

**KONTROLMATİK TEKNOLOJİ ENERJİ  
VE MÜHENDİSLİK ANONİM ŞİRKETİ**

01.01 – 31.12.2022 For The Fiscal Period  
Independent-Audited Consolidated Financial  
Statements

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**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Consolidated Statements Of Financial Position As At 31 December 2022 And 31 December 2021**  
(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

	Notes	Audited 31.12.2022	Audited 31.12.2021
<b>ASSETS</b>			
<b>Current Assets</b>			
		<b>3.108.474.488</b>	<b>778.898.428</b>
Cash and Cash Equivalents	6	1.182.097.226	77.148.996
Financial Investments	7	134.898.212	40.979.100
Trade Receivables	10	835.359.403	393.794.155
-Trade Receivables From Related Parties	10,38	12.913.948	6.768.495
-Trade Receivables From Non-Related Parties	10	822.445.455	387.025.660
Receivables from Finance Sector Activities	12	-	-
Other Receivables	11	80.668.631	36.307.948
- Other Receivables from Related Parties33.228.406	11,38	29.627.502	11.746.915
-Other Receivables From Non- Related Parties	11	51.041.129	24.561.033
Inventories	13	408.767.348	133.991.429
Biological Assets	14	-	-
Receivables from Customer Contracts	15	33.228.406	4.097.012
Prepaid Expenses	24	406.968.657	71.984.669
- Prepaid Expenses to Related Parties	24-38	4.501.579	415.487
- Prepaid Expenses to Non-Related Parties	24	402.467.078	71.569.182
Assets Related to Current Period Tax	25	7.149.520	672.776
Other Current Assets	26	19.337.085	19.922.343
(Subtotal)		3.108.474.488	778.898.428
<b>Fixed Assets</b>			
		<b>1.268.388.097</b>	<b>161.527.524</b>
Financial Investments	7	7.113.162	2.109.175
Investments Valued by Equity	16	45.029.843	4.788.649
Investment Properties	17	89.123.000	46.374.000
Tangible Fixed Assets	18	627.574.369	65.828.835
Intangible Fixed Assets		38.270.168	22.607.144
- Other Intangible Fixed Assets	19	32.315.827	22.607.144
-Goodwill	19	5.954.341	-
Right Of Use Assets	9	1.188.669	788.294
Prepaid Expenses	24	292.324.509	11.575.852
Deferred Tax Assets	36	167.764.377	7.455.575
<b>TOTAL ASSETS</b>		<b>4.376.862.585</b>	<b>940.425.952</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Consolidated Statements Of Financial Position As At 31 December 2022 And 31 December 2021**  
(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

	Notes	Audited 31.12.2022	Audited 31.12.2021
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>			
Short Term Borrowings	8	1.152.679.443	579.885.530
Short-Term Portion of Long-Term Borrowings	8	389.504.408	178.879.989
Liabilities Arising from Rental Transactions	9	100.948.567	42.513.594
Trade Payables	10	564.333	179.650
-Trade Payables to Related Parties	10,38	473.489.379	157.818.504
- Trade Payables to Non-Related Parties	10	6.031.092	339.961
Payables within the Scope of Employee Benefits	22	467.458.287	157.478.543
Other Payables	11	13.797.327	2.929.120
-Other Payables to Related Parties	11,38	5.411.456	4.449.264
- Other Payables to Non-Related Parties	11	-	2.130.540
Deferred Incomes (Excluding Customer Contract Liabilities)	24	5.411.456	2.318.724
-Deferred Incomes From Related Parties	24,38	82.336.729	175.210.959
- Deferred Incomes From Non-Related Parties	24	9.749.987	-
Liabilities Arising from Customer Contracts	15	72.586.742	175.210.959
Tax Liability of Period Profit	36	38.234.757	2.046.799
Short-Term Provisions	36	36.361.640	10.263.739
- Short-Term Provisions for Employee Benefits	22	2.678.165	1.224.037
Other Short Term Liabilities	26	2.678.165	1.224.037
(Subtotal)		9.352.682	4.369.875
		1.152.679.443	579.885.530
<b>Long Term Liabilities</b>			
Long Term Borrowings	8	1.925.302.695	74.140.613
Liabilities Arising from Rental Transactions	9	688.028.518	67.400.739
Other Payables		853.370	540.817
-Other Payables to Related Parties	11,38	1.201.854.561	-
Long Term Liabilities		1.201.854.561	-
- Long-Term Provisions for Employee Benefits	22	2.700.297	1.294.299
-Other Long Term Liabilities	21	2.672.897	1.248.281
Deferred Tax Liabilities	36	27.400	46.018
		31.865.949	4.904.758
<b>EQUITIES</b>			
<b>Equities Owned by the Parent Company</b>			
Paid-in Capital	27	1.298.880.447	286.399.809
Premium / Discounts Related to Shares	27	1.278.733.930	286.577.755
Buyback Shares	27	200.000.000	38.062.500
Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		438.587.602	59.331.875
- Tangible Fixed Asset Revaluation Increase (Decrease)	27	(14.150.000)	-
- Re-Measurement Gains (Losses) of Defined Benefit Plans	27	151.647.319	32.855.231
Other Accumulated Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		152.190.469	33.135.234
-Foreign Currency Conversion Adjustments	27	(543.150)	(280.003)
Restricted Reserves Allocated From Profits	27	3.542.197	469.174
Previous Years' Incomes / Losses	27	3.542.197	469.174
Period Net Income / Loss	37	11.129.389	1.617.443
Non-controlling Interests	27	18.916.769	23.573.794
		469.060.654	130.667.738
		20.146.517	(177.946)
<b>TOTAL LIABILITIES</b>		<b>4.376.862.585</b>	<b>940.425.952</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi****Consolidated Statement Of Profit Or Loss And Other Comprehensive Income As At 1 January-31 December 2022****And 1 January-31 December 2021**

(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

	<b>Notes</b>	<b>Audited 01.01.2022- 31.12.2022</b>	<b>Audited 01.01.2021- 31.12.2021</b>
<b>CONTINUING OPERATIONS</b>			
Revenues	28	1.791.154.285	611.807.669
Cost of Sales (-)	28	(1.308.889.232)	(446.448.313)
<b>Gross Profit/ (Loss) from Commercial Activities</b>		<b>482.265.053</b>	<b>165.359.356</b>
<b>GROSS PROFIT/ (LOSS)</b>		<b>482.265.053</b>	<b>165.359.356</b>
General Administrative Expenses (-)	29, 30	(55.922.517)	(18.237.748)
Marketing Expenses (-)	29, 30	(42.376.473)	(27.124.857)
Research and Development Expenses (-)	29, 30	(13.620.490)	(4.405.241)
Other Incomes from Main Activities	31	331.197.102	179.221.302
Other Expenses from Main Activities(-)	31	(202.966.846)	(126.232.203)
<b>MAIN ACTIVITY PROFIT / (LOSS)</b>		<b>498.575.829</b>	<b>168.580.609</b>
Incomes from the Investment Activities	32	126.768.119	65.078.658
Expenses from Investment Activities	32	(9.389.461)	(901.529)
Shares from Incomes / Losses of Investments Valued by the Equity Method	16	(258.806)	(157.641)
<b>OPERATING PROFIT / (LOSS) BEFORE THE FINANCIAL EXPENSE</b>		<b>615.695.681</b>	<b>232.600.097</b>
Financing Incomes	34	39.167.795	3.454.486
Financing Expenses (-)	33	(232.483.364)	(87.153.017)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>		<b>422.380.112</b>	<b>148.901.566</b>
<b>Tax (Expense) Income, Continuing Operations</b>	<b>36</b>	<b>61.412.336</b>	<b>(18.347.460)</b>
-Current Period Tax (Expense) Income	36	(87.049.217)	(23.480.365)
-Deferred Tax (Expense) Income	36	148.461.553	5.132.905
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	<b>37</b>	<b>483.792.448</b>	<b>130.554.106</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>37</b>	<b>483.792.448</b>	<b>130.554.106</b>
Non-controlling Interests		14.731.794	(113.632)
Parent Company Shares		469.060.654	130.667.738
<b>Earnings / (Loss) per Share</b>	<b>37</b>	<b>2,42</b>	<b>3,43</b>
Earnings / (Loss) per Share from Ongoing Operations	37	2,42	3,43

The accompanying notes are an integral part of the consolidated financial statements.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi****Consolidated Statement Of Profit Or Loss And Other Comprehensive Income As At 1 January-31 December 2022  
And 1 January-31 December 2021**

(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

	<b>Notes</b>	<b>Audited 01.01.2022- 31.12.2022</b>	<b>Audited 01.01.2021- 31.12.2021</b>
<b>PERIOD'S PROFIT / (LOSS)</b>	<b>37</b>	<b>483.792.448</b>	<b>130.554.106</b>
<b>Other Comprehensive Income / (Expense))</b>			
<b>Will not be Reclassified to Profit or Loss</b>		<b>118.792.088</b>	<b>28.556.052</b>
Revaluation of Tangible Assets Value Increases / Decreases / Transfers	18, 27	134.221.327	30.165.662
Defined Benefit Plans Remeasurement Gains / Losse	22, 27	(315.297)	(140.293)
Taxes Accompanying to Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss	27, 36	(15.113.942)	(1.469.317)
- Deferred Tax Expense/ Income	27, 36	(15.113.942)	(1.469.317)
<b>Will Reclassified to Profit or Loss</b>		<b>3.073.023</b>	<b>469.174</b>
Foreign Currency Conversion Adjustments	27	3.073.023	469.174
<b>OTHER COMPHERENSIVE INCOME</b>		<b>121.865.111</b>	<b>29.025.226</b>
<b>TOTAL COMPHERENSIVE INCOME</b>		<b>605.657.559</b>	<b>159.579.332</b>
Parent Company Shares		590.925.765	159.692.964
Non-controlling Interests		14.731.794	(113.632)

The accompanying notes are an integral part of the consolidated financial statements.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Consolidated Statement Of Changes In Equity As At 1 January-31 December 2022 And 1 January-31 December 2021**  
(Amounts expressed in Turkish Lira (TRY) unless otherwise indicated.)

