

Kontrolmatik
Technologies



Investor Presentation

May 2024



Disclaimer

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- ✓ **Core business of Kontrolmatik is experiencing robust growth (x4.6 growth to USD 135 mn in 3 years):**
 - Positioned as the 22nd largest system integrator worldwide according to CFE Media and Technology
 - Healthy order backlog of USD 180 mn has been secured
 - Fostering growth mindset while focusing on profit discipline
- ✓ **A strong core business & revenue recognition from new investments will lead to a significant inflection point but investments and cost of debt cause challenges:**
 - ~USD 220 mn investment in the last 3 years; mainly in Pomega (subsidiary in cell and battery manufacturing)
 - The storage market is booming, Pomega is well-positioned. With one Giga Factory already operational in Türkiye and another under construction in the USA. Pomega has entered the global market through strategic partnerships like Varta.
- ✓ **Kontrolmatik Technologies undergoes major transformation to a multibillion - dollar company with extensive investments:**
 - The company is transforming significantly, moving from an engineering-focused EPC business to a capital-intensive industrial technology enterprise.
 - The core business remains robust and continues to deliver healthy margins. It serves as a strong foundation and supports the new business model by providing turnkey projects for Pomega and Progresiva.
 - Our key growth drivers, Pomega and Progresiva, are expected to move the needle and significantly impact the performance: Pomega kicks off revenue recognition this year and Progresiva will follow in 2026.
 - Therefore, the cost side is proving to be challenging because the transition has impacted financial figures due to the amortization/depreciation of investments, expenses related to the ramp-up process and consequences of the inflation accounting methodology.

The revenue projections from the previous presentation (dated June 2023) have been revised and delayed approximately by a year due to the high-interest-rate environment and the longer than expected certification process.

Record Performance in 2023



Kontrolmatik continues to invest and expand its business into new markets, despite the challenges of inflation, high interest rates and geopolitical developments in the global market:

- ✓ Revenue reached USD 135 mn (21% YoY growth) driven by ongoing project progress.
- ✓ Net income reached USD 14.6 mn, representing 11% of revenue.
- ✓ EBITDA reached USD 29 mn, representing 21% of revenue; which is flat in comparison to the past year.
- ✓ An investment of USD 220 mn in last 3 years in line with sustainable growth targets.

*Calculation methodology of EBITDA:
Operating profit plus amortisation&depreciation*

Consolidated Financial Statements

Revenue '23
USD 135 mn
21% YoY

Investment in last 3 years:
~USD 220 mn

Net Income '23
USD 14.6 mn
11% of revenue

EBITDA'23
USD 29 mn
21% of revenue

Kontrolmatik specializes in delivering solutions in Electrification, Automation, Digitalization...

Kontrolmatik
Technologies



The Global Mega Market Drivers

The World Going Electric

Water Scarcity

Artificial Intelligence

Shift to Renewable

(G)localization

New Space

Kontrolmatik is ready to address key mega market trends



 Pomega

 MCFLY
Robot Technologies

 Controlix

 enwair®
FULL OF ENERGY

 Progresiva

 PLANES

 ÜÇ YILDIZ
ANTİMON MADENCİLİK A.Ş.

 emek

 signumtte

... as a vertically integrated technology company.



Robust Growth in Core Business

Kontrolmatik's core business has experienced a compound annual growth rate of 67% since 2020, reaching USD 135 million.

Simultaneously, Pomega and Progresiva are Taking Off

The storage market is booming, and Pomega is well-prepared. With one Giga Factory already operational in Türkiye and another under construction in the USA. Pomega has entered the global market through strategic partnerships like Varta.

Progresiva investment is ongoing.

On Track for the Transition into a Multibillion-Dollar Technology Company

Achieved record revenue and order intake aligning with our sustainable growth targets.

With our completed investments and new market strategy, our goal is to become a multibillion-dollar company.

Differentiation Through Owning the Entire Value Chain in E-A-D¹⁾

Established a comprehensive supply chain from mining raw materials to producing value-added final products. This includes mining operations, cathode and anode material production, battery cell manufacturing, energy storage systems and more.

Sustainable Footprint

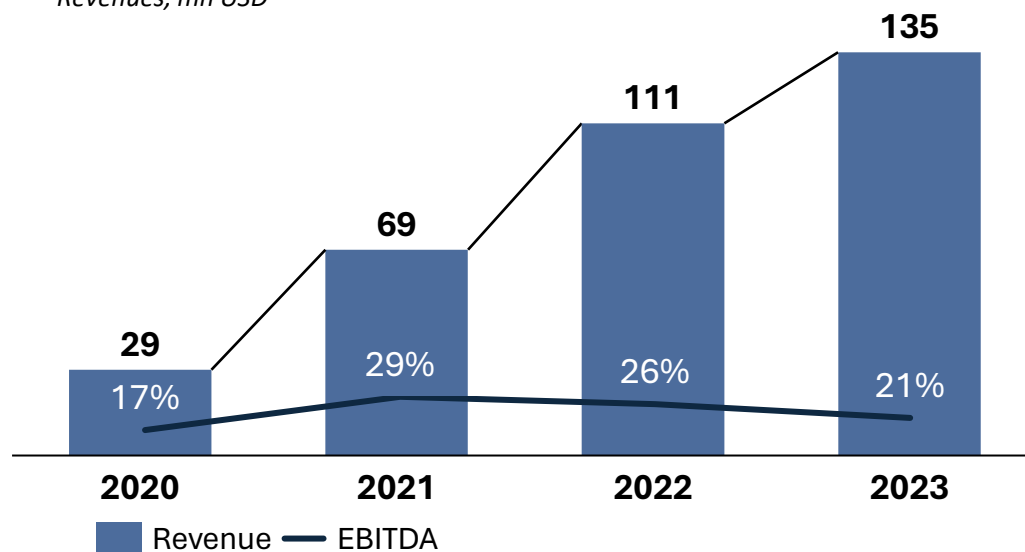
Our goal is to contribute to the United Nations' objectives by building a sustainable organization and offering solutions that promote a sustainable future for our planet.

1) E-A-D: Electrification, Automation and Digitalization

The core business is experiencing significant growth...

Core system integration business shows strong growth throughout the years...

