

Number of PPP Projects in Türkiye

Source: Presidency of Strategy and Budget
*Fees to the government for the transfer of operating rights
**2022 November prices
TRANSPORTATION AND ENERGY INFRASTRUCTURE PROJECTS DOMINATE THE PPP MARKET IN TÜRKEİ

**Breakdown of the PPP Contracts ($ Million**)**

- Airport: $43,101
- Energy: $30,974
- Motorway: $12,684
- Health Facility: $5,599
- Marina: $4,544
- Industrial Facility: $1,690
- Border Gate: $689
- Mining: $297
- Railway: $322
- Culture & Tourism: $337
- Solid waste: $106

**Breakdown of the PPP Contracts (Number)**

- Airport: 102
- Energy: 44
- Motorway: 24
- Health Facility: 18
- Border Gate: 23
- Port: 20
- Marina: 20
- Mining: 8
- Industrial Facility: 2
- Railway: 1
- Culture & Tourism: 1
- Solid Waste: 2

Source: Presidency of Strategy and Budget

*Fees to the government for the transfer of operating rights

**2022 November’ prices

Invest.gov.tr
BUILD-OPERATE-TRANSFER AND TRANSFER OF OPERATING RIGHTS ARE THE MAIN CONTRACT MODELS IN THE TURKISH PPP MARKET

PPP Contract Models
($ Million**)

- Build-Lease-Transfer: 12,684
- Build-Operate: 8,069
- Transfer of Operating Rights: 61,796

$195 BILLION 1986-2022

PPP Contract Models
(Number)

- Build-Lease-Transfer: 18
- Build-Operate-Transfer: 112,770
- Build-Operate: 5
- Transfer of Operating Rights: 118

265 PROJECTS 1986-2022

Source: Presidency of Strategy and Budget "2022 November" prices
AGENDA

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FAVORABLE INVESTMENT CLIMATE
HEALTHCARE PPP PROJECTS

TÜRKİYE HAS INTRODUCED INTEGRATED HEALTHCARE CAMPUSES ACROSS THE COUNTRY IN 2013

Planned Public Investments (11)

Source: Ministry of Health, 2022 *Total bed capacity of PTR & HSFP Hospitals to be built in Afyon-Diyarbakır-Samsun-Malatya-Erzurum-Istanbul-Trabzon-Van: 2,400
SHOWCASE IN HEALTHCARE PPP

PPP PROJECTS IN INTEGRATED HEALTHCARE CAMPUSES

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THE PPP PROJECTS ARE STRUCTURED AS DESIGN, BUILD, FINANCE AND MAINTAIN FOR FACILITIES MANAGEMENT, WHILE CORE MEDICAL SERVICES REMAIN UNDER THE RESPONSIBILITY OF THE MINISTRY OF HEALTH

Source: Ministry of Health
The campus consists of three towers and annexes located around a central core and includes the following hospitals:
- General Hospital
- Maternity and Pediatric Hospital
- Detainee Forensic Psychiatry Hospital
- High Security Forensic Psychiatry (HSFP) Hospital
- Oral and Dental Health Central (ODHC)

- Bed capacity: 1,038
- LEED Gold Certificate (a designation for green buildings)
- Employment: 3,650

Main Hospital
- Beds: 888
- Polyclinic Rooms: 227
- Patient Rooms: 519
- Operating Rooms: 37
- Beds at the Intensive Care: 160

ODHC
- Polyclinic Rooms: 69
- Operating Rooms: 2

HSFP and Detainee
- Beds: 100 HSFP + 50 Detainees
- Polyclinic Rooms: 8 HSFP
- Patient Rooms: 100 HSFP + 50 Detainees

- Project Cost: €360 million = €288 million senior debt + €72 million equity
- First project benefiting from risk mitigation provided jointly by MIGA’s political risk insurance coverage and EBRD’s unfunded liquidity facilities
- First project bond financing for a greenfield infrastructure project in Türkiye
- A1 Bonds were rated Baa2
- Vigeo Eiris certified the Elazığ project bond as a ‘green and social’ bond – the first such certification for an infrastructure project in Türkiye
- With a 20 year maturity, the bond had the longest maturity for the Turkish Integrated Health Campuses PPP Programme

Source: Rönesans, GIH
TÜRKİYE HAS SIGNIFICANTLY IMPROVED ITS HEALTHCARE SERVICES AND WILL CONTINUE TO INVEST IN HEALTHCARE INFRASTRUCTURE TO CATCH UP WITH OECD

NUMBER OF HOSPITAL BEDS PER 1,000 POPULATION

Source: OECD

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NUMBER OF HOSPITALS

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HEALTHCARE HAS BEEN A TOP PRIORITY FOR THE TURKISH GOVERNMENT WHICH IS COMMITTED TO INCREASING ACCESS TO HEALTHCARE SERVICES FOR ALL CITIZENS

The government introduced the Health Transformation Program in 2003 to provide universal healthcare services.