	Notes	Paid-in Capital	Restricted Reserves Allocated from Profits	Share Premiums	Buyback Shares	Remeasurement Gains (Losses) of the Defined Benefit Plan	Revaluation Value Increases in Tangible Fixed Assets	Foreign Currency Conversion Differences	Previous Years' Profits /Losses	Net Period's Profit /(Loss)	Non controlling Interests	Total Equities
<b>1.01.2021</b>		<b>38.062.500</b>	<b>10.299</b>	<b>59.331.875</b>	-	<b>(178.677)</b>	<b>4.477.856</b>	-	<b>8.108.635</b>	<b>23.978.951</b>	<b>(64.314)</b>	<b>133.727.125</b>
Profit Sharing	27	-	-	-	-	-	-	-	(6.906.648)	-	-	(6.906.648)
Transfers	27	-	1.607.144	-	-	-	-	-	22.371.807	(23.978.951)	-	-
Total Compherensive Income	37	-	-	-	-	(101.326)	28.657.378	469.174	-	130.667.738	(113.632)	<b>159.579.332</b>
<b>31.12.2021</b>		<b>38.062.500</b>	<b>1.617.443</b>	<b>59.331.875</b>	-	<b>(280.003)</b>	<b>33.135.234</b>	<b>469.174</b>	<b>23.573.794</b>	<b>130.667.738</b>	<b>(177.946)</b>	<b>286.399.809</b>

	Notes	Paid-in Capital	Restricted Reserves Allocated from Profits	Share Premiums	Buyback Shares	Remeasurement Gains (Losses) of the Defined Benefit Plan	Revaluation Value Increases in Tangible Fixed Assets	Foreign Currency Conversion Differences	Previous Years' Profits /Losses	Net Period's Profit /(Loss)	Non controlling Interests	Total Equities
<b>1.01.2022</b>		<b>38.062.500</b>	<b>1.617.443</b>	<b>59.331.875</b>	-	<b>(280.003)</b>	<b>33.135.234</b>	<b>469.174</b>	<b>23.573.794</b>	<b>130.667.738</b>	<b>(177.946)</b>	<b>286.399.809</b>
Capital Increase	27	161.937.500	-	(49.000.000)	-	-	-	-	(112.937.500)	-	-	-
Dividend Payment	-	-	-	-	-	-	-	-	(12.429.627)	-	-	(12.429.627)
Subsidiary acquisition or disposal	-	-	1.809.740	329.107	-	-	-	-	(2.080.670)	-	2.352.474	<b>2.410.651</b>
Increase/Decrease Because of the Buyback Shares	-	-	-	-	(14.150.000)	-	-	-	-	-	-	(14.150.000)
Merger/Division/Liquidation Effect	-	-	-	-	-	-	-	-	(177.946)	-	177.946	-
Increase/Decrease Due to Share Ratio Changes in Subsidiaries Not Resulting in Loss of Control	-	-	-	427.926.620	-	-	-	-	3.186	-	3.062.249	<b>430.992.055</b>
Transfers	27	-	7.702.206	-	-	-	-	-	122.965.532	(130.667.738)	-	-
Total Compherensive Income	37	-	-	-	-	(263.147)	119.055.235	3.073.023	-	469.060.654	14.731.794	<b>605.657.559</b>
<b>31.12.2022</b>		<b>200.000.000</b>	<b>11.129.389</b>	<b>438.587.602</b>	<b>(14.150.000)</b>	<b>(543.150)</b>	<b>152.190.469</b>	<b>3.542.197</b>	<b>18.916.769</b>	<b>469.060.654</b>	<b>20.146.517</b>	<b>1.298.880.447</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Consolidated Statement Of Cash Flow As At 1 January-31 December 2022 And 1 January-31 December 2021**  
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

	Notes	Audited 31.12.2022	Audited 31.12.2021
<b>Cash Flows From Operating Activities</b>			
Profit/Loss For The Period	37	483.792.448	130.554.106
<b>Adjustments Regarding Net Profit And Loss Reconciliation For The Period</b>			
Adjustments For Depreciation And Amortization Expenses	18-19	15.085.070	6.901.710
Adjustments For Provisions For Employee Termination Benefits	22	2.980.149	937.831
Adjustments For Tax Income And Expenses	36	(61.412.336)	18.347.460
Adjustments For Interest Income	34	(33.851.353)	(2.002.238)
Adjustments For Interest Expenses	33	62.283.328	11.183.200
Adjustments To Litigation Provision Expenses	31	(18.618)	(3.259)
Adjustments for losses and gains on disposal of property, plant and equipment	32	(5.247.961)	(947.632)
Adjustments arising from fair value measurement gains/net	32	(36.715.400)	(23.192.000)
Adjustments arising from rental transactions	9	229.034	(67.827)
Adjustments for profits/losses on investments accounted for using the equity method	16	258.806	157.641
Adjustments for joint venture loss of sale	32	322.386	-
Other Adjustments Related to Profit (Loss) Reconciliation		8.208.912	-
<b>Changes in working capital</b>			
Adjustments For Increase/Decrease In Financial Investments	7	(98.923.099)	(37.737.206)
Adjustments For Increase / Decrease In Trade Receivables	10	(441.565.248)	(280.542.877)
Adjustments For Increase/Decrease In Other Receivables	11	(44.360.683)	(10.908.689)
Adjustments For Increase / Decrease In Inventories	13	(274.775.919)	(74.150.792)
Adjustments For Increase/Decrease In Prepaid Expenses	24-31	(615.732.645)	(62.653.789)
Decrease (Increase) In Other Assets Related To Operations	25-26	(5.891.486)	(16.254.014)
Adjustments For Increase/Decrease In Assets From Ongoing Construction Contracts	15	7.056.564	(3.669.002)
Adjustments For Increase/Decrease In Trade Payables	10	315.670.875	76.488.411
Adjustments For Increase/Decrease In Liability For Employee Benefits	22	10.868.207	1.607.633
Adjustments For Increase/Decrease In Deferred Incomes	24	(92.874.230)	137.647.755
Adjustments For Increase/Decrease In Other Liabilities	11	1.202.816.753	4.380.040
Increase (Decrease) In Other Short And Long Term Liabilities Related To Operations	26	4.982.807	3.270.284
Taxes Paid	36	(60.951.316)	(14.576.301)
Severance Payments Paid	22	(416.700)	(109.099)
<b>Net Cash Flows Arising From Operating Activities (A)</b>		<b>341.818.345</b>	<b>(135.338.654)</b>
<b>Cash Flows Arising From Investing Activities</b>			
Cash outflows from purchases of property, plant and equipment and investment property	17-18-	(443.500.870)	(25.494.666)
Cash inflows related to disposal of Subsidiaries shares that not resulting loss of Control	19	428.255.727	-
Cash Outflows Related to Purchases for Obtaining Control of Subsidiaries	19	(6.164.718)	-
Cash outflows from intangible asset purchases	19	(17.912.098)	(26.737.532)
Cash inflows from sales of property, plant and equipment and investment property	17-18-32	8.276.275	986.832
Cash outflows arising from subsidiary share purchase	16	(40.500.000)	(5.000.000)
<b>Net Cash Flows Arising From Investing Activities (B)</b>		<b>(71.545.684)</b>	<b>(56.245.366)</b>
<b>Cash Flows From Financing Activities</b>			
Interest Received	34	33.851.353	2.002.238
Interest Paid	33	(62.283.328)	(11.183.200)
Dividend paid	27	(12.429.627)	(6.906.648)
Cash Inflows from Buyback Shares	27	(14.150.000)	-
Cash inflows / outflows from borrowing	8	889.687.171	232.733.296
<b>Net Cash Flow From (Used In) Financing Activities (C)</b>		<b>834.675.569</b>	<b>216.645.686</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (D=A+B+C)</b>		<b>1.104.948.230</b>	<b>25.061.666</b>
<b>Cash And Cash Equivalents At The Beginning Of The Period (E)</b>	<b>6</b>	<b>77.148.996</b>	<b>52.087.330</b>
<b>Cash And Cash Equivalents At The End Of The Period (D+E)</b>	<b>6</b>	<b>1.182.097.226</b>	<b>77.148.996</b>

The accompanying notes are an integral part of the consolidated financial statements.



**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Notes To The Consolidated Financial Statements As At 31 December 2022**

(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 1 – Organization And Operations Of The Group**

The company was established in 2008 with the name of Kontrolmatik Bina Yönetim Sistemleri Sanayi ve Dış Ticaret Limited Şirketi. The company changed its name to Kontrolmatik Enerji Yönetim Sistemleri Sanayi ve Dış Ticaret Limited Şirketi on 30.05.2012. Because of change in type, the company modified its name to Kontrolmatik Enerji ve Mühendislik A.Ş. on 09.09.2017

The company changed its name on 24.02.2020 and its new name became Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi.

The Company's public offering was approved by the Capital Markets Board (CMB) on 24 September 2020, and the Company began trading on the Borsa Istanbul (BIST) on 19 October 2020.

The company and all of its subsidiaries are collectively referred to as the “Group”. The main fields of activity of the Company are as follows;

To establish electronic, communication, computer and computer hardware and systems in order to meet the needs of all private and public legal person institutions and organizations. Providing services with all kinds of software and hardware activities and software, hardware and system development, integration, creation of data processing systems, data transfer, data security, data analysis and data mining operations for all kinds of engineering solutions. To produce, install, purchase, sell, maintain, service, guarantee and repair information technology business intelligence solutions and to produce, buy, sell, import and export all kinds of electronic information system tools and equipment, participate in domestic and international tenders making commitments, being a partner in companies established or to be established for this purpose, acquiring partners, transferring or taking over.

The company conducts research and development studies both in the production of goods and services related to its subject and in the production of other goods and services, to provide engineering and consultancy services in these subjects, to carry out R&D studies in its own field, to work on increasing the quality and efficiency in production, to carry out training activities on this subject. To carry out studies that will help to solve the problems that will arise in the field of activity by working in both technical and technological fields.

To perform electrical, electromechanical, mechanical, constructional and construction works of road and railway tunnels, canals, bridges, hospitals, factories and shipyards on all kinds of conventional and renewable energy production facilities, energy and electricity transmission and distribution facilities, oil refineries, natural gas terminals, mining facilities, industrial facilities, all kinds of rail and road transportation systems, ports in the public or private sector in the country and abroad. To manage the projects administratively, professionally and technically, to establish the facilities, to provide engineering and consultancy services, to maintain the facilities, to perform all kinds of electronic measurements, tests, monitoring and protection of the facilities. To design, manufacture, install and maintain control systems. To ensure the integration of systems with each other and to make them ready for operation.

Developing energy and industrial management systems software domestically and abroad, installing and operating these systems on a turnkey basis, providing maintenance and repair services, manufacturing, trading, importing and exporting software and systems.

To develop new generation rechargeable Flow batteries, Fuel cells, Thermal energy storage systems, innovative energy storage and transmission systems to store electrical and thermal energy. To carry out domestic and foreign trade, service and maintenance of all products, systems, materials, mechanical and chemical components, electronic cards, software and systems resulting from R&D activities related to all kinds of electrical, electronic, mechanical, chemical products related to the subject.

Acquiring, issuing, leasing, transferring and taking over of the assets and all kinds of licenses related to power plants, refineries and all kinds of industrial facilities.

To design, manufacture, install, maintain, operate and trade both domestically and internationally turnkey mobile power plants, mobile energy and electricity distribution centers, mobile substations, mobile industrial facilities, mobile health centers.

