



1H2024 Financial Results

ISTANBUL, TÜRKİYE, August 25, 2024

(BIST:KONTR)

**Outstanding revenue development with very strong gross margin,
Revenue targets for 2024 are on track despite challenging market conditions...**

(ml TL)	After Inflation Adjustment (TL)			Before Inflation Adjustment (TL)		
	1H2024	1H2023	Change	1H2024	1H2023	Change
Revenue	3,024	1,659	82.2%	2,704	905	199%
Gross Profit	713	56	1168.6%	651	50	1196%
<i>Gross Profit Margin</i>	23.60%	3.39%	20.2%	24.1%	5.6%	19%
Operating Profit	444	234	90.1%	292	163	79%
<i>Operating Profit Margin</i>	14.68%	14.07%	0.6%	10.8%	18%	-7%
Operating Activities Before Financing Cost	437	353	23.9%	292	239	22%
Profit from Continuing Operations	599	487	23.1%	483	327	48%
Net Profit	746	441	69.0%	543	327	66%
EBITDA(*)	740	295	151.0%	327	191	71%
<i>EBITDA Margin</i>	24.47%	17.76%	6.7%	12,10%	21,10%	-9%

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

*Calculation methodology of EBITDA: operating profit plus amortization and depreciation.

New Orders/Sales:

+ As of the first half of 2024, we achieved \$92mn in sales, marking an impressive 82% year-over-year growth. In our previous quarter's outlook, we had anticipated a positive impact from the orders we received in 2023 cumulatively in the following quarters. We are pleased to confirm that these orders are now translating into tangible revenues. While \$92mn in strong revenue was recognized in 1H2024, new projects awarded in Turkiye, the Middle East, and Africa have fueled commercially effective contracts, raising the total contract volume to \$282mn and increasing the order backlog (the remaining portion to be converted into revenue as projects progress) to \$200mn at Kontrolmatik only.

+ We started seeing a positive impact from our subsidiaries' revenues. Despite the fact that the energy storage market in Turkiye has not yet been kicked off, Pomega started to generate revenues however still slightly lower than expected, but an important milestone has achieved.

- The business environment continues to face challenges, including persistently high interest rates and constrained access to financing, which continue to hinder end-customer investments. As a result, our primary business development activities remain strongly focused on exports.

Operational Profit and EBITDA:

+ As in the first quarter, we continued improving efficiency by optimizing the COGS. This impact can be seen in the robust growth of our gross profit margin, which has increased by 20% year over year and 4% compared to the previous quarter. Strong sales in 1H2024 of \$92mn have also translated into operational solid growth of 14.7%.

+ The EBITDA margin increased to 24% in the second quarter of 2024, compared to 15% in the first quarter of 2024 and 17% in 2Q2023. This substantial improvement in EBITDA underscores the company's above-mentioned operational efficiency as well as a focus on cost management and stringent project execution. Kontrolmatik successfully implemented several cost-saving and stringent project management initiatives by comprehensively reviewing our operational processes.

Investments / Total Assets:

+ The total asset size has reached an all-time high of \$540mn, marking an increase of 22.5% since the end of 2023.

+ By the end of 2023, our investments had accounted for \$220mn. In 1H24, we made additional investments in the amount of \$29mn, bringing the cumulative investment size to \$249mn since 2011. We are continuing to invest in our subsidiaries. We took a selective approach on investing; Prioritizing high-impact investments for capital allocation that align with our long-term strategic goals.

- Due to these investments, the company's financial liabilities have increased in line with expectations, resulting in higher financial expenses in the current high-interest rate environment.

Future Expectations:

+ We continued to grow our core business and secured high-value projects that leverage our technological and engineering expertise. As our backlog keeps driving revenue, we remain on track to meet our full-year revenue target of \$165mn for core business and \$251mn overall. Upside opportunities and downside risks exit as explained at the investor presentation.

+ Project pipeline of over \$2bn from the Middle East, Africa, and Americas regions is being closely followed. The projects in our pipeline are carefully selected, prioritizing those with a high proportion of value-added engineering content and payment guarantees backed by a Letter of Credit or World Bank, KfW Development Bank, European Bank for Reconstruction and Development, or Asian Development Bank.

+ Historically, our backlog used to have a significant share of foreign exchange (FX)-denominated projects. Although there has been a shift towards Turkish Lira transactions in 2023, we have seen a consistent increase in the share of

FX projects, including in the second quarter of 2024. Looking ahead, we aim to expand into new international markets, maintaining attractive profit margins and securing robust cash flows.

+ We maintain our expectation that Türkiye's energy storage market will be triggered in 2025 as necessary regulations and financial conditions become more conducive to new investments

Upcoming Key Financial Dates:

4Q2024:

- Factory tour to Pomega plant in Ankara to be organized for corporate and individual investors

8 November 2024:

- Publication of the 2024 Q3 results

September 2024:

- Investor Online Presentation- Kontrolmatik Group Strategy (Details will follow)

Highlights from our Past Calendar:

June 2024:

- Online presentation of the Kontrolmatik Group's strategy document for investors (Completed)

May 2024:

- Publication of the 2023 Annual Report (Published)
- Release of the Investor Presentation containing strategic goals (Published)
- Publication of the 1Q2024 Results (Published)

Disclaimer Notice: It has been publicly announced that, with the Capital Markets Board Bulletin No. 2023/81 dated December 28, 2023, the Capital Markets Board has decided that issuers and capital market institutions subject to financial reporting regulations must apply inflation accounting in accordance with IAS 29, starting with the annual financial reports for accounting periods ending on or after December 31, 2023.

In this presentation, prepared for the financial results for the second quarter of 2024, the financial data applying inflation accounting in accordance with IAS 29 has been used, as per the Capital Markets Board's decision dated December 28, 2023, and the Turkish Accounting/Financial Reporting Standards applied by our Company.