**UNIVERSAL COVERAGE**
In 2006 Universal Health Insurance introduced to cover all citizens

**IMPROVING INFRASTRUCTURE**
Number of Hospital increased from 1156 in 2002 to 1554 in 2022 Türkiye (bed capacity 165K to 265K)

**INCREASING OF HEALTHCARE PROFESSIONALS**
Number of Doctors increased from 92K in 2002 to 195K in 2022 (from 1.4 to 2.2 per 1000)

Source: Ministry of Health
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES
• Healthcare
• Transportation

FAVORABLE INVESTMENT CLIMATE
SECTORAL SHARE OF INVESTMENTS IN TRANSPORTATION AND COMMUNICATION (2003-2022)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Billion TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road</td>
<td>995.9</td>
</tr>
<tr>
<td>Railway</td>
<td>346.6</td>
</tr>
<tr>
<td>Airway</td>
<td>150.6</td>
</tr>
<tr>
<td>Maritime</td>
<td>19.9</td>
</tr>
<tr>
<td>Communication</td>
<td>140.5</td>
</tr>
<tr>
<td>Total</td>
<td>1,653.5</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Infrastructure
PPPIIINN TTRANNSPORTATTTIIOONNN

Türkiyeye has heavily invested in transport infrastructure across the country and continues with even more ambitious targets.

Infrastructure Investments
($ Billion*)

- Road: 996.9
- Railway: 346.6
- Maritime: 19.9
- Communication: 140.5
- Airway: 150.6

**₺ 1,653.5 BILLION**
2003 - 2022

PPP Investments in Transport & Communication
($ Billion)

- Completed: 311
- Ongoing: 63.7

**₺ 374.7 BILLION**
2003 - 2022

Source: Ministry of Transport and Infrastructure, *at 2022 prices, including completed PPP investments*
AMBITIOUS TARGETS IN TRANSPORTATION INFRASTRUCTURE

TÜRKİYE HAS DONE A LOT FOR THE PAST 20 YEARS TO UPGRADE ITS TRANSPORTATION INFRASTRUCTURE

Source: Ministry of Transport and Infrastructure

MOTORWAY SECTOR

- Motorway (Toll Roads)
- Dual Carriageway

RAILWAY SECTOR

- Conventional (km)
- High Speed (km)

AIRWAY SECTOR

- Number of Passengers (million)
- Number of Airports

MARITIME SECTOR

- Freight Handling (million ton/year)
- Number of International Ports
INVESTING IN TRANSPORTATION HAS REMARKABLY TRANSFORMED TÜRKİYE’S INFRASTRUCTURE LANDSCAPE YET TÜRKİYE IS DETERMINED TO IMPROVE IT FURTHER.

<table>
<thead>
<tr>
<th>Category</th>
<th>2003</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Carriageway</td>
<td>6.101 km</td>
<td>28.816 km</td>
</tr>
<tr>
<td>High Speed Railway</td>
<td>0 km</td>
<td>1.460 km</td>
</tr>
<tr>
<td>Maritime Containers Transport</td>
<td>190 million Tons</td>
<td>542 million Tons</td>
</tr>
<tr>
<td>Number of Airports</td>
<td>26</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: Ministry of Transport and Infrastructure
The total length of highways currently in service is **3,633 km**. Following the completion of the highway projects under construction and planning stages, it is aimed to increase the total length of the highway to **8,164 km** in **2035**.
OPPORTUNITIES IN TRANSPORTATION