To manufacture, trade, import and export all kinds of electrical and electronic automation panels, distribution panels, medium voltage and weak current panels.

**Note 1 – Organization And Operations Of The Group(Cont'd)**

Performing tests of all kinds of electrical (high voltage and low voltage), instrumentation, mechanical materials or systems in

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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accordance with standards, producing, selling, renting test equipment.

Entering into a subsidiary affairs with distribution companies and energy generation companies that have been or will be established without building control.

The company is headquartered in Istanbul and offers different projects and services to its domestic and international customers to use energy resources efficiently.

The company received the "ISO 9001:2000 Quality System Certificate" on 10.11.2008.

Based on the permission of the Capital Markets Board dated 03.04.2020 and numbered 29833736-110.03.03-E.3913 and the permission of the Republic of Turkey Ministry of Commerce, General Directorate of Domestic Trade, dated 21.04.2020 and numbered 50035491-431.02, the Company switched to the registered capital system. The registered capital ceiling has been determined as 150.000.000 TRY. The Company made the necessary changes to the Articles of Association in the Extraordinary General Assembly meeting dated 21.05.2020 in order to make the Articles of Association of the Company compatible with the regulations of the Capital Markets Board and the purposes and principles of the Capital Market Law. The registration process was completed on 29.05.2020 and published on page 196 of the Turkish Trade Registry Gazette dated 03.06.2020 and numbered 10089.

As of 30.09.2022, the number of personnel of the Group is 496 (31.12.2021: 226 personnel).

The head office address of the Company is located at " Oruçreis Mahallesi, Tekstilkent Cad. No: 12-B/154 Esenler / İstanbul ".

Apart from this, it has 3 branches in Kahramankazan/Ankara and Esenyurt/Istanbul and Melikgazi Kayseri.

The shareholding structure of the Company as of 31.12.2022 and 31.12.2021 is as follows:

		<b>31.12.2022</b>		<b>31.12.2021</b>
<b>Name/Commerical Name</b>	<b>Share Rate%</b>	<b>Share Amount (TRY)</b>	<b>Share Rate%</b>	<b>Share Amount (TRY)</b>
Sami Aslanhan	29%	58.181.444	38%	14.500.000
Ömer Ünsalan	29%	58.181.444	38%	14.500.000
Public Part (*)	42%	83.637.112	24%	9.062.500
<b>Total</b>	<b>100</b>	<b>200.000.000</b>	<b>100</b>	<b>38.062.500</b>

(\*)95.000 share swaps in the public part in the current period consist of repurchased shares completed as of the balance sheet date.

The company does not have any preferred shares.

The paid-in capital of the Company as of 31.12.2022 is 200.000.000 TRY (31.12.2021: 38.062.500 TRY). The company switched to the registered capital system at the general assembly meeting dated 21.05.2020.

The company consists of 200.000.000 shares, each of which is 1 TRY (31.12.2021: 38.062.500 shares).

The company made a capital increase from internal resources on 24.02.2020 and the company's capital increased to 30 million TRY.

The Company's public offering was approved by the Capital Markets Board on 24.09.2020 and the Company started to be traded in Borsa Istanbul on 19.10.2020. The company's capital reached 36.250.000 TRY after the public offering. Then, on 27.10.2020, the shares with a nominal value of 1.812.500 TRY, which were kept ready for sale, were sold in stock exchange, and the capital of the Company became 38.062.500 TRY. On 08.06.2022, the Group decided to increase its issued capital, which was 38.062.500 TRY, to 200.000.000 TRY, fully covered by internal resources. The application made to the Capital Markets Board to be issued to the Capital Markets Board was approved as of 25.08.2022. As of 06.09.2022, the Company's new capital was registered as 200.000.000 TRY.

Sami Aslanhan, 1.900.000 units and a nominal value of 1 TRY, Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. sold its shares to domestic and foreign institutional investors via special orders at a price of 150 TRY on 26/04/2022. With this transaction, Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. The ratio of Sami Aslanhan's shares in the capital to the total share was %33,10.

Ömer Ünsalan 1,900,000 units and a nominal value of 1 TRY were purchased by Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. sold its shares to domestic and foreign institutional investors via special orders at a price of 150 TRY. With this transaction, Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. The ratio of Ömer Ünsalan's shares in the capital to the total share was 33.10% on 26/04/2022.

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**Note 1 – Organization And Operations Of The Group(Cont'd)**

On 10.10.2022, Sami Aslanhan, out of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. shares with nominal value of 1 TL, executed the sale of 80 TL priced 502,500 stocks by special order to domestic corporate investors and 81.90-82.20 TL price ranged 22,951 stocks to public. With this transaction, the ratio of Sami Aslanhan's total share in Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. capital has become % 32,84.

**Subsidiaries**

As of 31 December 2022 and 31 December 2021, the scope of operations of the consolidated subsidiaries is as follows

<b>31.12.2022</b> <b>Name/Commerical Name</b>	<b>Direct Partnership</b> <b>Share (%)</b>	<b>Effective Partnership</b> <b>Share (%)</b>	<b>Non-Controlling</b> <b>Interests (%)</b>
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	89	89	11
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95	95	5
Enwair Enerji Teknolojileri Anonim Şirketi	50,1	50,1	49,9
Mcfly Robot Teknolojileri A.Ş. (Mcfly)	75	75	25
Kontrolmatik Toshkent LLC(Kontr Taşkent)	100	100	-
Nextopia Enerji Üretim A.Ş.(Nextopia)	-	95	5
Prolectric Enerji Üretim A.Ş.(Prolectric)	-	95	5

**Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega):** The company was established on 08.12.2021. In the field of battery technologies, the electrochemical energy storage cell production facility, which uses lithium ion and other advanced technologies, was established with the aim of producing energy storage cells, battery pack production, energy storage system design and turnkey solution activities.

As of 31 December 2022, the Company has 48 personnel.

To the capital of Pomega Energy Storage Technologies Anonim Şirketi (Pomega), which is a 100% subsidiary of the Company; based on a total valuation of 210,000,000 USD;

-İş Portföy Yönetimi A.Ş. Renewable Energy Technologies Venture Capital Investment Fund ("İş Portföy") to become a 10% shareholder through a capital increase through rights issue with allotted capital with emission premium by transferring USD 21,000,000 funds,

- A capital increase was made by Rubellius Nucleus Investments SARL ("Rubellius") in accordance with the Capital Participation and Shareholders Agreement signed by transferring USD 2.100.000 funds and becoming a 1% shareholder through a capital increase through allotted rights issue with emission premium.

After the registration of the aforementioned capital increase through rights issue on 09.12.2022, the Company's share in its subsidiary Pomega Enerji Depolama Teknolojileri Anonim Şirketi became 89%.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 1 – Organization And Operations Of The Group(Cont'd)**

**Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva):** The company was established on 17.12.2021, for the purpose of wholesale and retail sales activities in the country and abroad, as well as the establishment and operation of a separate electricity storage facility; was established with the aim of establishing related facilities, operating and leasing the established facilities, and dealing with the trade of electrical energy. The company is engaged in wholesale, retail sales, import and export activities within the framework of the legislation on electrical energy or capacity trade in accordance with the relevant legislation of the electricity market. The Company will operate in accordance with the provisions of other legislation related to the electricity market, including the Electricity Market Law and Electricity Market License Regulation in force.

As of 31 December 2022, the Company has 1 personnel.

**Enwair Enerji Teknolojileri Anonim Şirketi (Enwair):** As of 01.07.2022, the Group has purchased 50.1% of Enwair shares for 6.164.718 TRY. Enwair; is an R&D company that develops anode and cathode material technologies for battery technologies. The Enwair team consists of materials engineers and chemists who have master's and doctorate degrees on batteries. The company works on flexible silicon anodes, self-healing anodes, lithium-rich cathodes, and various polymer binder solutions. 1 Kosgeb(Small and Medium Enterprises Development Organization), 1 Tübitak(Scientific and Technological Research Council of Turkey) 1501, 1 European Union Era Net project has been completed, and 1 Tübitak 1501 and 1 European Union Horizon project are currently running. 1 PCT and 1 TR patent have been registered, and there are 3 ongoing studies in the patent process.

As of 31.12.2022, the Company has 8 personnel.

**Prolectric Enerji Üretim A.Ş.(Prolectric):** The company was established on 09.12.2022 as a 100% subsidiary of Progresiva to develop solar and wind power plant projects.

As of 31.12.2022, The Company has no personnel.

**Nextopia Enerji Üretim A.Ş.(Nextopia):** The company was established on 01.12.2022 as a 100% subsidiary of Progresiva to develop solar and wind power plant projects.

As of 31.12.2022, The Company has no personnel.

**Mcfly Robot Teknolojileri A.Ş. (Mcfly):** It was established as of 17.10.2022. The Group took 75% of the shares of the Company with a capital of TRY 10.000.000. Mcfly was established to operate in the production and integration of all kinds of robots, robot grippers, robot end elements.

As of 31.12.2022, the Company has 15 personnel.

**Fc Kontrolmatik Toshkent Llc(Kontr. Taşkent):** The company was established in Uzbekistan in 2021, and Kontrolmatik owns 100% of this company. Engineering of all kinds of electrical and mechanical systems, equipment and automation systems for industrial facilities, mining facilities, oil and gas facilities, transportation systems, smart buildings, power plants, gas-insulated substations required for electricity transmission and distribution, open switchgear substations was established with the aim of providing project design, technological designs, R&D studies, installation and service.

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Transport. Ltd. Şti. Business Partnership (S2-S3): Established on 28.09.2018, it was established to carry out the Bursa Science Centre Project S2-Space Stage and S3- In the Orbit of the Earth Themed Exhibition and Exhibition Elements Installation and Assembly project with the tender received from TÜBİTAK. As of 31.12.2022, the joint venture has been excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Taş. Ltd. Şti. Business Partnership (S4): It was established on 28.09.2018 and was established to carry out the Bursa Science Centre Project S4-Objects of Space project with the tender received from TÜBİTAK.

As of 31.12.2022, the joint venture is excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Taş. Ltd. Şti. Business Partnership (S5): It was established on 17.10.2018 and was established to carry out the Bursa Science Centre Project S5-Space Observation Themed Exhibition and Exhibition Elements Installation and Assembly project with the tender received from TÜBİTAK.

As of 31.12.2022, the joint venture is excluded from consolidation due to the termination of the project.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 1 – Organization And Operations Of The Group(Cont'd)**

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Transport. Ltd. Şti. Business Partnership (A1-A3): It was established on 03.01.2019 to carry out the Bursa Science Centre Project A1-The Dream of Flight and Space Exploration and A3-The Flight Path Themed Exhibitions and Installation and Assembly of Exhibition Elements with the tender received from TÜBİTAK.