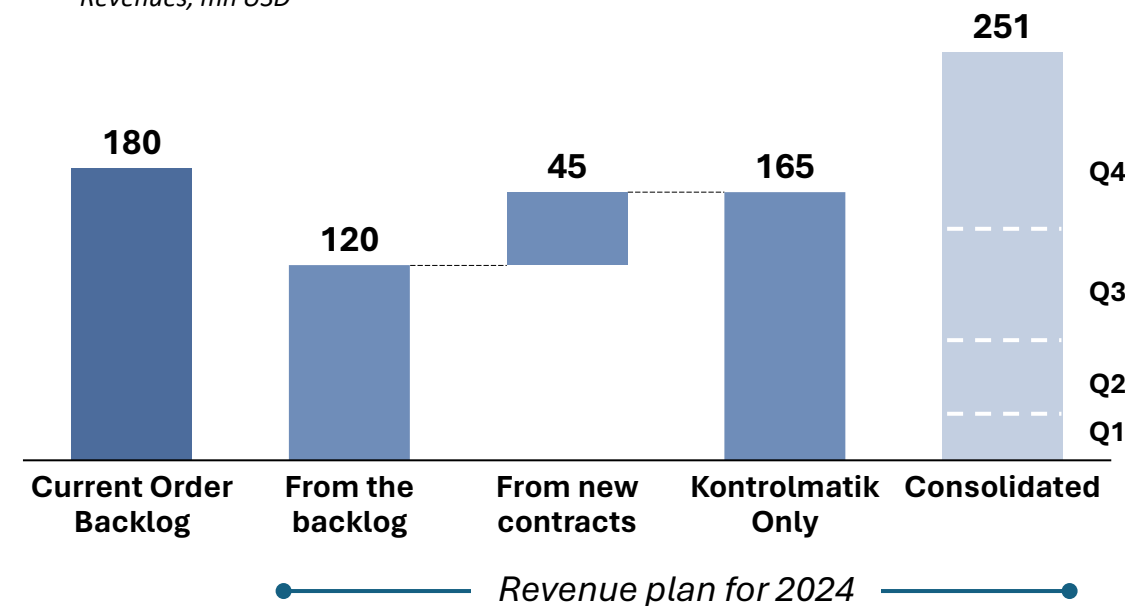
Revenues, mn USD



- ✓ Revenue grew by 67% CAGR since 2020
- ✓ EBITDA still maintained >20%

Growth in all business areas will continue in 2024

Revenues, mn USD



- ✓ Stringent execution of projects
- ✓ Balancing ambitious growth targets and profitability

...Pomega and Progresiva will further contribute to the Kontrolmatik business



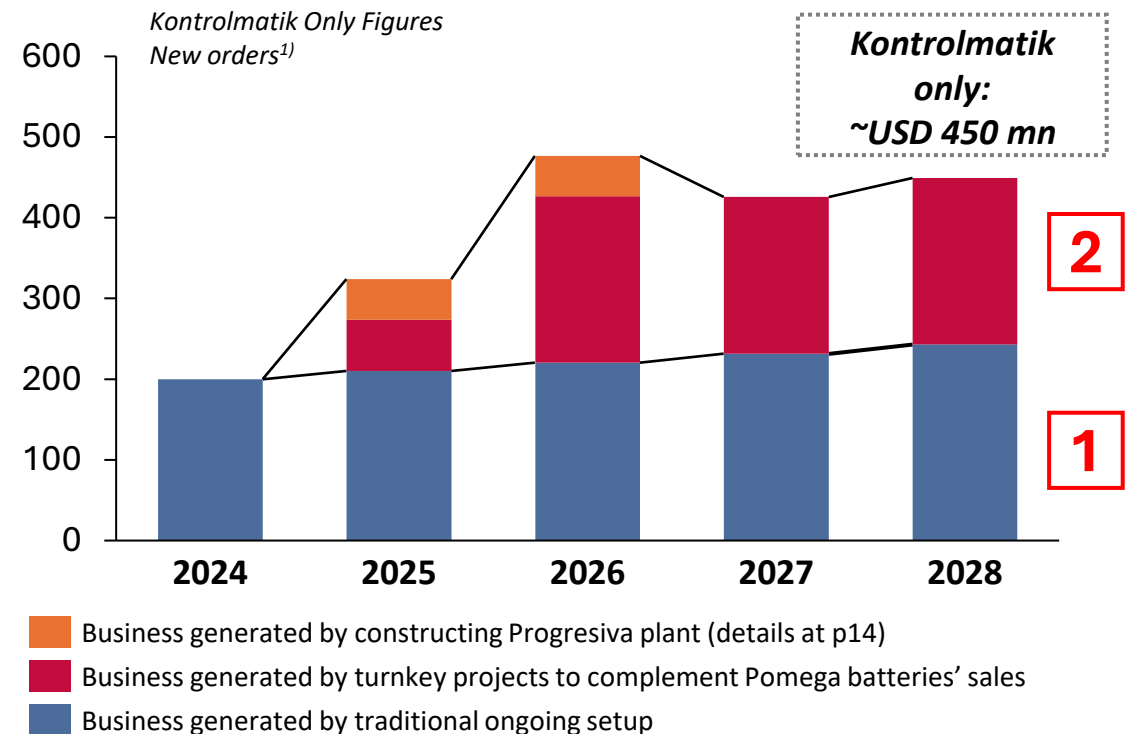
1 Core Kontrolmatik business is expected to be normalized at the level of USD 200-250 mn...

- ✓ New Market Penetration: Americas, Saudi Arabia, Europe and Ukraine Reconstruction
- ✓ Selective focus in power utilities, automation, solar and wind with engineering and system integration know-how

2 ...⚡ Pomega and ⚡ Progresiva are expected to contribute to financial development

- ✓ In addition to pure Pomega storage solutions, there is a growing demand for turnkey solutions in solar and wind energy as well. This provides new opportunities for Kontrolmatik.
- ✓ In 2025 and 2026, Progresiva will create additional new orders of USD 50 mn consecutively to Kontrolmatik figures.

Pomega and Progresiva driven orders will additionally impact Kontrolmatik



Figures above only show Kontrolmatik figures; Pomega and Progresiva figures will be separately booked

1) New orders represents the amount of the contract signed; generally recognized as revenue in 1 – 2 years.