TÜRKİYE IS COMMITTED TO TRANSFORMING ITS RAIL TRANSPORT INFRASTRUCTURE FROM CONVENTIONAL TO HIGH SPEED

RAILWAY MAP OF TÜRKİYE

Source: Ministry of Transport and Infrastructure

- Existing conventional railway (13.128 KM)
- Existing High Speed Railways (1.460 KM)
- Under Construction (4.262 KM)
- Project phase completed (3.567 KM)
- Preliminary surveys and studies (6.682 KM)
In 2013, Turkish railway sector has been liberalized and administrative structure of TCDD has been changed.
INVESTMENT IN RAIL NETWORK

THE SHARE OF RAIL IN TRANSPORT INVESTMENTS CONTINUE TO RISE

Investment Budget Percentages of Transport Subsectors
(Current Situation)

Investment Budget Percentages of Transport Subsectors
(Projection)

Source: Ministry of Transport and Infrastructure
LOGISTICS IS AN INTEGRAL PART OF TÜRKİYE’S TRANSPORT INFRASTRUCTURE. TÜRKİYE HAS ESTABLISHED INTERMODAL LOGISTICS CENTERS ALONGSIDE THE TRANS-ASIAN RAILWAY NETWORK TO LOWER COSTS AND INCREASE EFFICIENCY OF LOGISTICS NETWORKS

LOGISTICS CENTERS

- 26 logistics centers
- 73.2 million tons additional transport capacity
- 19 million m² container storage and handling area

In Service and Completed (13)
Planned (7)
Under Construction (4)
In Tender Stage (2)

Source: Ministry of Transport and Infrastructure
TÜRKİYE HAS SIGNIFICANTLY IMPROVED AND UPGRADED ITS AIRPORT INFRASTRUCTURE AND CONTINUES TO INVEST IN AIRPORTS

AIRPORT MAP OF TÜRKİYE

Source: Ministry of Transport and Infrastructure
REMARKABLE INCREASES HAVE BEEN OBSERVED IN SECTORAL INDICATORS IN THE LAST 18 YEARS

- **Number of Active Airports**
  - 2003: 26
  - 2022: 57
  - Increase: 119%

- **Wide-Body Plane**
  - 2003: 162
  - 2022: 589
  - Increase: 254%

- **Sector Revenue (Billion $)**
  - 2003: 2.2
  - 2020: 20.5
  - Increase: 832%

- **Number of Passengers (million)**
  - 2003: 34.5
  - 2021: 128
  - 2022: 160
  - Increase: 25%

- **Air Freight* Capacity (ton)**
  - 2003: 303
  - 2021: 2,594
  - Increase: 756%

- **Employment (thousand)**
  - 2003: 65
  - 2021: 246
  - Increase: 278%

Source: Ministry of Transport and Infrastructure

*Includes cargo, baggage and mail

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**Ranking of Airports in EUROPE by Passenger Traffic in 2022**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Airport</th>
<th>Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>İSTANBUL</td>
<td>64,486,000</td>
</tr>
<tr>
<td>2</td>
<td>LONDON- HEATHROW</td>
<td>61,599,196</td>
</tr>
<tr>
<td>3</td>
<td>PARIS - DE GAULLE</td>
<td>57,474,033</td>
</tr>
<tr>
<td>4</td>
<td>AMSTERDAM-SCHIPHOL</td>
<td>52,472,188</td>
</tr>
<tr>
<td>5</td>
<td>MADRID - BARAJAS</td>
<td>50,633,652</td>
</tr>
<tr>
<td>6</td>
<td>FRANKFURT</td>
<td>48,923,474</td>
</tr>
<tr>
<td>7</td>
<td>BARCELONA- EL PRAT</td>
<td>41,639,622</td>
</tr>
<tr>
<td>8</td>
<td>LONDON- GATWICK</td>
<td>32,800,000</td>
</tr>
<tr>
<td>9</td>
<td>MUNICH</td>
<td>31,600,000</td>
</tr>
<tr>
<td>10</td>
<td>ANTALYA</td>
<td>31,100,000</td>
</tr>
<tr>
<td>11</td>
<td>İSTANBUL SABİHA GÖKÇEN</td>
<td>30,769,728</td>
</tr>
<tr>
<td>12</td>
<td>ROME- DA VINCI</td>
<td>29,360,613</td>
</tr>
<tr>
<td>13</td>
<td>PARIS ORLY</td>
<td>29,184,692</td>
</tr>
<tr>
<td>14</td>
<td>MALLORCA</td>
<td>28,573,364</td>
</tr>
<tr>
<td>15</td>
<td>MOSCOW</td>
<td>28,400,000</td>
</tr>
<tr>
<td>16</td>
<td>LISBON</td>
<td>28,262,000</td>
</tr>
<tr>
<td>17</td>
<td>DUBLÍN</td>
<td>27,787,556</td>
</tr>
<tr>
<td>18</td>
<td>VIENNA</td>
<td>23,682,133</td>
</tr>
<tr>
<td>19</td>
<td>MANCHESTER</td>
<td>23,369,770</td>
</tr>
<tr>
<td>20</td>
<td>LONDON-STANSTED</td>
<td>23,319,523</td>
</tr>
</tbody>
</table>