As of 31.12.2022, the joint venture is excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Taş. Ltd. Şti. (KEPEZ): It was established on 01.02.2019 and was established to carry out the project of Installation and Assembly of 48 Exhibitions and Exhibition Elements with the Basics of Science Theme within the scope of Antalya Kepez Municipality Science Centre Establishment Project with the tender received from TÜBİTAK.

As of 31.12.2022, the joint venture is excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. and Boyut Mak. San. Taş. Ltd. Şti. Business Partnership (BURSA): It was established on 30.04.2019 and was established to carry out the Bursa Science Centre Project Space Innovation Centre Education Units 212 Items Installation and Assembly project with the tender received from TÜBİTAK.

As of 31.12.2022, the joint venture is excluded from consolidation due to the termination of the project.

**Note 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**A.Basis Of The Presentation**

**Financial reporting standards**

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) and in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“TFRS”) by the communiqués announced by the POA.

The interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

**Basis Of The Consolitation**

Consolidated financial statements include the financial statements of 1 subsidiary in which it has 95% share, 1 subsidiary in which it has 100% share, and 1 subsidiary in which it has 50,1% share. The financial statements of the companies included in the scope of consolidation have been prepared in accordance with TFRS as of the date of issue of the consolidated financial statements and by observing uniform accounting principles and practices.

The operating results of the subsidiary are included or excluded on the effective dates of the said transactions in accordance with the acquisition or disposal transactions.

Consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are prepared on the following principles:

Subsidiaries are businesses that are directly controlled by the Group. The Group controls the entity when it is exposed to or has rights to variable returns from its relationship with the entity and has the ability to affect those returns through its power over the entity. The subsidiary in question is included in the scope of consolidation from the moment the control over the subsidiary passes to the Group. As of the end of the control over the subsidiary, the subsidiary in question is excluded from the scope of consolidation.

Statements of financial position and statements of comprehensive income/expense of subsidiaries are consolidated individually and on the basis of financial statement items. In addition, the value of the Group's participation is mutually offset with the relevant equity amount. The effects of intra-group transactions and related balances as a result of inter-group relations, as well as unrealized gains and losses are eliminated during consolidation unless there is an indication of impairment. The book value of the shares owned by the Group and the dividends arising from them are written off from equity and income or expenses for the period, respectively.

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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**A.Basis Of The Presentation(Cont'd)**

**Subsidiaries**

The share of non-controlling interests in the net assets and current period comprehensive income or expense of the subsidiary is separately classified as “Non-Controlling Interests” in the consolidated statement of comprehensive income and the consolidated statement of changes in shareholders' equity.

In the event of loss of control over the subsidiary, the Group's remaining interest in the subsidiary, if any, is measured at its fair value at the date of loss of control (the net carrying amount of the subsidiary in the consolidated statements), and the difference between the carrying value and the carrying amount is recognized in profit or loss in the consolidated statement of comprehensive income. In addition, amounts previously recognized as consolidated other comprehensive income related to the loss of control business are accounted for as if the related assets or liabilities were disposed of by the Group. The fair value is the initial purchase value for the purpose of subsequent accounting of the shares of associates, joint ventures and financial assets.

The commercial names, capital and shares of the parent company and other subsidiaries in the capital of the Group's subsidiaries are as follows:

<b>31.12.2022</b>	<b>Direct Participation</b>	<b>Effective Participation</b>	<b>Non-Controlling</b>
<b>Commercial Name</b>	<b>Rate(%)</b>	<b>Rate (%)</b>	<b>Shares (%)</b>
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	89	89	11
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95	95	5
Enwair Enerji Teknolojileri Anonim Şirketi	50,1	50,1	49,9
Mcfly Robot Teknolojileri A.Ş. (Mcfly)	75	75	25
Kontrolmatik Tashkent LLC(Kontr Tashkent)	100	100	-
Nextopia Enerji Üretim A.Ş.(Nextopia)	-	95	5
Prolectric Enerji Üretim A.Ş.(Prolectrik)	-	95	5

<b>31.12.2021</b>	<b>Direct</b>	<b>Effective</b>	<b>Non-Controlling</b>
<b>Commercial Name</b>	<b>Participation</b>	<b>Participation</b>	<b>Shares (%)</b>
	<b>Rate(%)</b>	<b>Rate (%)</b>	
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	100,00	100,00	-
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	100,00	100,00	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S2-S3)	60,00	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S4)	60,00	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S5)	60,00	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (A1-A3)	60,00	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (KEPEZ)	60,00	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (BURSA)	60,00	60,00	40,00

**Equity Method**

When the investee, directly or indirectly, holds between 20% and 50% of the voting rights, the transaction is considered to have significant influence and the investee is treated as an associate.

The equity method is applied in accounting for investments in associates. Under the equity method, the investment in associate is initially recorded at acquisition cost. After the acquisition date, the carrying amount of the investment is increased or decreased to reflect the investor's share in the profit or loss of the investee. The investor's share of the profit or loss of the investee is recognized as the investor's profit or loss. In addition, the goodwill associated with the associate is included in the book value of the investment in the associate.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**A.Basis Of The Presentation(Cont'd)**

**Equity Method(Cont'd)**

As of 30 September 2022 and 31 December 2021, the effective share ratios in associates accounted for using the equity method are shown in the table:

<b>Subsidiaries According to Equity Method</b>	<b>31.12.2022 Effective Share %</b>	<b>31.12.2021 Effective Share %</b>
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	50
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	50
Plan S Uydu ve Uzay Teknolojileri A.Ş. (Plan S)	25	25
Mint Elektrikli Araç Teknolojileri A.Ş.	40	-
Kontrolmatik Tek.Ene. ve Müh. A.Ş. Ve Siterm Isı San. A.Ş. İş Ort (Siterm)	50	-
Teknovus Şarj Teknolojileri A.Ş.	40	-

**Plan S Uydu ve Uzay Teknolojileri A.Ş.:** It was established on 06.07.2021 to manufacture spacecraft, spacecraft launch vehicles and mechanisms, as well as satellites, space rockets, orbital stations and space shuttles.

**Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT):** It was established on 04.09.2018 with the contract signed with İGA Airports Construction Ordinary Partnership to carry out the "Wireless Meter Reading System and IoT Infrastructure" business.

**Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY):** It was established with the contract signed with İGA Airports Construction Ordinary Partnership on 10.10.2018 to carry out the service of "reading the information in the meters within the scope of the Wireless Meter Reading System, storing the data and transferring the given data to the relevant units of İGA".

**MİNT Elektrikli Araç Teknolojileri A.Ş.(MİNT):** This company was established on 22.06.2022 and Escar Turizm Taşımacılık A.Ş. was established with the aim of operating in the field of electric vehicle rental and sharing Technologies. Teknovus Şarj Teknolojileri A.Ş, with a capital of TRY 10.000.000, was established as a 100% subsidiary of Mint Elektrik Araç Teknolojileri A.Ş. It was registered by the trade registry directorate on 12.12.2022. It is included in the MINT as fully consolidated.

**Kontrolmatik Teknoloji Enerji ve Müh. A.Ş. ve Siterm Isı Sanayi A.Ş.İş.Ort.:** It was established to carry out the production service of 100 t/h Capacity High Pressure Water Tube Steam Boiler, which was tendered by the Eti Maden İşletmeleri Genel Müdürlüğü.

**Financial Investments Not Included in Consolidation**

**Kontrolmatik Cameroun:** The company was established in Cameroon in 2021, and Kontrolmatik owns 100% of this company. The company was established for the purpose of power generation, distribution, transmission, consultancy and electromechanical works, instrumentation, assembly, system engineering and commissioning, construction of all kinds of power plants and industrial facilities, IoT, IT systems.

As of 31 December 2022, the Company is not included in the consolidation as it does not have any activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the subsidiary.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**A.Basis Of The Presentation(Cont'd)**

**Financial Investments Not Included in Consolidation(Cont'd)**

**Llc Controlmaticrus:** The company was established in Russia in 2021, and Kontrolmatik owns 100% of this company. The company was established to carry out business development activities in the Russian Federation.

As of 31 December 2022, the Company is not included in the consolidation as it does not have any activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the subsidiary.

**Kontrolmatik Libya branch:** The branch was opened in Libya in 2021.

As of 31 December 2022, the branch is not included in the consolidation as it has no activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the said branch.

**Kontrolmatik Technologies Inc:** Branch was opened in the USA in 2022.

As of 30 September 2022, the branch is not included in the consolidation as it has no activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the said branch.

**Related Parties**

TAS 24 "Related Party Disclosures Standard"; It defines the institutions that can directly or indirectly control or significantly affect the other party through shareholding, contractual rights, family relations or similar means as related institutions. Related parties also include shareholders and Group management. Related party transactions involve the transfer of resources and liabilities between related parties, with or without a fee.

In terms of these consolidated financial statements, the shareholders of the Group and companies that have indirect capital relations with the Group, members of the board of directors and senior executives and other key management personnel are defined as "related parties". Key management personnel include those who directly or indirectly have the authority and responsibility to plan, manage and control the activities of the Group, including any (administrative or other) manager (Note38).

The balances of the Group with the companies with which it has direct or indirect relations and all kinds of transactions with them are presented in Note 38.

**Comparative Information and Correction of Previous Period Financial Statements**

The financial statements of the Group are prepared in comparison with the previous period in order to enable the determination of financial status and performance trends. When the presentation or classification of the items of the financial statements changes, the previous period financial statements are also reclassified accordingly in order to ensure comparability.

In the event that the Group applies an accounting policy retrospectively or if an enterprise adjusts the items in its financial statements retrospectively or reclassifies the items in its financial statements, at a minimum of 3 periods financial position statement (balance sheet), other statements (profit or loss and other comprehensive income statement, cash flow statement, statement of changes in equity) are presented with notes for 2 periods each.

The group presents its statement of financial position in the following periods:

- As of the end of the current period,
- As of the end of the previous period, and
- As of the beginning of the earliest comparative period.



**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**A.Basis Of The Presentation(Cont'd)**

**Statement Regarding the Reporting Currency**

The Group's presentation currency is Turkish Lira (TRY). The accompanying financial statements, including the financial statements dated 31 December 2022 and the financial data for the previous period to be used for comparison purposes, are presented in Turkish Lira (TRY).

Kontrolmatik Taşkent firm uses Uzbekistan Som (SOM) as its functional currency. While the related firm is being translated into the presentation currency, current assets, fixed assets, short-term and long-term liabilities are translated at the period-end rate, capital is converted from historical cost, and income statement accounts are converted into presentation currency at the average rate. The remaining differences are reported in foreign currency translation differences. 0,00167 TRY was used as the end of period exchange rate on 31.12.2022, and 0,00150 TRY was used as the average exchange rate dated 2022.