**EBITDA
Corridor:
20-25%**



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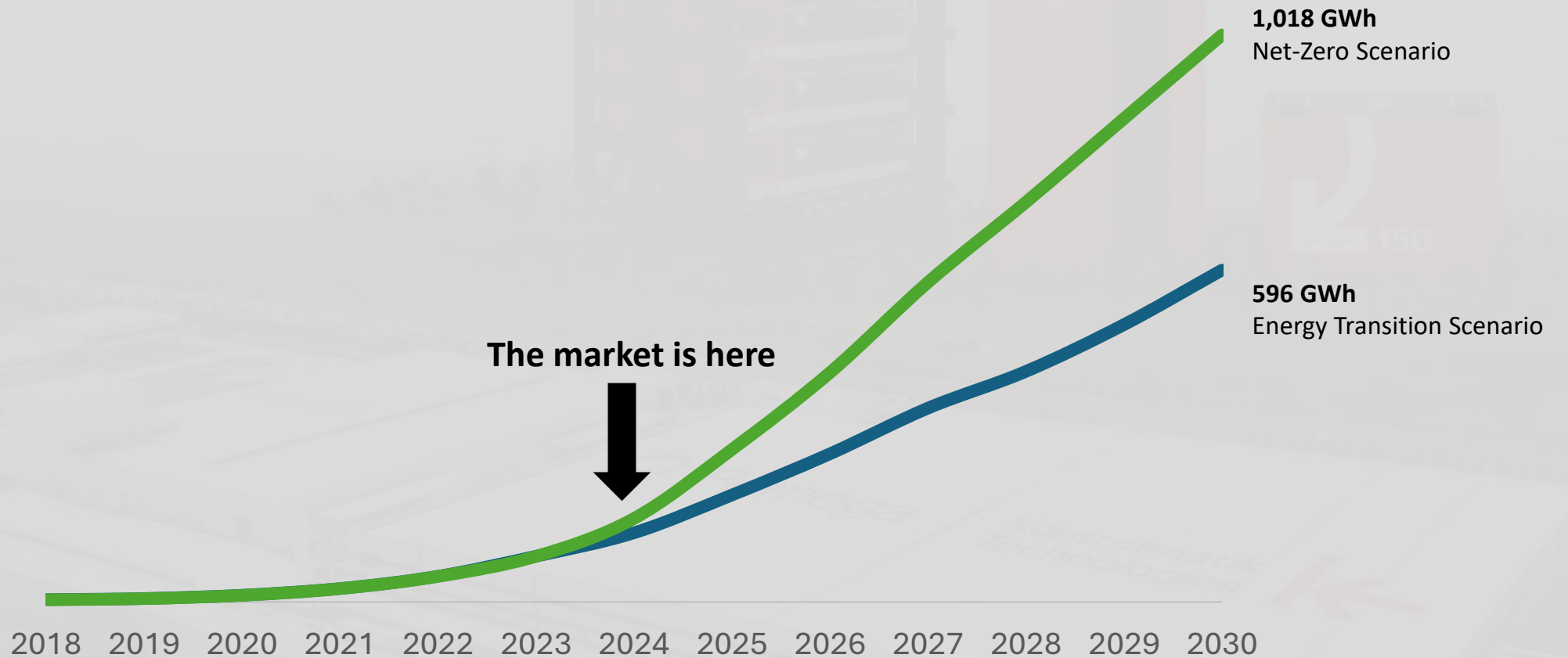
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Storage Market worldwide is expected to boom, and...



Cumulative Installed Capacity Worldwide

*Source: Bloomberg New Energy Finance, 2022 New Energy Outlook A Pathway to Net Zero, Updated November 2023. 0.5 c-rate applied

...we are getting ready with Two Giga Factories



Giga Factory in Ankara



Achievements:

- ✓ Launched with a 500 MWh/y capacity in 2023.
- ✓ Majority of UL/IEC certificates already obtained.
- ✓ Contract negotiations for 1.5 GWh storage projects reached an advanced stage of maturity.

Next Steps:

- ✓ Inauguration of the second phase manufacturing with 2 GWh/y capacity planned in 2024 Q4.
- ✓ Additional Market demand of 6 GWh anticipated between 2025 and 2027.



Giga Factory in South Carolina



Achievements:

- ✓ Groundbreaking completed; site preparation is currently undergoing.
- ✓ USD 127 mn incentive from the State of South Carolina.
- ✓ USD 900 mn total benefits from the Government under the Section 45X-Production Tax Credit by IRA until 2032 as below:

$$35 \$ / \text{kWh} + 10 \$ / \text{kWh} = 45 \$ / \text{kWh}$$



Battery Cell



Battery Module

Next steps:

- ✓ Will be operational by 2025 Q4 with a 3 GWh/y capacity

Pomega's complementary partnership has been formed...



Expertise

- ✓ Strong brand recognition
- ✓ Deep know-how in consumer battery domain
- ✓ Over 140 years of experience
- ✓ Global sales channels
- ✓ Large production capabilities

- ✓ Expertise in LiFePO4 batteries and electricity grid code know-how
- ✓ One of the rare players not located in the Far East
- ✓ Logistical advantage to serve European markets
- ✓ Offering turnkey solution capabilities, providing end-to-end solutions from battery cell to packs, racks, containerized and residential ESS

Alliance to create Europe's Premier Storage Company

The way forward

- ✓ Varta will accelerate its transition from NMC to LFP with Pomega
- ✓ Industrial and Utility-Scale Storage Solutions being a new division for Varta
- ✓ Shared Access to Sales Channels: Leveraging Joint Pipeline Opportunities
- ✓ Providing Export Credit Benefits for Turkish and Eastern European Customers
- ✓ Joint R&D for continuous improvement in the product portfolio
- ✓ Sharing Insights on Operational Excellence Across Factories

Concrete steps taken together with key players



Subsidiary of Polat Enerji "Poyraz Yenilenebilir" continues its renewable investments and is expected to increase its installed capacity.

>> Pomega is set to deliver 2 MW / 2 MWh storage systems on a turnkey basis for one of Poyraz's wind power plants in Türkiye.

Kontrolmatik will serve as the solution partner for the turnkey installation of electrification and substations for wind power plants with energy storage systems within.

>> Enerjisa Üretim's portfolio, focusing on the 500 MWh storage facility. The collaboration with Pomega reflects a strategic move towards leveraging advanced technologies to optimize energy storage capabilities within Enerjisa Üretim's operations.

Kontrolmatik Technologies Inc. and Pomega Energy Storage Technologies Inc. have signed a MoU with Siemens Industry Inc. to establish an "Engineering and Solution Alliance" that will provide each other "priority status" in their areas of expertise.

>> This valuable collaboration aims to create a sustainable global battery ecosystem to enable the transition to a more sustainable energy system by combining the strengths of both parties.