**Ranking of Airports in the WORLD by Passenger Traffic in 2022**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Airport</th>
<th>Passenger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ATLANTA, GA</td>
<td>93,699,630</td>
</tr>
<tr>
<td>2</td>
<td>DALLAS- FORT WORTH</td>
<td>73,362,946</td>
</tr>
<tr>
<td>3</td>
<td>DENVER</td>
<td>69,286,461</td>
</tr>
<tr>
<td>4</td>
<td>CHICAGO</td>
<td>68,340,619</td>
</tr>
<tr>
<td>5</td>
<td>DUBAI DXB</td>
<td>66,069,981</td>
</tr>
<tr>
<td>6</td>
<td>LAX- INTERNATIONAL</td>
<td>65,924,298</td>
</tr>
<tr>
<td>7</td>
<td>İSTANBUL</td>
<td>64,486,000</td>
</tr>
<tr>
<td>8</td>
<td>LONDON- HEATHROW</td>
<td>61,599,196</td>
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<td>9</td>
<td>PARIS - DE GAULLE</td>
<td>57,474,033</td>
</tr>
<tr>
<td>10</td>
<td>DELHÍ-GANDHI</td>
<td>57,290,033</td>
</tr>
<tr>
<td>11</td>
<td>JFK-INTERNATIONAL</td>
<td>55,287,693</td>
</tr>
<tr>
<td>12</td>
<td>LAS VEGAS – NEVADA</td>
<td>52,600,000</td>
</tr>
<tr>
<td>13</td>
<td>AMSTERDAM SCHIPHOL</td>
<td>52,472,188</td>
</tr>
<tr>
<td>14</td>
<td>MADRID - BARAJAS</td>
<td>50,633,652</td>
</tr>
<tr>
<td>15</td>
<td>MIAMI - INTERNATIONAL</td>
<td>50,600,000</td>
</tr>
<tr>
<td>20</td>
<td>MEXICO CITY</td>
<td>46,200,529</td>
</tr>
<tr>
<td>25</td>
<td>BARCELONA- EL PRAT</td>
<td>41,639,622</td>
</tr>
<tr>
<td>32</td>
<td>SAO PAULO - INTERNATIONAL</td>
<td>34,480,706</td>
</tr>
<tr>
<td>38</td>
<td>ANTALYA</td>
<td>31,100,000</td>
</tr>
<tr>
<td>40</td>
<td>İSTANBUL SABİHA GÖKÇEN</td>
<td>30,769,728</td>
</tr>
</tbody>
</table>

Source: https://aci.aero/resources/data-center/
TÜRKİYE CONTINUES TO INVEST IN AIRPORTS WITH NEW TERMINALS AND RUNWAY CONSTRUCTIONS

Under Construction Airport Projects (3)

1. ÇUKUROVA AIRPORT 8 MIL. PASS/YEAR (DHMI)
2. YOZGAT AIRPORT 2 MIL. PASS/YEAR
3. BAYBURT-GÜMÜŞHANE AIRPORT 2 MIL. PÄSŞENER/YEAR

Pipeline Projects (6)

1. Sabiha Gökçen new runway construction
2. Trabzon Airport new runway construction
3. Elazığ Airport runway construction
4. Samsun Airport new terminal construction
5. Kapadokya Airport terminal construction

Under Construction Projects (3)

1. Kayseri Airport terminal construction
2. Malatya Airport terminal construction
3. Ankara Esenboğa 3. runway construction

Source: Ministry of Transport and Infrastructure
TÜRKİYE HAS IMPLEMENTED A VARIETY OF MEGA PROJECTS WITH BOT MODEL AND CONTINUES TO DO SO