The closing rates of foreign currencies published by the Central Bank of the Republic of Turkey as of 31 December 2022 and 31 December 2021 are given below.

Foreign Currency	Year-End Buying Exchange Rate (TRY / Currency Unit)	
	31.12.2022	31.12.2021
USD	18,6983	12,9775
AVRO	19,9349	14,6823
CHF	20,2019	14,1207
AED	5,0943	3,5134

  

Foreign Currency	Year-End Selling Exchange Rate (TRY / Currency Unit)	
	31.12.2022	31.12.2021
USD	18,7320	13,353
AVRO	19,9708	15,1139
CHF	20,3316	14,6537
AED	5,1029	3,6558

**Going Concern**

The consolidated financial statements including the accounts of the parent company, its subsidiaries, joint ventures, joint activities and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

**Offsetting**

Assets - liabilities and income / expenses are not offset unless the Standard or the Interpretations prescribe or permit. Assets and liabilities are shown in net when there is a legal right required and there is an intention to evaluate the assets and liabilities in question, or when the assets are acquired simultaneously with the fulfillment of the liabilities. Showing assets at net amount after deducting regulatory accounts, such as provision for inventory impairment and allowance for doubtful receivables, is not netting.

**The new standards, amendments and interpretations**

As at 31.12.2022, the accounting policies adopted in preparation of the condensed consolidated financial statements as at 31.12.2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (TAS)/IFRS and TAS/IFRS interpretations effective as of 1.01.2022. The effects of these standards and interpretations on the financial position and performance of the Group are disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as of 1 January 2022 are as follows:

Amendments to IFRS 7, IFRS 4 and IFRS 16 - Benchmark interest rate reform Phase 2 (effective for annual periods beginning on or after 1 January 2021); These Phase 2 amendments address issues arising from the implementation of the reforms, including the replacement of a benchmark interest rate with an alternative. The Phase 2 amendments provide temporary additional relief in applying certain TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by the IBOR reform.

Amendments to TFRS 4 Insurance Contracts - Deferral of the application of TFRS 9 (effective for annual periods beginning on or after 1.01.2021); These amendments postpone the effective date of TFRS 17 by 2 years to 1.01.2023. These amendments postpone the effective date of the temporary exemption in TFRS 4 from the application of TFRS 9 Financial Instruments to 1.01.2023.

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**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**A.Basis Of The Presentation(Cont'd)**

**The new standards, amendments and interpretations(Cont'd)**

IFRS 16 Leases - Amendments to extend the COVID-19 lease concessions facilitator (effective 1 April 2021); Due to the COVID-19 pandemic, some concessions have been granted to lessees in lease payments. In May 2020, the IASB issued an amendment to IFRS 16 Leases to provide an optional relief for lessees not to consider whether the concessions granted due to COVID-19 in lease payments are a modification to the lease. On 31.03.2021, the IASB issued an additional amendment to extend the date of the practical expedient from 30.06.2021 to 30.06.2022. Lessees may choose to recognise such lease concessions in accordance with the provisions that apply in the absence of a modification to the lease. This ease of application often results in the lease concession being recognised as a variable lease payment in the period in which the event or circumstance that triggers a reduction in lease payments occurs.

Narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and certain annual improvements to TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from annual periods beginning on or after 1 January 2022.

Amendments to TFRS 3 Business Combinations; this amendment updates a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting for business combinations.

Amendments to IAS 16 Property, Plant and Equipment to prohibit an entity from deducting from the amount of property, plant and equipment the proceeds from the sale of products produced until the asset is ready for its intended use. Instead, an entity shall recognise such sales proceeds and the related cost in profit or loss.

Amendments to IAS 37, Provisions, contingent liabilities and contingent assets; this amendment specifies which costs an entity includes when deciding whether to recognise a loss on a contract.

Annual improvements make minor amendments to TFRS 1 'First-time Adoption of Turkish Financial Reporting Standards', TFRS 9 'Financial Instruments', TAS 41 'Agriculture' and the illustrative examples of TFRS 16.

Standards, amendments and interpretations issued but not yet effective as at 31.12.2022:

Amendment to TAS 1, Presentation of Financial Statements regarding the classification of liabilities; effective date is postponed to annual reporting periods beginning on or after 1.01.2024. These narrow-scope amendments to TAS 1, Presentation of Financial Statements clarify that liabilities are classified as current or non-current depending on the rights that exist at the end of the reporting period. The classification is not affected by events or the entity's expectations after the reporting date (for example, the receipt of a concession or a breach of contract). The amendment also clarifies what is meant by settlement of a liability in TAS 1.

Narrow-scope amendments to TAS 1, Implementation Statement 2 and TAS 8; effective from annual periods beginning on or after 1 January 2023. These amendments aim to improve accounting policy disclosures and help users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12, Deferred tax on assets and liabilities arising from a single transaction, effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, when initially recognised in the financial statements, give rise to taxable and deductible temporary differences in equal amounts.

TFRS 17, Insurance contracts, as amended on 12.2021; effective from annual periods beginning on or after 1.01.2023. This standard replaces TFRS 4, which currently permits a wide range of applications. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.**Not**

## **2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

### **B. Restatement and errors in the accounting policies and estimates**

Accounting policy changes resulting from the first application of a new TFRS are applied retrospectively or prospectively in accordance with the transition provisions of that TFRS if any. Changes that do not include any transitional provisions, optional significant changes in accounting policy, or accounting errors detected are applied retrospectively and prior period consolidated financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to future periods, both in the period in which the change is made and prospectively.

### **C. Summary of Significant Accounting Policies**

#### **Financial Instruments**

The Group accounts for its own financial assets, in two categories, as recognized at amortized cost and as financial assets whose fair value change is reflected in profit or loss. The classification is based on the business model used by the enterprise for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group makes the classification of its financial assets on their date of purchase.

"Financial assets measured at amortized cost" are financial assets that are held within the scope of a business model that aims to collect contractual cash flows, where there are cash flows that include only principal and interest payments arising from the principal and principal balance at certain dates in contract terms and that are not traded in an active market and are not derivative instruments. The Group's financial assets recognized at amortized cost include "cash and cash equivalents", "trade receivables", "other receivables".

The related assets are measured at their fair values in the financial statements at the first recognition, and at their discounted values using the effective interest rate method in the subsequent accounting. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are accounted in the income statement.

"Financial assets, whose fair value changes are reflected in foreign exchange rates or losses", consist of financial assets excluding financial assets measured at amortized cost and whose fair value changes are reflected in other comprehensive income. Gains and losses arising from the valuation of the said assets are accounted in the income statement.

The changes regarding the classification of financial assets and liabilities within the scope of TFRS 9 are summarized below. These classification differences do not have any effect on the measurement of financial assets.

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**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Financial Instruments(Cont'd)**

<b>Financial assets</b>	<b>Former classification according toTAS 39</b>	<b>New classification according to TFRS 9</b>
Cash and cash equivalents	Credits and receivables	Amortized cost
Trade receivables	Credits and receivables	Amortized cost
Derivative financial assets	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Financial investments	Financial asset available for sale	Fair value difference reflected in other comprehensive income
<b>Financial assets</b>	<b>Former classification according toTAS 39</b>	<b>New classification according to TFRS 9</b>
Derivative financial liabilities	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Credits	Amortized cost	Amortized cost
Financial Leasing payables	Amortized cost	Amortized cost
Factoring payables	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

**Cash and Cash Equivalents**

Cash and Cash Equivalents include cash and bank deposits and short-term and highly liquid investments that are easily convertible into cash and whose value is insignificant and whose maturity is three months or less. Bank deposits consist of time deposits and demand deposits and accrued interest on these deposits. Deposits in Turkish Lira are shown in the records with their cost values, and foreign currency deposit accounts with their values converted into Turkish Lira by using R.T. Central Bank foreign exchange buying rate at the balance sheet date. Time deposit accounts also include their accrued interests as of the balance sheet date.

**Trade Receivables**

Trade receivables arising from the direct supply of goods or services to a debtor, notes and postdated checks classified into trade receivables are evaluated at their amortized cost using the effective interest method. Short-term trade receivables that do not have a specified interest rate are evaluated at the invoice amount if the effect of accruing interest is insignificant.

If there is a situation that indicates that the Group will not be able to collect the amounts due, a credit risk provision is established for trade receivables. The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable.

Of the checks received, those whose maturity exceeds the balance sheet date are included in trade receivables and are rediscounted using Libor rates.

If it is probable that the trade receivables will not be collected, a provision is recorded for the trade receivables. Provision is the amount estimated by the Group management, taking into account the guarantees received from the customer, and thought to cover the possible losses that may arise from the economic conditions or the risk inherent in the account. Receivables that cannot be collected are completely deleted from the records when they are detected. The provision for doubtful receivables is recorded as an expense in the period in which it is determined.

Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recorded as income in the comprehensive income statement. A simplified approach is applied within the scope of impairment calculations for trade receivables (with maturities less than 1 year) that are accounted at amortized cost in the consolidated financial statements and do not contain a significant financing component. With this approach, allowances for losses on trade receivables are measured at an amount equal to lifetime expected credit losses, unless the trade receivables are impaired for specific reasons (other than realized impairment losses).

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Not 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Financial Instruments(Cont'd)**

A provision matrix is used to measure expected credit losses on trade receivables. In the relevant matrix, certain reserve ratios are calculated depending on the number of days the trade receivables are overdue, and these ratios are reviewed in each reporting period and revised when necessary.

**Financial Liabilities**

Financial liabilities are categorised as those measured by profit or loss at amortized cost or measured at fair value. Financial liabilities that are classified as held for commercial purposes are accounted for by profit or loss at fair value. Fair value financial liabilities are measured at their fair value through profit or loss, and net gains and losses are recognized in profit or loss together with interest expenses. The Group has no financial liabilities that are measured at fair value through profit or loss.

***Other financial liabilities***

Other financial liabilities are accounted at amortized costs using the effective interest method in the following periods.

Method of effective interest is the method of calculating the amortized cost of financial liability and of distributing the relevant interest expenditure for the period concerned. Effective interest rate is the rate at which the estimated future cash payments are accurately discounted over the expected life of the financial instrument or if applicable, for a shorter period, down to the net present value of the relevant financial liability.

**Trade Payables**

Trade payables refer to the payments to be made for ordinary activities for goods and services provided by suppliers. Trade payables are recorded at their fair value and in subsequent periods, discounted amounts are accounted for using the effective interest rate method.

**Revenue recognition**

In accordance with the TFRS 15 'Revenues Standard from Customer Contracts,' which entered into force on 1 January 2018, the Group accounts for revenues in the financial statements within the scope of the five-stage model below?

