

2024 Q1 Financial Results

ISTANBUL, TURKIYE, MAY 22, 2024

The company achieved its highest quarterly revenue ever and improved its EBITDA margin by 13% compared to the previous period...

- Revenue 1 billion TL, +%6
- Net Profit 344 million TL, %34 margin
- EBITDA 151 million TL, %15 margin

(Million TRY)	After Inflation Adjustment		
	Q1 2024	Q1 2023	Change
Revenue	1.008	955	6%
Gross Profit	195	47	317%
<i>Gross Profit Margin</i>	<i>19,3%</i>	<i>4,9%</i>	<i>14,4 pts</i>
Operating Profit	7	5	59%
<i>Operating Profit Margin</i>	<i>0,7%</i>	<i>0,5%</i>	<i>0,2 pts</i>
Operating Activities Before Financing Cost	10	79	-88%
Profit from Continuing Operations	344	212	63%
Net Profit	344	212	63%
EBITDA(*)	151	19	678%
<i>EBITDA Margin</i>	<i>15,0%</i>	<i>2,0%</i>	<i>13,0 pts</i>

>> *The investor, which includes strategic roadmap, has been updated and is accessible on the Kontrolmatik website.*

**Calculation methodology of EBITDA: operating profit plus amortisation&depreciation.*

Executive Summary:

Sales:

- + Achieved TL-based growth of 6% in Q1 2024, reaching revenue of 1 billion TL.
- + This quarter, we've continued to acquire technology and engineering expertise requiring projects. With the projects acquired in the first quarter, the order backlog reached 180 million USD.
- + The share of projects abroad in the total contract value has increased and consists of foreign currency-based projects where payments are guaranteed by international financial institutions. The goal is to expand into new markets while balancing the growth strategy, profit margin expectations, and cash flow.

EBITDA:

- + Due to rising interest rates globally and in Türkiye, access to finance has become challenging, leading to a slowdown in investments made at the end customer level. Despite this, the EBITDA margin was at the level of 15%.
- The contribution of ongoing investments by Kontrolmatik to sales is expected to materialize by the end of 2024. Therefore, increasing general management, marketing, and R&D expenses have overshadowed the profitable projects.

Investments / Total Assets:

- + The total asset size has reached a record level of 440 million USD, representing a 6% increase. The investments made are fundamental building blocks toward reaching our target outlined in the investor presentation.
- + In just the first quarter, active investments totaling 12 million USD have been made, bringing the total investment size in the last 3 years and the first quarter of 2024 to 232 million USD. The contributions of these investments to the first quarter have been limited, but a positive impact is expected starting from the fourth quarter of 2024 onwards.
- The company's financial liabilities due to investments have increased, leading to a rise in financial expenses amidst the current high-interest environment as expected.

Future Expectations:

- + Kontrolmatik's website contains the company's investor presentation, which includes 2024 expectations and its medium—and long-term roadmap.
- + A strong order backlog has been created for 2024, bolstered by current orders from Türkiye and the Middle East. Notably, with the completion of projects in Europe, America, and Africa, backed by institutions like the World Bank, KfW, and the European Bank for Reconstruction and Development, a substantial increase in backlog is expected in the upcoming periods.
- + Pomega and Varta Storage have signed a Memorandum of Understanding to establish a leading collaboration in the industry. This agreement aims to combine Varta's extensive sales network and strong brand recognition with Pomega's production capacity and expertise in LFP (Lithium Iron Phosphate) battery technology. Varta plans to adopt LFP technology and battery technology expertise using Pomega's products. It will manufacture Pomega's industrial and residential storage products as OEM for global distribution. Through the joint venture, energy storage solutions developed with Pomega products will receive European financing and be distributed to the Balkans and Turkey. Additionally, this partnership aims to provide investors with access to European export credit funds, supporting regional energy storage projects with financial resources.
- + New market entry plans are being implemented for the entire portfolio, and these initiatives are expected to positively impact financial results in the upcoming periods.

Financial Calendar

June 2024:

- Investor Call for Kontrolmatik Group Strategy Presentation (Details will follow)

May 2024:

- Annual Report 2023 (Published)
- Investor Presentation with Strategic Goals (Published)
- Q1 2024 Results (Published)