ISTANBUL NEW AIRPORT
- Set to become world’s largest airport
- Annual capacity of 150 million passengers when all phases are completed
- Commissioned in April 2019
- Investment of $6.5 billion

YAVUZ SULTAN SELIM BRIDGE
- 95 km-long motorway featuring a bridge for rail & motor vehicle transit over Bosphorus
- Commissioned in August 2016
- Investment of $3.5 billion

GEZBE - ORHANGAZI - İZMIR MOTORWAY
- 427 km-long motorway connecting Istanbul, Bursa & İzmir via world’s 4th longest suspension bridge
- All phases are under operation
- Investment of $6.5 billion

EURASIA TUNNEL
- Double-deck underwater tunnel connecting Asia & Europe in Istanbul
- Commissioned in December 2016
- Investment of $1.2 billion
ANOTHER MEGA PROJECT IS COMPLETED

1915 ÇANAKKALE BRIDGE

- Longest main span (2,023 km) of any suspension bridge in the world
- Bridge Length: 4,608 m
- 101 km motorway (including the Bridge)
- Construction started in March 2017
- Operation to start by 2023
- Operation period: 16 years 2 months (including construction)
- Investment: $2.8 Billion with BOT

Source: Turkish Statistical Institute Industry & Services Statistics NACE Rev2 Division 28, Central Bank of Republic of Türkiye
TÜRKİYE IS SET TO IMPLEMENT A MAGNIFICENT FEAT OF ENGINEERING PROJECTS; AN ARTIFICIAL SEA-LEVEL WATERWAY CONNECTING THE BLACK SEA TO THE SEA OF MARMARA, AND GEBZE-HALKALI RAILWAY PASSING OVER 3RD BOSPHORUS BRIDGE

CANAL ISTANBUL

- 45 km, 21 m depth and 275 m width
- 6 bridges
- New satellite cities

GEBZE - HALKALI RAILROAD

- 213 km with 10 stations
- 31 viaduct (8 km) and 53 tunnel (120 km)
- Passenger capacity: 13 million (Passenger/Year)
- Freight capacity: 12 million (Ton/Year)

Tender process to start soon

Source: Ministry of Transport and Infrastructure
**OPPORTUNITIES IN RAILWAY**

**ANKARA-ISTANBUL HIGH SPEED RAILROAD (BOT)**

### Project Overview

- **Location**: Ankara-Istanbul
- **Total Length**: 344 KM
- **Passenger**: 35 Million / year (2027)

### Project Snapshot

- **Contract Type**: Built-Operate-Transfer
- **Tender Criteria**: Minimum Operation Period
- **Payment Mechanism**: Fees
- **Governing Law**: 3996 BOT Law
- **Contracting Authority**: Directorate General of Infrastructure Investments
- **Construction Period**: 5 years
- **Expected Contract Duration**: 30 years
- **Indicative Investment Amount**: 6.2 Billion Euro
- **Expropriation Responsibility**: Government
- **Total Passenger Capacity**: 35,000,000 passenger/year (2027)
- **Total Length (km)**: 347
- **Design Speed (km/h)**: 350 km/h

### Passenger Projection

- **Source**: Ministry of Transport and Infrastructure

---

Invest.gov.tr
Project Rationale

Transferring transport density from road to rail

Istanbul and Ankara cities which have the biggest passenger and freight transport demand will be connected each other

Shortened travel time

Faster and more comfortable travel

Source: Ministry of Transport and Infrastructure
TWO BUILT-OPERATE-TRANSFER HIGHWAY PROJECTS ARE EXPECTED TO BE TENDERED IN SEPTEMBER 2023

1. ANKARA - KIRIKKALE - DELICE
Reduced traffic density and an important highway corridor for Kırıkkale, which is becoming day by day a large industrial zone

- Total length: 120 km
  - 3.679 m x 2 Viaduct
  - 3.656 m x 2 Tunnel
  - 3 Facilities and 7 Crossroads

2. ANTALYA - ALANYA
Reducing heavy vehicle and transit traffic and increasing travel comfort

- Total length: 122 km
  - 8.822 m x 2 Viaduct
  - 11.167 m x 2 Tunnel
  - 7 Facilities and 9 Crossroads