ECC Global, LLC is contemplating issuance of a procurement contract for the development, design, manufacturing and delivery of a 94-MWh Battery Energy Storage System (BESS) for the SAVES Enerji A.Ş. (SAVES) Diyarbakir Integrated Solar Power Plant.

>> ECC and Pomega signed the MoU to deliver 94 MW/94 MWh storage systems for the 130-MWp Solar Power Plant in Türkiye.



Smart Solar Technologies has 3 solar panel production factories in Türkiye, Gebze, Dilovası and Aliğa and aims to have an annual production capacity of 2.9 GW for solar panel production and 2 GW of solar cell production capacity by 2025.

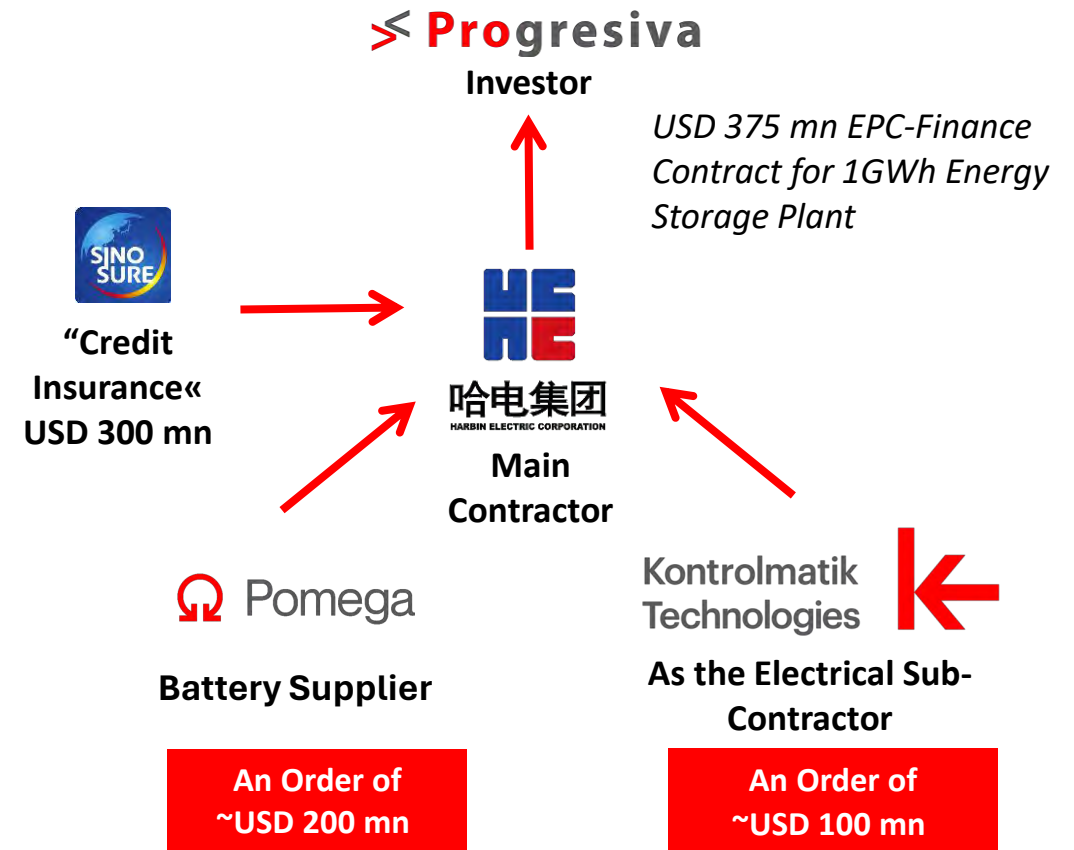
>> Kontrolmatik and Smart Solar Energy Technologies have entered a two-year framework contract for the purchase of products, specifically Energy Storage Systems, totaling up to 2,000 MWh.



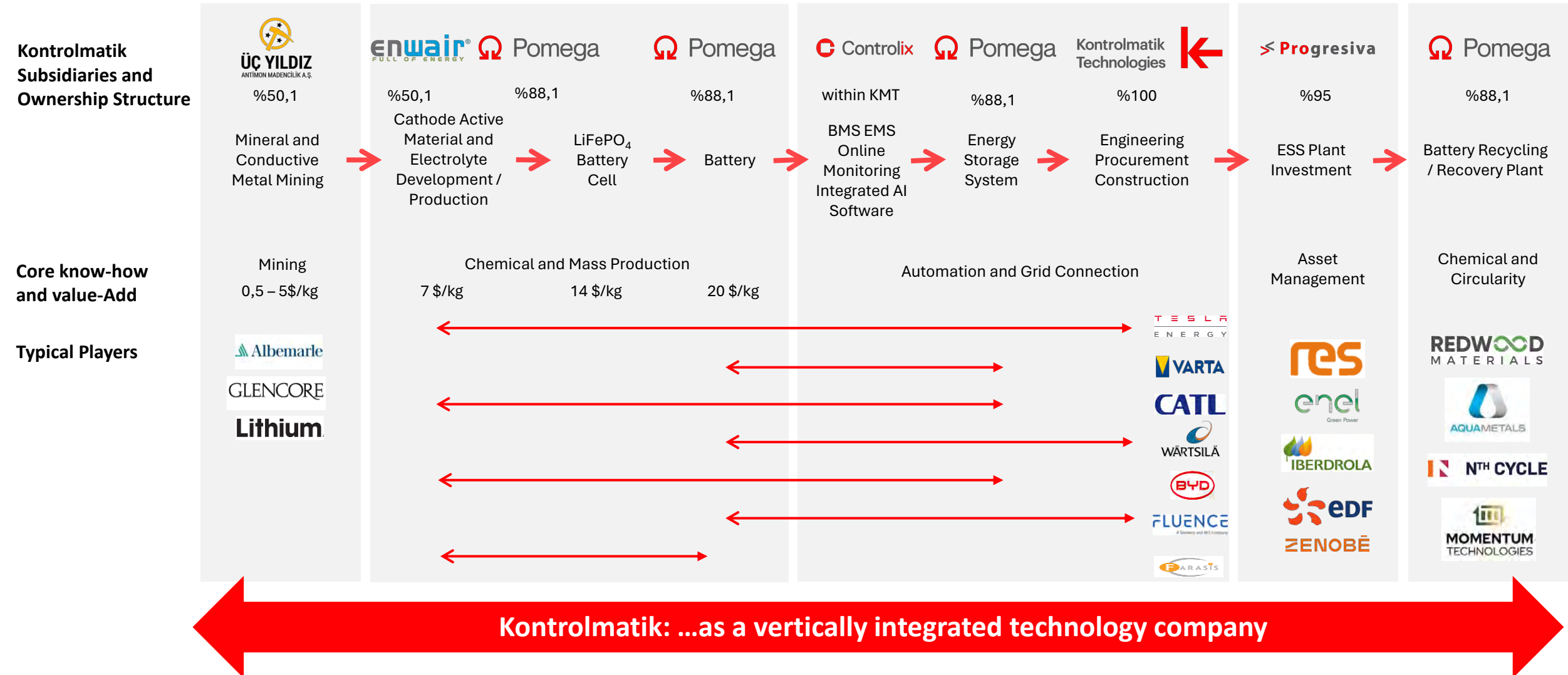
Progresiva investment is making significant progress with EPC-F business model