- Define contracts with clients
- Definition of performance commitments in contracts
- The transaction price determination in the contracts
- Transaction price distribution to performance obligations
- Revenue recognition

The Group evaluates the goods or services it has committed in each contract with customers and it determines each commitment to transfer the goods or services as a separate performance obligation.

For each performance obligation, it is determined at the beginning of the contract whether the performance obligation will be fulfilled over time or at a specific time. In case the Group transfers control of a good or service over time and therefore fulfills its performance obligations regarding the related sales over time, it measures the progress towards the full fulfillment of the said performance obligations and recognizes the revenue in the financial statements over time.

When or as the Group fulfills its liability by transferring a good or service undertaken, it records the transaction amount corresponding to that liability in its financial statements as revenue. When (or as) the control of goods or services is seized by customers, the good or service is transferred.

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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Revenue recognition(Cont'd)**

While evaluating the transfer of the control of the good or service sold, to the customer, it takes into consideration the following:

- a) The Group's holding the right to collect regarding the good or service,
- b) The customer's holding the legal ownership of the good or service,
- c) transfer of the good's or service's ownership,
- d) The customer's having the significant risks and revenues arising from the ownership of the good or service,
- e) The customer's acceptance of the good or service.

In case that the Group anticipates at the beginning of the agreement that the period between the date of transfer of the good or service undertaken to the customer and the date when the customer pays the price of that good or service will be one year or less, it does not make any adjustment for the effect of a significant financing component in the price undertaken. On the other hand, in case that there is a significant financing element within the revenue, the revenue value is determined by reducing the collections to arise in the future with the interest rate within the financing element. The difference is recorded in the relevant periods, as the incomes from main activities, according to the accrual basis.

When the Group can accurately estimate its contractual incomes and costs, project revenue, it records those as income and cost items. Agreement incomes are reflected on the financial statements, according to the method of the agreement completion rate. The rate of the total agreement costs realized as of the period to the total estimated cost of the agreement shows the completion percentage of the agreement, and this rate is used in reflecting the part of the total agreement income corresponding to the current period on the financial statements.

The income arising from the agreements of cost plus profit type is reflected in the records with the profit margin calculated over the cost.

Costs associated with agreements comprise all raw material and direct workmanship costs as well as the indirect costs such as indirect workmanship, materials, repair and depreciation costs. Cost provisions of the estimated losses in the non-completed agreements are spared in the periods when these losses are identified. The changes in work performance, work conditions and agreement fine provisions and in estimated profitability due to the final agreement arrangements may lead to cost and income revision. These revisions are reflected on the financial statements in the period when they are identified. Profit incentives are included in the income, as their realizations are reasonably guaranteed.

Receivables arising from customer agreements show how much the income recorded in the financial statements are more than the invoice amount, whereas liabilities arising from customer agreements show how much the amount if the invoice issued is more than the income recorded in the financial statements.

The Group presents as liability the amount of gross receivables from customers in relation to ongoing contractual works, in case that it exceeds the amount obtained by adding the profit reflected on the resulting accounts to the costs (loss deduction).

**Inventories**

Inventories are valued with cost or net realizable value, whichever is lower. Cost of inventories is the sum of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Unit cost of inventories is determined with the moving weighted average method. Distribution of fixed general production costs to transformation costs is based on the assumption that the production activities will be in the normal capacity. Normal capacity is the average production quantity expected under normal conditions in one or more periods or terms, by taking into consideration the capacity reduction to arise from the planned maintenance-repair works. If the actual production level is close to the normal capacity, that capacity can be accepted as normal capacity.

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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Inventories(Cont'd)**

Net realizable value represents the amount found by deducting the sum of the estimated completion cost and estimated sale cost required for realizing the sale within the normal course of the work from the estimated sale price estimated selling price. Costs of renewing the raw materials may be the best measure reflecting the net realizable value.

Inventories' acquisition values are reduced to their net realizable values, on the basis of each inventory item. This reduction is made by allocating a provision for inventory value reduction. Thus, if the costs of inventories are higher than their net realizable value, provision for losses is allocated and it is reduced to the net realizable value. Otherwise, no action is taken.

In case that the inventories were bought on condition of deferred payment, if the difference between the prices of cash purchase price and the price paid includes a financing element, these elements are recognized as interest expense in the period when they are financed.

**Investment Properties**

Investment properties are immovable properties (land or building or a part of the building or both) held (by the owner or the lessee according to the lease agreement) for the purpose of obtaining lease income or value increase earning or both, rather than the below written purposes:

- a) Being used in producing or supplying good or service or for administrative purpose or
- b) being sold within the normal course of the business.

Investment properties are held for the purpose of obtaining lease income or capital earning (value increase earning) or both.

The Group recognizes an investment property as an asset, in case that the below written conditions are met:

- a) It is possible that the future economic benefits related to the property enters into the enterprise,
- b) Cost of the investment property can be reliably measured.

Investment property is measured at its cost at the beginning. Transaction costs are also included in the beginning measurement. However, investment properties acquired through financial leasing are recognized at their fair value and the current value of the minimum lease payments, whichever is lower.

Investment property is valued in the following periods by choosing the fair value method or cost method.

Fair value of an investment property is determined as the amount which must occur in case that an asset is transferred between informed and willing parties in a mutual bargaining environment or that a debt is repaid. Fair value is determined based on the best estimation, in case that there is no market for the immovable properties. In this sense, fair value may vary depending on the change in the estimation and market conditions. In determination of the fair value, some factors such as the asset's specific risks, market conditions and depreciation are taken into consideration, depending on the experts' opinions. Accordingly, earnings and losses arising from the change in the fair value investment property are included in the profit or loss when they occur, and recognized within the incomes/costs from investment activities. The Group got prepared a valuation report for its immovable properties within its investment properties account, and the immovable properties concerned are included in the financial statements at these values.

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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Tangible and Intangible Fixed Assets**

Cost of a tangible and intangible fixed asset is recorded in the financial statements as an asset, in case that the below written conditions are met:

- a) It is possible that the future economic benefits related to that item enters into the enterprise,
- b) The amount of relevant item can be measured reliably.

A tangible and intangible fixed asset item which meets the conditions for being recognized as an asset is measured with its cost amount at its first recognition. In the following periods, on the other hand, they are valued by using the cost or revaluation method.

The initial costs of fixed assets comprises of the purchasing price which includes the customs taxes, non-returned purchase taxes and direct costs occurred until the asset is brought to operating condition and to its place of use.

Cost model is presentation of the tangible and intangible fixed asset by deducting the accumulated depreciation and impairments, if any.

Revaluation method: A tangible and intangible fixed asset item whose fair value can be reliably measured is shown at the revalued amount, after being recognized as an asset. Revalued amount is the value found by deducting the successive accumulated depreciation and successive accumulated impairment losses from its fair value on the revaluation date. Revaluations are made in the manner that it does not lead to a significant difference between the amount to be founded by using the fair value as of the balance sheet date and the book value. Value increases arising as a result of the valuation are associated with the growth fund in equities, and impairments are deducted from the value increases occurred before, and if no, they are recorded in the costs from investment activities.

The Group got prepared a valuation report for its immovable properties within its intangible fixed assets account, and the immovable properties concerned are included in the financial statements at these values.

When an intangible fixed asset item is revalued, accumulated depreciation on the revaluation date is adjusted in proportion with the change in the assets' gross book value, and this way, the book value of the asset after revaluation is equal to its revalued amount.

In the transfers from inventories to tangible fixed assets which the Group made to use in its operational activities, provisions of the TAS 2 "Inventories" and TAS 16 "Tangible Fixed Assets" are applied. Accordingly, the fair value on the date when the transfer is made is taken as basis.

Depreciation is calculated according to the normal depreciation method, and according to the below specified useful life and methods by taking into consideration the principle of per diem deduction.

	<b>Useful Life (Years)</b>
Buildings	50
Plant, Machinery and Devices	5, 15
Vehicles, tools and devices	4, 5
Fixtures and Fittings	2, 20
Special Costs	5
Rights	3, 15
Other Intangible Fixed Assets	1, 3



**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Tangible and Intangible Fixed Assets(Cont'd)**

Useful life and depreciation method are regularly reviewed, and accordingly, due care is shown whether the method and the depreciation period are consistent with the economic benefit to be derived from the asset concerned. In case that there are events and changes in the current conditions regarding whether the carried value of tangible fixed assets cannot be regained, it is examined if there is any impairment in the tangible fixed assets. In case that there are such signs or that carried values exceed the realizable value, assets concerned are reduced to their realizable values.

Realizable value is the higher of the asset's net sale price and usage value. When finding the usage value, estimated future cash flows are reduced to their current value by making use of the rate of discount before taxation that reflects the risks specific to that asset. Realizable value for assets which do not constitute a cash inflow in high amounts alone is calculated for the unit that constitutes the cash to which that asset belongs. Relevant tangible fixed asset is subjected to depreciation over its estimated remaining useful life. Depreciation amounts of tangible fixed assets are recorded in the general management expenses and cost of sales in the income statement.

The Group makes tests for impairment in assets, and net sale prices are determined by taking into considering the "second-hand market value" of some assets, and "amortized renewing costs" for assets which do not have a second hand market. Because net sale prices for these assets is equal to or more than their net book values, it was not found required to calculate their usage value, and no impairment provision was allocated. On the other hand, for some assets (for example goodwill), in case that it is not possible to determine their net sale prices, impairment test must be made by taking as basis their usage values.

Intangible fixed assets represent rights and computer software. Intangible fixed assets are recorded at their adjusted value according to the inflation's effects as of 31 December 2004 for the items purchased before January 1st, 2005 ; whereas the ones purchased after January 1st, 2005 are reflected by subtracting accumulated depreciation and permanent impairments from the cost values.

Redemptions regarding intangible fixed assets were allocated by making use of the straight-line depreciation method over the useful lives of relevant assets, provided that they do not exceed the number of useful years thereof from the date of purchasing. Redemptions of intangible fixed assets are recorded in the general management expenses and cost of sales in the income statement.

Profit or loss arising on the disposal of intangible and tangible fixed assets is determined by comparing the net book value with the sale amounts, and are recorded in the incomes and expenses from investment activities within the income statement.

**Fixed Assets Classified for Sales Purposes and Ceased Activities**

Assets are shown not by using their recorded values, but as fixed asset classified for sale purpose, in cases where it is aimed at recovering them as a result of sale. These assets may be an operation unit, sale groups or a separate fixed asset.