Source: Ministry of Transport and Infrastructure
OPPORTUNITIES IN MARITIME

TÜRKİYE IS ALSO INVESTING IN MARITIME TRANSPORTATION INFRASTRUCTURE

PORT OF FİLYOS
Ongoing infrastructure construction
- 25 million ton/year capacity
- With special economic zones in the hinterland
- Port management to be BOT model

PORT OF ÇANDARLI
- 1,500 m jetty work completed
- To reach 4 million TEU/year capacity in 3 phases;
  - Phase I: 1 million TEU
  - Phase II: 2 million TEU
  - Phase III: 1 million TEU
- Tender for Phase I expected
- Port management to be BOT model

MERSİN CONTAINER PORT
- Studies ongoing
- 12.8 million TEU/year capacity
- Port management to be BOT model

Source: Ministry of Transport and Infrastructure
AGENDA

EXECUTIVE SUMMARY

NEED FOR INFRASTRUCTURE INVESTMENT

TRACK RECORD

OPPORTUNITIES
- Healthcare
- Transportation

FAVORABLE INVESTMENT CLIMATE
**BUSINESS-FRIENDLINESS**

**Offering Protection and Ease of Doing Business**

- **Protection of International Investors by FDI Law**
- **Bilateral Investment Protection Treaties with 86 countries**
- **Treaties to avoid Double Taxation with 86 countries**

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### TOTAL TAX AND CONTRIBUTION RATE*, 2019 (% of Profit)

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>36.6</td>
</tr>
<tr>
<td>Hungary</td>
<td>37.9</td>
</tr>
<tr>
<td>Poland</td>
<td>40.8</td>
</tr>
<tr>
<td>Türkiye</td>
<td><strong>42.3</strong></td>
</tr>
<tr>
<td>Czechia</td>
<td>46.1</td>
</tr>
<tr>
<td>Russia</td>
<td>48.2</td>
</tr>
<tr>
<td>Japan</td>
<td>48.7</td>
</tr>
<tr>
<td>Spain</td>
<td>47.0</td>
</tr>
<tr>
<td>Germany</td>
<td>48.8</td>
</tr>
<tr>
<td>India</td>
<td>49.7</td>
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<tr>
<td>Slovakia</td>
<td>49.7</td>
</tr>
<tr>
<td>Austria</td>
<td>51.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>55.1</td>
</tr>
<tr>
<td>Italy</td>
<td>59.1</td>
</tr>
<tr>
<td>China</td>
<td>59.2</td>
</tr>
<tr>
<td>France</td>
<td>60.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>65.1</td>
</tr>
</tbody>
</table>

### INTERNATIONAL TAX COMPETITIVENESS**, 2022 (Index=100 as most competitive)

<table>
<thead>
<tr>
<th>Country</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czechia</td>
<td><strong>71.9</strong></td>
</tr>
<tr>
<td>Hungary</td>
<td>77.9</td>
</tr>
<tr>
<td>Türkiye</td>
<td><strong>70.6</strong></td>
</tr>
<tr>
<td>Slovakia</td>
<td>74.1</td>
</tr>
<tr>
<td>USA</td>
<td>66.8</td>
</tr>
<tr>
<td>Austria</td>
<td>68.6</td>
</tr>
<tr>
<td>Japan</td>
<td>67.3</td>
</tr>
<tr>
<td>Korea</td>
<td>64.1</td>
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<tr>
<td>UK</td>
<td>62.9</td>
</tr>
<tr>
<td>Poland</td>
<td>59.3</td>
</tr>
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<td>Mexico</td>
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<td>Spain</td>
<td>56.9</td>
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<tr>
<td>Ireland</td>
<td>55.6</td>
</tr>
<tr>
<td>Italy</td>
<td>49.1</td>
</tr>
<tr>
<td>France</td>
<td>45.3</td>
</tr>
</tbody>
</table>

---

Source: *World Bank, Total Tax Rate: Profit or corporate income tax, social contributions and labor taxes paid by the employer, property taxes, turnover taxes and other taxes (such as municipal fees and vehicle taxes).*

**2022 INTERNATIONAL TAX COMPETITIVENESS INDEX (Tax competitiveness measures countries’ tax policies five categories: corporate income tax, consumption taxes, property taxes, individual taxes, and international tax rules.)**
INVESTMENT CLIMATE