- ✓ Pre-license for 250 MW WPP+1 GWh BESS with the investment of USD 600 mn.
- ✓ Permits and permissions ongoing; Technical design and engineering continuing.
- ✓ EPC and investment finance contract signed for 1 GWh storage system. Discussions are ongoing with the technology provider to determine the financing source and vendors for the wind power plant.
- ✓ Construction kick-off planned for 2025 and completion by 2026.
- ✓ Progresiva will create additional order of ~USD 100 mn to Kontrolmatik and ~USD 200 mn to Pomega as a nominated subcontractor.

Progresiva will create additional volume to core business



Kontrolmatik and its subsidiaries have a unique advantage in storage industry due to our ownership of the value chain.





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1) E-A-D: Electrification, Automation and Digitalization

Meanwhile, other investments are showing progress

	Recent Developments	Next Steps	Status
	+ Successfully developed own technology, completed rigorous testing and currently have five satellites operational in orbit	• The next 4 commercial satellites to be launched to the Orbit in July 2024.	
	+ New organizational setup in place	• Business plans for growth to be implemented • Incorporate into Kontrolmatik projects and markets	
	+ Mine enrichment facility commissioned in November 2023 + Currently in the process of test production	• Evaluating various options for mass production, including sourcing from our own mines, local suppliers, and international sources	
	+ Software platform and CMMS software coverage has been completed + Soft Facilities Management Software coverage completed at 60% level	• Development of Soft Facility Management Software will continue • Sales activities of the new solution platform windesk.fm CAFM	
	+ First prototypes produced, machine park installation + Currently conducting test productions and pursuing certifications - Mass production experiencing delays due to capital allocation constraints	• Starting mass production in 2024 Q4 • Emphasis on boosting sales and ramping up marketing efforts	
	+ Product development completed, marketing activities, pilot/reference projects successfully done - Mass production experiencing delays due to capital allocation constraints	• Consider OEM manufacturing business model	



On track



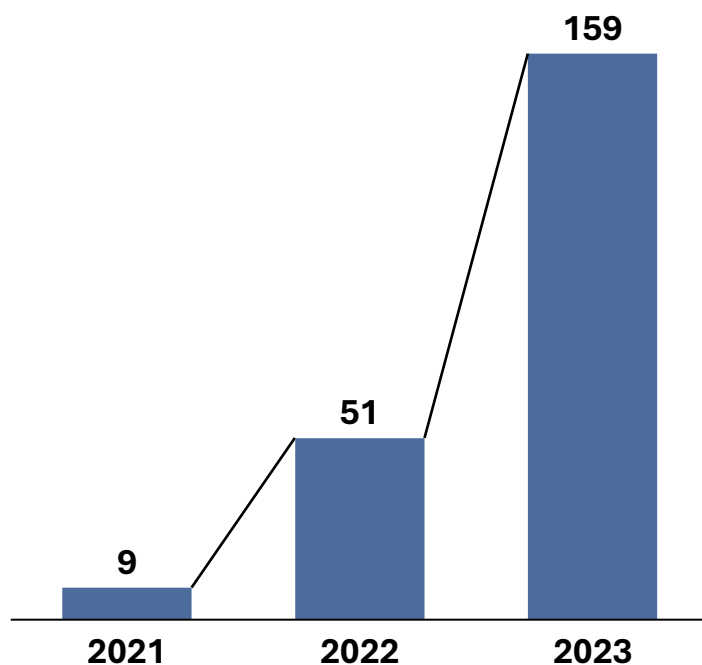
Delayed, more dedication/capital allocation required

Our investments are set to deliver substantial results



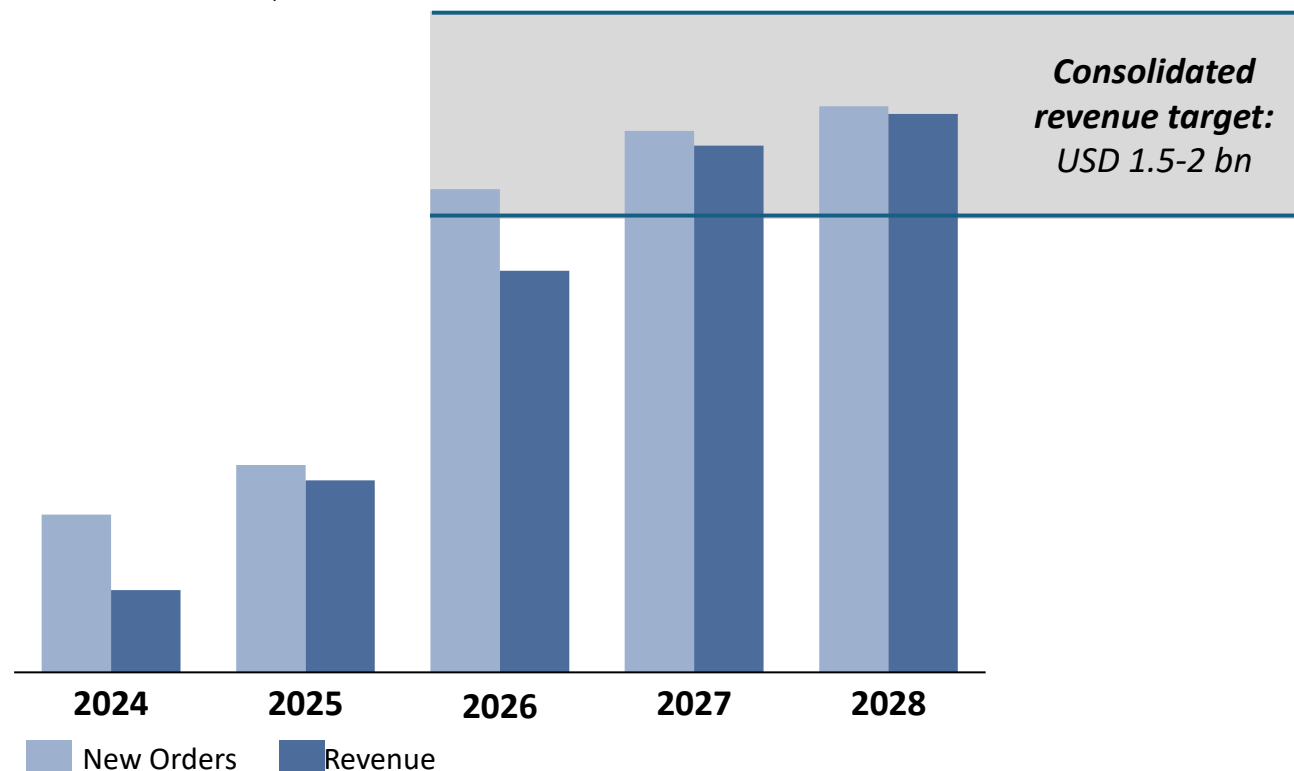
~USD 220 mn investment has been made in last 3 years despite unfavorable conditions...