Sale of fixed assets held to be sold are expected to realize within twelve months following the balance sheet date. Several events or conditions may extend the sale completion period to over one year. In cases where there is sufficient evidence that the delay concerned is due to the events or conditions beyond the enterprise's control and the enterprise's sale plan for the sale of the relevant asset (or the group of assets to be disposed) is ongoing, extension of the period required for completing the sale transaction does not prevent classification of the relevant asset (or the group of assets to be disposed) as asset held for sale purpose.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Fixed Assets Classified for Sales Purposes and Ceased Activities(Cont'd)**

Assets are shown not by using their recorded values, but as fixed asset classified for sale purpose, in cases where it is aimed at recovering them as a result of sale. These assets may be an operation unit, sale groups or a separate fixed asset. Sale of fixed assets held to be sold are expected to realize within twelve months following the balance sheet date. Several events or conditions may extend the sale completion period to over one year. In cases where there is sufficient evidence that the delay concerned is due to the events or conditions beyond the enterprise's control and the enterprise's sale plan for the sale of the relevant asset (or the group of assets to be disposed) is ongoing, extension of the period required for completing the sale transaction does not prevent classification of the relevant asset (or the group of assets to be disposed) as asset held for sale purpose.

Ceased activities may be enterprise units disposed or held for sale purpose, and

- a) represent a certain geographical region activities or a significant business branch;
- b) are a part of a plan related to a certain geographical region activities or disposal of a significant business branch; or
- c) are subsidiaries acquired for resale.

Assets held for sale purpose are valued at the recorded value or reasonable value, whichever is lower. Impairment arisen in cases where the reasonable value falls below the recorded value is recorded as cost in the income statement for the relevant period.

**Impairment of assets**

In case of occurrence of cases or events where book value cannot be recovered for assets subject to depreciation or redemption, impairment test is applied. In case where the asset's book value exceeds its recoverable amount, provision for impairment is recorded. Recoverable amount is the fair value obtained after deduction of the costs of sales or value in use, whichever is higher. For evaluating the impairment, assets are grouped in the lowest level where there are separate definable cash flows (cash generating units). Non-financial assets for which provision for impairment was allocated are reviewed for possible cancellation of the impairment on each reporting date.

**Taxation and Deferred Tax**

The Group's tax expense/income consists of the sum of its current tax expense and deferred tax income/expense.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's current tax liability has been calculated using the tax rate that has been enacted or to be enacted certainly as of the balance sheet date.

Current tax amounts payable are netted with prepaid tax amounts if they have been paid or will be paid to the same tax authority. Deferred tax assets and liabilities are also netted off.

Deferred tax is calculated over the temporary differences between the carrying values of assets and liabilities in the consolidated financial statements and their tax values using the liability method (balance sheet method/balance sheet liability method). These differences are divided into two as deductible and taxable.

For all temporary differences that are tax-deductible expenses, it is highly probable that sufficient taxable income will be generated in future periods to deduct those expenses and is recognized in a deferred tax asset unless the transaction is part of a business combination or did not arise from the initial recognition of the liability.

All taxable temporary differences are recognized in the deferred tax liability. However, deferred tax liability is not recognized for temporary differences that arise during the initial recognition of goodwill, that arise during the initial recognition of an asset or liability, or that arise from transactions that are not business combinations.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Taxation and Deferred Tax(Cont'd)**

According to the tax laws, in case that that for unused losses and tax advantages for the previous years, taxable income in an amount sufficient to setoff these in the following periods can be obtained, they are recognized as deferred tax asset .

In calculation of deferred tax, legalized tax rates valid as of the balance sheet date pursuant to the tax legislation in force are used.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized (Note 36).

Provided that it is subject to the tax legislation of the same country and in case that there is a legally applicable right with respect to offsetting the current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are mutually offset against each other.

75% of revenue arising from the corporations' real estates and participation shares available in their assets for two full years at least, their founding notes, dividend shares and preemption rights was exempted from the corporate tax. In order to use this exemption, the earning concerned has to be kept in a fund account in liabilities, not withdrawn from the enterprise for 5 years and the sale price has to be collected until the end of the second calendar year following the year of the sale.

**Goodwill**

Purchasing method is applied to recognition of all mergers. Below written stages are applied in the application of the purchasing method:

- a) Identifying the acquiring enterprise,
- b) Determining the cost of merger, and
- c) Distribution of the merger cost to acquired assets and undertaken liabilities as well as contingent liabilities, on the merger date.

Goodwill is the difference between the cost of the partnership acquired or assets purchased on the date of purchasing and the fair values of the net assets (asset for the assets purchased). If the purchasing price is higher than the fair value of the net assets purchased, the difference is recorded as goodwill in the balance sheet. If the purchasing price is lower than the fair value of the net assets purchased, the difference is recorded as merger profit (negative goodwill) in the income statement.

According to the TFRS 3 "Mergers", in cases where the recoverable value of the goodwill is lower than its recorded value and there are issues which can be considered as indicator of impairment in the asset, impairment provision is allocated for the goodwill. The facts that there are significant changes in the activities of the enterprise acquired, that there are significant differences between the prospective estimations made on the purchasing date and actual results, that the product, service or technology of the enterprise acquired is out of use and that there are other issues alike indicating that the asset's recorded value is not recoverable are considered as issues which can be deemed as asset impairment indicators.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Leases**

*Group – As Lessor*

The Group determines whether the agreement is a lease agreement or is an agreement containing a lease transaction, in the beginning of an agreement. In case that the agreement transfers the right to control an asset defined at a price for a certain period of time, this agreement is a lease agreement or contains a lease transaction.

The Group takes into consideration the below written conditions, while evaluating whether an agreement transfers the right to control a defined asset for a period of time:

- The agreement contains a defined asset (defining an asset in the agreement implicitly or explicitly),
- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (in case that the supplier holds a fundamental right to replace the asset during the usage period and derives economic benefit from that, the asset is not defined),
- The Group holds the right to obtain almost all of the economic benefits to be derived from the use of the asset, The Group holds the right to manage the use of the defined asset. The Group holds the right to manage the use of the asset, in case of presence of one of the following cases:
  - a) The Group's holding the right to manage and change the way and purpose of using the asset during the usage period or
  - b) The decisions regarding the way and purpose of using the asset were determined beforehand:
    - i. The Group's holding the right to operate the asset during the usage period (or to direct the others to operate the asset in the way it determined) and the supplier not holding the right to change these operating instructions or
    - ii. The Group's designing the asset (or properties thereof) in the manner to predetermine the way and purpose of using the asset during the usage period.

After the above written considerations, the Group records a right to use asset and a lease liability in its financial statements, on the date when the leasing actually started.

*Right-of-use asset*

The Group measures the right-of-use asset at cost at the commencement date of the lease. The cost of the right-of-use asset includes:

- a) The initial measurement amount of the lease liability,
- b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- c) All initial direct costs incurred by the Group; and
- d) Costs incurred by the Group in restoring the underlying asset to the condition required by the terms and conditions of the lease (excluding costs to produce inventory)

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Leases(Cont'd)**

When applying the group cost method, the right-of-use entity:

- a) Accumulated depreciation and accumulated impairment losses are deducted; and
- b) Measures at cost adjusted for remeasurement of the lease liability.

*Lease liability*

On the date when the leasing actually starts, the Group measures its lease liability over the current value of lease payments not realized on that date. Lease payments are discounted by making use of this rate, in case that the implicit interest rate in leasing can be easily determined, and by making use of the lessee's alternative borrowing interest rate, in case that the implicit interest rate in leasing cannot be easily determined.

The Group's lease payments which are included in the measurement of its lease liability and not realized on the date when leasing actually started consist of the following:

- a) The amount found by deducting any kind of leasing incentive receivables from fixed payments,
- b) The lease payments which is connected to an index or rate and of which first measurement was made by making use of an index or rate on the date when leasing actually started,
- c) In case that the lease period shows that the lessee will use an option to end the leasing, penalty payments regarding ending the lease.

The Group measures the lease liability in the manner specified below, after the date when the leasing actually starts:

- a) Increases the book value in the manner to reflect the interest in the lease obligation,
- b) Decreases the book value in the manner to reflect the lease payments made and
- c) Remeasures the book value in the manner to reflect the revaluations and restructuring, if any. The Group records the remeasurement amount of the lease liability in its financial statements as an adjustment in the usage right asset.

*Extension and early termination options*

Leasing liability is determined by taking into consideration the extension and early termination options in the agreements. A large part of the extension and early termination options within the agreements consist of options which can be jointly applied by the Group and lessee. The Group determines the leasing period, if the concerned extension and early termination options are at the Group's discretion according to the relevant agreement and if the use of the options is reasonably definite by including these in the leasing period. If there is a significant change in the conditions, evaluation made is reviewed by the Group.

*Variable lease payments*

The Group's lease payments arising from a part of the lease agreements consist of variable lease payments. Concerned variable lease payments not in the scope of the TFRS 16 standard are recorded as lease cost in the income statement.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Leases(Cont'd)**

*Facilitating practices*

Short-term lease agreements where the lease period is 12 months or shorter have been evaluated in the scope of the exception recognized by the TFRS 16 Leases Standard, and payments regarding these agreements are continued to be recognized as cost in the period they occurred.

*Group- As Lessor*

All of the Group's leases as lessor are activity leases. In activity leases, leased assets are classified in the balance sheet under the investment properties and tangible fixed assets, and lease incomes obtained are recorded in the income statement in equal amounts during the lease period. Lease incomes are recorded in the income statement with the linear method, during the lease period.

**Provisions for Employee Benefits**

Provision for severance allowance refers to the reduced value as of the balance sheet date of the estimated total amount of the possible future liabilities to arise, in case that the Group's employees get retired pursuant to the Turkish Labor Code or that their employment ceases after completion of a one-year employment at least, that they are called for military service or that they die. For reducing the severance allowance liabilities, actuarial valuation method was employed. For this, actuarial assumptions have been made. The most important one among these is the discount rate used in reduction.

The rate to be applied for discounting the benefit obligations (provisions for severance allowance) is determined by considering the market proceeds regarding the high quality corporate notes on the balance sheet date. Because there is no deep market for such notes, the real interest rate was used by considering the market proceeds (combined interest rates) of government bonds (on the balance sheet date). In other words, the interest rate purified from the inflation effect (real interest rate) is used (Note 22).

Within this framework, for the amounts of possible future liabilities to arise, in case that the all employees get retired or that their employment ceases after completion of a one-year employment at least, that they are called for military service or that they die, for financial institutions subject to the labor code, provision for severance allowance was calculated in accordance with the "Turkish Accounting Standard regarding Employee Benefits" (TAS 19) with the actuarial method, and was recognized in the accompanying financial statements.

Assumptions used in calculation of provision for severance allowances were set out in the Note 22.

**Provisions, Contingents Assets and Liabilities**

Provisions are recorded only if the Group has a liability which arose in the past and still continues (legal or structural), if it is possible (highly possible) that the resources generating economic benefit for the enterprise are disposed of and if the amount of the liability can be reliably determined.

In cases where a part or all of the expenses required for fulfilling the liability related to a provision is expected to be compensated by another party, the compensation concerned is recognized in the financial statements. However, it must be highly possible that the compensation concerned will be obtained in case that the enterprise fulfills the liability.