RELEVANT LEGISLATION IS QUITE FLEXIBLE, ENABLING TO ADAPT VARIOUS PPP MODELS ACCORDING TO THE NATURE AND REQUIREMENTS OF PROJECTS

MODELS AND LEGAL FRAMEWORK FOR PPP IN TÜRKİYE

<table>
<thead>
<tr>
<th>Relevant Legislation (Law No.)</th>
<th>Build-Operate-Transfer (BOT)</th>
<th>Build-Operate</th>
<th>Build-Lease-Transfer</th>
<th>Transfer of Operating Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>№ 3996</td>
<td>№ 3465</td>
<td>№ 3096</td>
<td>№ 652</td>
<td>№ 4046</td>
</tr>
<tr>
<td>№ 4283</td>
<td>Ne 6428</td>
<td>№ 351</td>
<td>Ne 5335</td>
<td>№ 4458</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sectors</td>
<td>Motorway</td>
<td>Port</td>
<td>Hospital</td>
<td>Airport</td>
</tr>
<tr>
<td></td>
<td>Port</td>
<td>Marina</td>
<td>College</td>
<td>Port</td>
</tr>
<tr>
<td></td>
<td>Border Gate</td>
<td>Thermal Power Plant</td>
<td>Dormitory School</td>
<td>Power Plant</td>
</tr>
<tr>
<td></td>
<td>Power Plant</td>
<td></td>
<td></td>
<td>Electricity Distribution</td>
</tr>
</tbody>
</table>

Source: Presidency of Strategy and Budget
SOUND PPP PROJECT CYCLE

DETAILED SELECTION PROCESS BRINGS BANKABLE PROJECTS TO MARKET

1) Preparation Phase

- Strategy Papers
  - Development Plan
  - Medium Term Program
  - Yearly Program
  - Investment Program
  - Sectoral Strategies

2) Authorization Phase

- Implementing Agencies
- Feasibility Analysis
  - Financial Analysis
  - Economic Analysis
  - Value for Money Analysis

APPLICATION FOR PRESIDENT’S AUTHORIZATION

MINISTRY OF TREASURY AND FINANCE

PRESIDENCY OF STRATEGY AND BUDGET
INVESTMENT CLIMATE

INCENTIVES IN TÜRKİYE MAKE PPP PROJECTS MORE BANKABLE

DEBT ASSUMPTION
The government may assume project companies’ foreign debt in BOT and BLT projects either partially or in full. In order qualify for debt assumption, the minimum investment must be ₺1 billion in BOT projects and ₺500 million in BLT projects.

INCENTIVES
Exemptions from certain fees and taxes (VAT and Stamp Duty). In addition, where applicable, PPP investors may benefit from corporate tax deductions and other financial incentives.

TAX

LAND
PPP projects in Türkiye allow free use of government-owned land and expropriation.

REVENUE GUARANTEE
Certain PPP projects provide minimum revenue guarantees.
INVESTMENT CLIMATE

BANKABILITY OF THE PPP PROJECTS ENABLES INVESTORS TO ACCESS FINANCE THROUGH BOTH NATIONAL AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) AND INVESTORS.
INVEST IN TÜRKİYE

ASSIST YOU BEFORE, DURING AND AFTER YOUR ENTRY INTO TÜRKİYE

PRIVATE SECTOR APPROACH WITH PUBLIC SECTOR CAPABILITIES

A GOVERNMENTAL AGENCY REPORTING TO THE PRESIDENT

ACTING AS A SOLUTION PARTNER

CUSTOMIZED CONSULTING
BUSINESS FACILITATION
TAILOR-MADE DELEGATION VISITS
PARTNERSHIP DEVELOPMENT ASSISTANCE

COORDINATION WITH STAKEHOLDERS
SITE SELECTION SUPPORT
PROJECT LAUNCH
ONGOING SUPPORT
USEFUL LINKS

- Ministry of Treasury and Finance: [https://www.treasury.gov.tr/](https://www.treasury.gov.tr/)

- European Investment Bank: [http://www.eib.org/infocentre/contact/offices/turkey-istanbul.htm](http://www.eib.org/infocentre/contact/offices/turkey-istanbul.htm)
- Banks in Türkiye: [https://www.bddk.org.tr/Institutions-Category/Banks/22](https://www.bddk.org.tr/Institutions-Category/Banks/22)