Investment, mn USD



...Consolidated revenue target: USD 1.5 – 2 bn

New orders and Revenues, mn USD

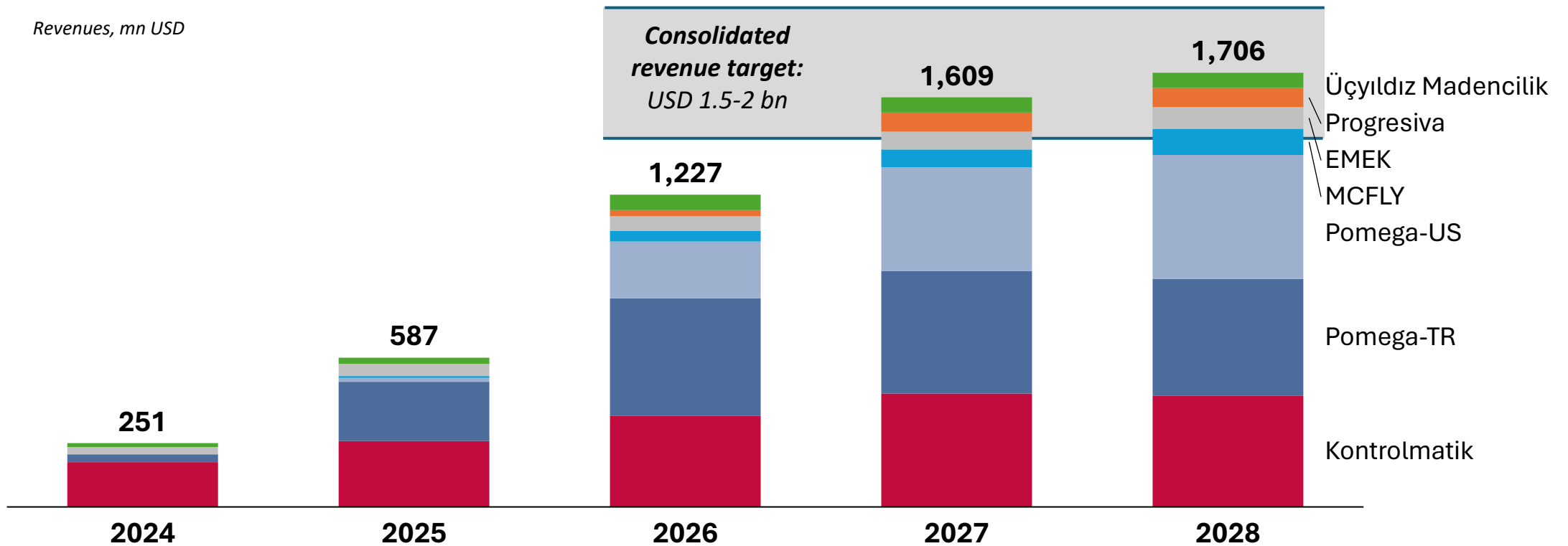


Our investments are set to deliver substantial results: ...Consolidated revenue target: USD 1.5 – 2 bn w/ 25% EBITDA



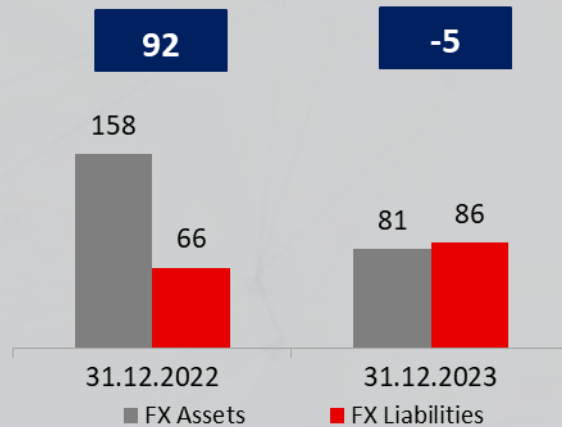
**EBITDA
Corridor:
20-25%**

Revenues, mn USD



Debt Profile & FX Position

FX Position as of 31.12.2023 (mn USD)



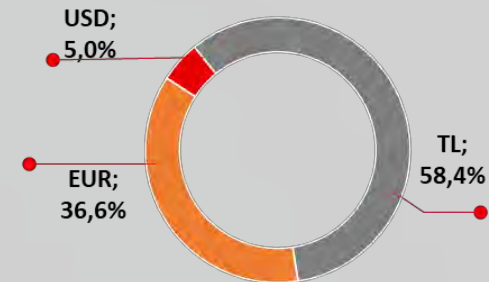
As of 31.12.2023;

5 m\$ Short Position

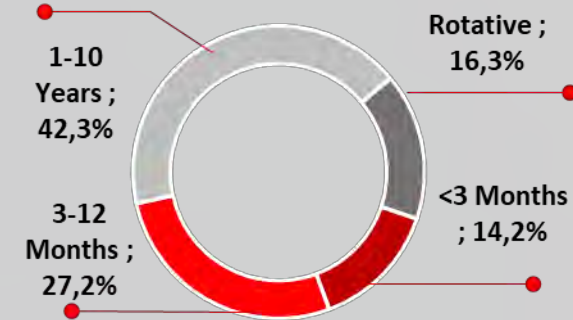
66,3% of loans is TL based

High share of foreign currency in revenue

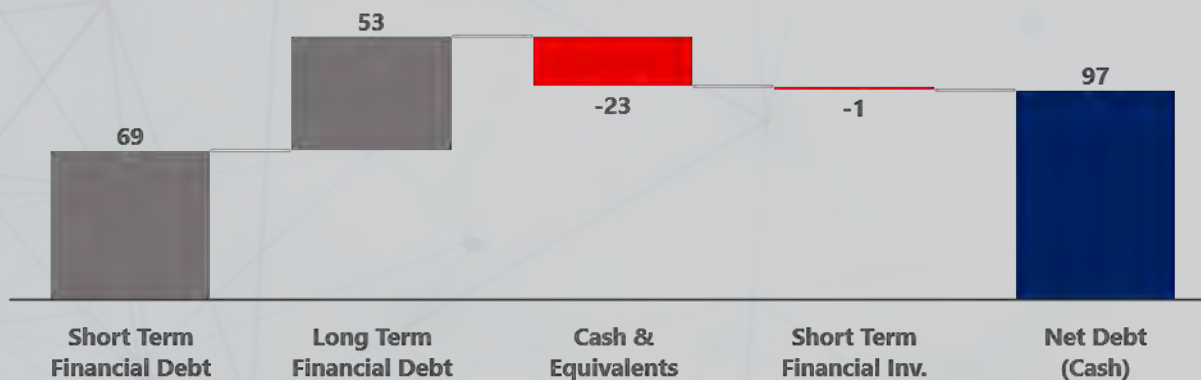
Currency Breakdown of Financial Debt



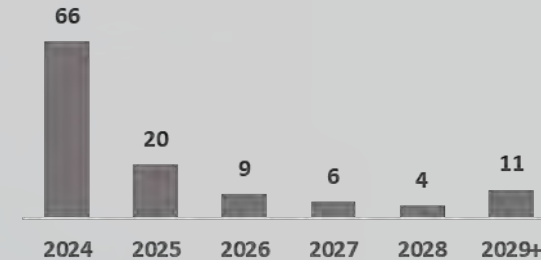
Maturity of Financial Debt



Debt Profile as of 31.12.2023 (mn USD) 97 m\$ Net Debt (Excluding Debt to Shareholders)



Loan principal payment Schedule, m\$





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1) E-A-D: Electrification, Automation and Digitalization

Full integration across the electrification value chain

Kontrolmatik
Technologies



Kontrolmatik as a solution provider in electrification:

Renewable Power Plants

Mining Infrastructure

National Grid Solutions

Industrial Process
Solutions

Advanced
Transportation Solutions

Our manufacturing footprint as a global technology provider:

Low Voltage
Systems



Kontrolmatik
Technologies



E-House &
Mobile
Substation



Kontrolmatik
Technologies



High Voltage
GIS



Kontrolmatik
Technologies

Operational
in 2025



Energy Storage
Systems



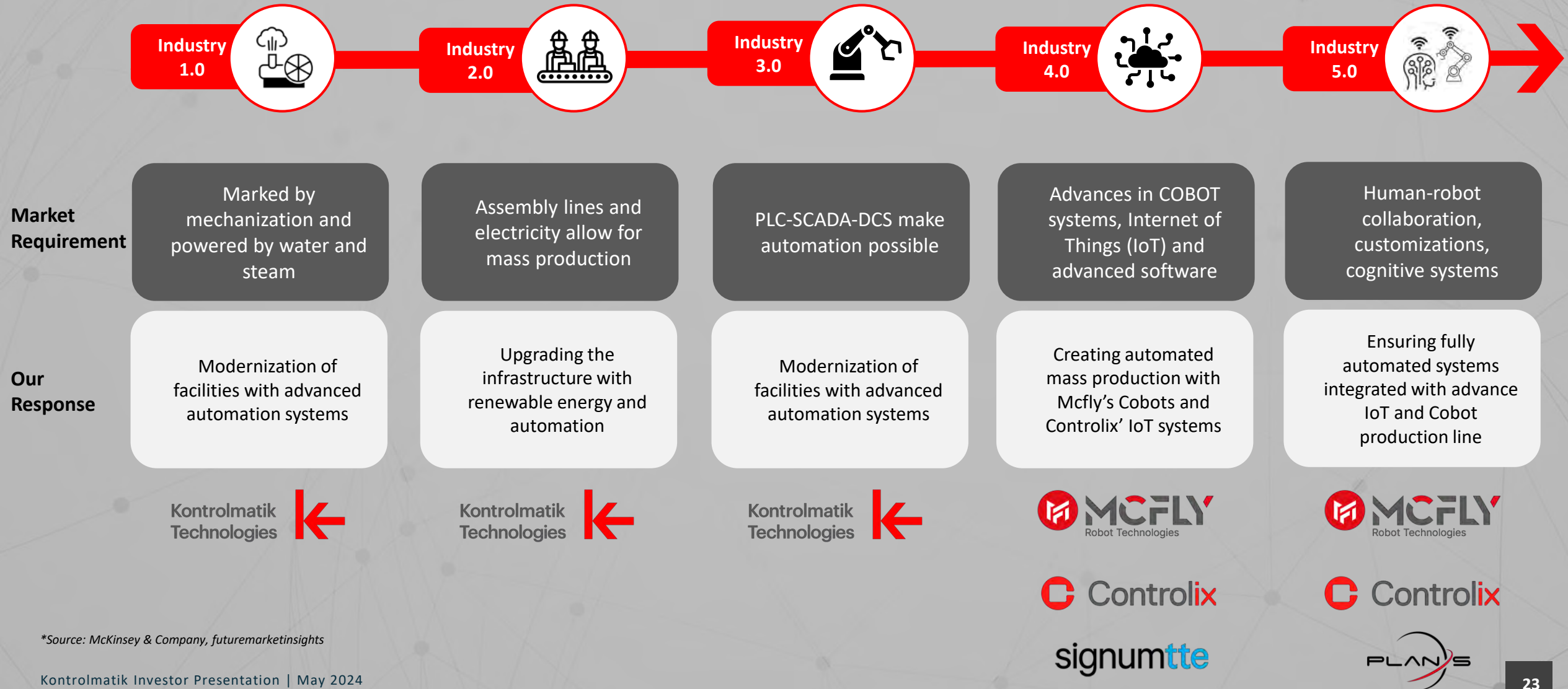
Pomega

High Voltage
Equipment



emek

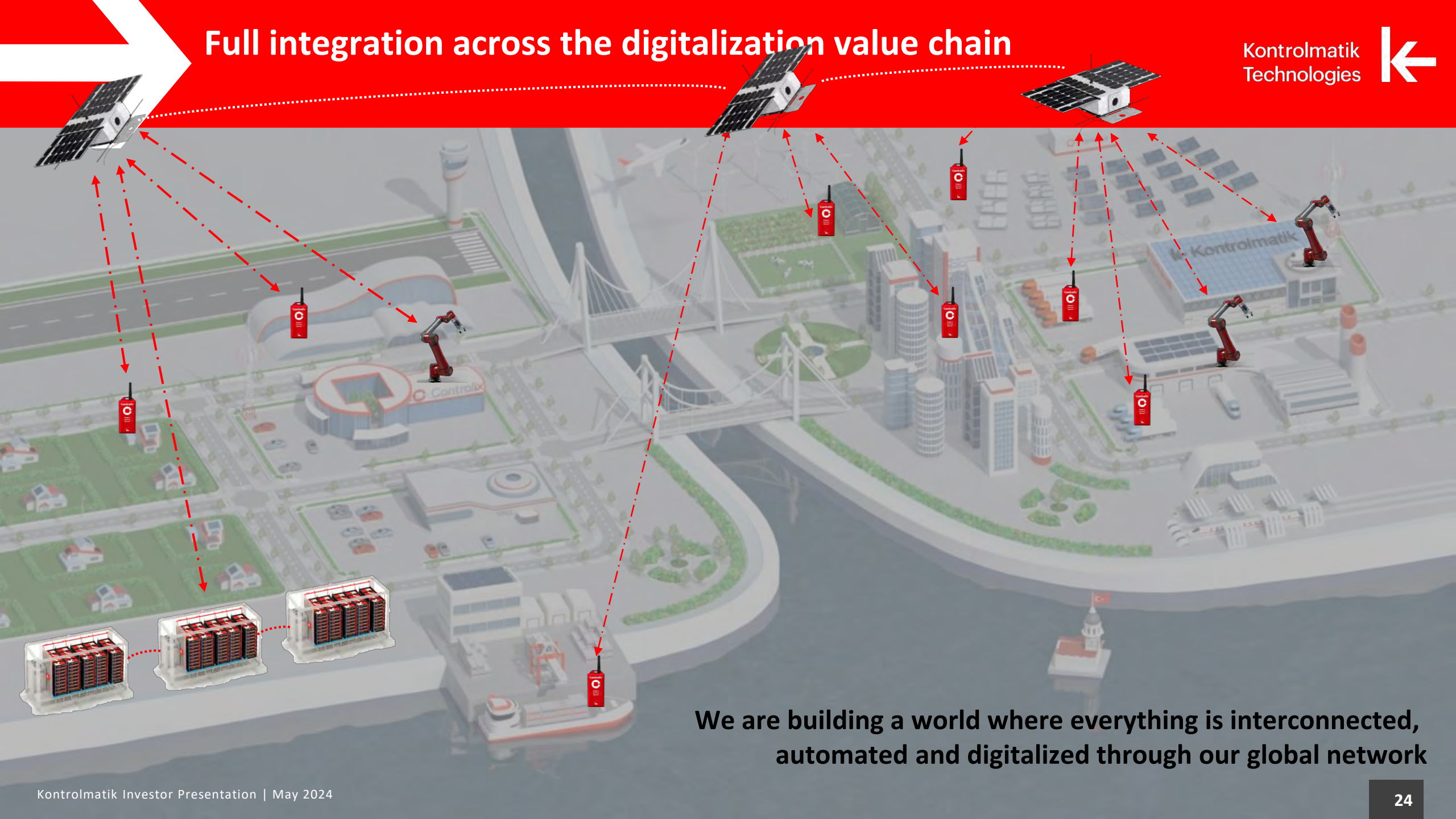
Full integration across automation value chain



*Source: McKinsey & Company, futuremarketinsights

Full integration across the digitalization value chain

Kontrolmatik
Technologies



**We are building a world where everything is interconnected,
automated and digitalized through our global network**



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BIST Sustainability Index Ranking: 11th out of 307 firms...

Our sustainability efforts for BIST Sustainability Index have been improved at corporate level. After evaluation by REFINITIV, we have been included in the 'BIST Sustainability Index' as of Q2 of 2023.



Emissions reported by CDP guidelines

Our first CDP (Carbon Disclosure Project) report has been submitted. Related results have been released. Our emissions reporting score has been assessed as D, indicating that we are actively tracking and transparently reporting our emissions data.



S&P ESG Risk Rating: 42/100

Our first CSA (Corporate Sustainability Assessment) reporting has been completed for S&P Global. Our ESG Risk Rating Score is rated as 42/100. Compared to the sector average of 30, it is recognized as good achievement in terms of first-time reporting.



committed to UNGC SDG 2030 Goals

Case Study I

İSKİ – European and Asian Region Water Loss and Pressure Management



Sustainability Impact of The Project:

- 16,4% of waste-water reduced by Water Loss and Pressure Management System developed by Kontrolmatik
- Contributed to an increase in water efficiency and the availability of clean water per household and individual
- Resulted in a decline in the overall maintenance and repair needs and costs throughout the city

Case Study II

Gitaru Hydroelectric Power Plant Rehabilitation Project

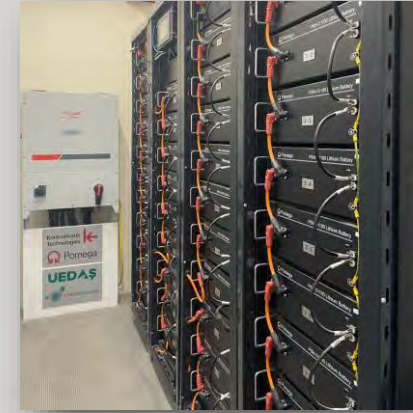


Sustainability Impact of The Project:

- The generated electricity meets the needs of 10,000 households.
- Eliminated hazardous impact of a greenfield investment by renovating the plant
- Improved the quality of life and prosperity of the community in the region by providing safer, more efficient and uninterrupted access to electricity.

Case Study III

Gökçeada Virtual Power Plant Project



Sustainability Impact of The Project:

- The Energy Storage System by Pomega, coupled with a remote Monitoring and Control System for the power plant, ensures grid stability.



**WHO CONTROLS TECHNOLOGY,
CONTROLS FUTURE**