One of the following three methods are used in allocating the provision. The first method is applied, in case that the time value of money is important. When the impairment of money over time becomes important, provisions are recorded in the reduced value on the balance sheet date of the costs which may arise in the future. When reduced value is used, increases to arise in provisions due to lapse of time are recorded as interest cost.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Notes To The Consolidated Financial Statements As At 31 December 2022**

(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Provisions, Contingents Assets and Liabilities**

In provisions where time value of money is important, by assuming that there is no risk and ambiguity in determination of the estimated cash flows, they are reduced by making use of the risk-free discount rate based on the government bonds in the same maturity with the estimated cash flow. The second method is the expected value method. This method is used in case that the provision is related to a large set or to a lot of events, and the liability is estimated by taking into consideration all possible results. The third method is recording the provision in the financial statements by estimating the most possible result to arise, in case that there is a single liability or event.

Liabilities and assets which arise from past events and of which presence can be confirmed with realization or non-realization of one or more future events that are not under the enterprise's control are not recorded in the financial statements, and the explained in the footnotes by being considered as contingent assets, liabilities and commitments (Note 21)

**Finance Incomes / (Expenses) Not Accrued**

Financial incomes/expenses not accrued represent financial incomes and expenses on forward sales and purchases. These incomes and expenses are calculated with the effective interest rate method during the period of sales and purchases on credit, and shown under the other incomes and expenses from main activities.

**Earnings Per Share**

Earnings per share is calculated by dividing the portion of the consolidated net profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares during the period. The weighted average of the number of shares in circulation during the period is calculated by considering the shares (bonus) issued without creating an increase in resources.

**Financial risk management**

Collection Risk :

The Group's collection risk is generally due to its trade receivables. Trade receivables are evaluated in the light of market conditions with the past experiences by the Group management, and provision for doubtful receivables is allocated at a suitable rate. Provision for doubtful receivables arisen until the report date has been allocated (Note 39).

Exchange Rate Risk:

Exchange rate risk arises from the change in the value of a financial instrument due to the change in the exchange rate. Balances of the Group's transactions in foreign currency arising from its operation, investment and financial activities are set out in the Note 39.

Liquidity risk

Liquidity risk represents the risk of encountering difficulties in obtaining funds to fulfill its commitments related to the financial instruments. The Group manages its liquidity risk by balancing the distribution of its assets and liabilities by maturity (Note 39).

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Notes To The Consolidated Financial Statements As At 31 December 2022**

(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Effect of the Exchange Rate Change**

The Group's currency was presented in Turkish Lira ("TRY"). The Group takes as basis the exchange rates applicable on the transaction date, when recording in the functional currency the transactions made in foreign currency (the other currencies than the relevant enterprise's functional currency). Monetary assets and liabilities in foreign currency are valued with the exchange rates valid on the balance sheet date, and the exchange rate difference incomes or expenses are recorded in the income statement in the relevant period. All monetary assets and liabilities are converted with the period-end exchange rate, and the exchange rate differences concerned have been recorded in the income statement. Non-monetary assets and liabilities which are measured with the cost values thereof are converted into the functional currency at the exchange rates on the first transaction date. Non-monetary items which are in foreign currency and measured over their fair values are converted to the functional currency at the exchanges rate valid on the date of determining the fair value.

**Dividend**

Dividend receivables are recorded as revenue in the period they are declared. Dividend debts are reflected on the financial statements as liability in the period when they are declared as an element of the profit distribution.

**Paid-in Capital**

Ordinary share certificates are classified as equity. Costs associated with the new share issue are shown in the equities by being deducted from the amount collected with reduced tax effect.

**Events Subsequent to the Balance Sheet Date**

It refers to the events occurred in favor of or against the enterprise between the balance sheet date and the date of authorization for the balance sheet publication. In case that there are new evidences for presence of the events concerned as of the balance sheet date pursuant to the provision of the TAS 10 or the events concerned occurred after the balance sheet date and if these events require issuance of the financial statements, the Group adjusts its financial statements according to the new situation. If the events concerned do not require adjustment of the financial statements, the Group explains the issues concerned in the relevant footnotes (Note 41).

**Government Incentives and grants-in-aid**

Government donations are recorded at their fair values, when there is a reasonable assurance that the donations will be received and meet the conditions that the Group is obliged to comply with. Government donations and incentives related to costs are consistently recognized as income during the relevant periods when they match with the costs they are to cover.

**Reporting financial information according to segments**

Activity segments are evaluated in parallel with the internal reports presented to the bodies or persons authorized to make decisions regarding the Group's activities and with the strategic segments.

For the purpose of making resolutions regarding the resourced to be allocated to the segments concerned and of evaluating the segments' performance, the bodies or persons authorized to make decisions regarding the Group's activities are defined as the Group's high level executives.

When it is taken into consideration that the legislations and laws affecting the Group's activities are the same, in line with the provisions in the TFRS 8 "Activity Segments", the Group has only one activity segment which can be reported, and the relevant financial information was not reported according to the activity segment.



**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 2 – Basis Of Presentation Of Consolidated Financial Statements(Cont'd)**

**C. Summary of Significant Accounting Policies(Cont'd)**

**Cash Flow Statement**

With respect to the cash flow statement, cash covers the cash and current deposit in the enterprise. Cash and cash equivalents are investments of which amounts can be easily converted into cash, which are short-term and have high liquidity and risk of change in whose value is insignificant. Cash equivalents are the assets held for short-term cash liabilities and not used for investment purpose or other purposes. For an asset to be accepted as cash equivalent, it can be converted into a cash whose value can be easily determined and risk of change in its value must be insignificant. Accordingly, investments with a maturity of 3 months or less are accepted as cash equivalent. Investments made in securities representing the equity are not accepted as cash equivalent, unless they have cash equivalents (for example preferred shares that are acquired short before its maturity and that have a certain redemption date).

The Group issues its cash flow statements in order to provide financial statement users with information on its ability to direct the changes in its net assets, its financial structure and amount and timing of its cash flows according to the changed conditions.

In the cash flow statement, cash flows for the period are reported by being classified based on their operating, investment and financing activities. Cash flows from operating activities show the cash flows arising from the issues in the Group's field of activities. Cash flows from investment activities express cash flows used and obtained by the Group in the investment activities (fixed investments and financial investments). Cash flows relating to financing activities express sources used by the Group for its financing activities and repayments thereof.

**D. Sources of Critical Accounting Assessments, Estimates and Assumptions as well as Ambiguities**

Preparation of the financial statements requires explanation of the amounts of the assets and liabilities reported as of the balance sheet date, of the contingent assets and liabilities and the use of estimations and assumptions which may affect the amounts of incomes and costs reported during the accounting period. Accounting assessments, estimations and assumptions are constantly evaluated by taking into consideration past experiences, the other factors as well as expectations about the current conditions and future events. These estimations and assumptions may be different from the actual results and assumptions, despite the fact that they depend on the management's best knowledge of the current events and transactions.

The significant estimations and assumptions used by the Group when preparing its financial statements are given in the footnotes below:

Note 2/D	Determination of the fair values
Note 36/B:	Deferred tax assets and liabilities
Note 22	Provision for severance allowance
Note 2/D,17,18,19	Useful lives of investment property, tangible and intangible assets
Note 10 and 39/E	Provision for impairment of trade receivables
Note 13	Provision for impairment of inventories
Note 7	Financial investments value increases / impairment provisions

On the balance sheet date, sources of the assumptions which bear a certain risk to lead to significant adjustments of the assets and liabilities in the future reporting period and which are related to the following period and of the calculation ambiguity are explained below.

- Deferred tax is recorded, in case that occurrence of taxable income in the following years is determined to be possible. In cases where it is possible that taxable income occurs, deferred tax asset is calculated over the carried and unused accumulated losses as well as any kind of deductible temporary differences (Note 36). The Group reviewed its carried tax losses as of 31 December 2019.
- During determination of the useful lives, determination of the provision for doubtful trade receivable (Notes 10 and 39) and calculation of the provision for severance allowance (Note 22), the management used some assumptions and anticipations.

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Notes To The Consolidated Financial Statements As At 31 December 2022**

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**Note 3– Enterprise Mergers**

Current Period: None (Previous Period: None).

**Note 4 – Shares in Other Enterprises**

The Group has joined in Kontrolmatik Enerji ve Müh. A.Ş and Skysens Tek. A.Ş Joint Venture (IOT) on 04.09.2018 (in its establishment) by %50 .

Beside this, the Group has joined in Kontrolmatij Enerji ve Müh. A.Ş and Skysens Tek. A.Ş Joint Venture (SAY) at the rate of 50% on 10.10.2018 (establishment date).

Beside this, the Group has joined in Plan S Uydu ve Uzay Teknolojileri A.Ş at the rate of 25% on 06.07.2021 (establishment date).

The Group has participated in MİNT Elektrik Araç Teknolojileri A.Ş. by 40% on 22.06.2022 (at its establishment).

Group, Kontrolmatik Enerji ve Müh. A.Ş and Siterm Isı Sanayi A.Ş Joint Venture (in its establishment) by 50%.

**Note 5 - Reporting According to the Activity Sections**

The Group has a single reportable activity segment, and accordingly, the financial information was not reported by the activity segments. The Group carried out its activities within the same geographical region and therefore, reporting was not made according to geographical regions.

**Note 6 – Cash and Cash Equivalents**

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Cash</b>	<b>716.537</b>	<b>241.269</b>
<b>Banks</b>	<b>860.385.155</b>	<b>76.907.727</b>
Current Deposits	659.153.050	60.349.498
- Unblocked	658.835.847	60.349.498
- Turkish Lira	26.001.890	920.215
- Foreign Currency	632.833.957	59.429.283
- Blocked	317.203	-
- Turkish Lira	317.203	-
Time Deposits	201.232.105	16.558.229
- Unblocked	189.473.105	11.124.960
- Turkish Lira	189.473.105	9.592.149
- Foreign Currency	-	1.532.811
- Blocked	11.759.000	5.433.269
- Turkish Lira	11.759.000	-
-Foreign Currency	-	5.433.269
<b>Short-term Bills, Bonds and Liquid Funds</b>	<b>320.995.534</b>	<b>-</b>
<b>TOTAL</b>	<b>1.182.097.226</b>	<b>77.148.996</b>

Some of the time deposits of the Group are blocked due to the loans used and the letters of guarantee received from the banks. As of 31.12.2022, the interest rate of time deposits in TRY is between 5.75% and 22%. There are no time deposits in USD and no time deposits in EURO. (31.12.2021: The interest rate of time deposits in TRY ranges from 15.50% to 17.50%, interest rates of time deposits in USD are 1.02%, and interest rates of time deposits in EURO are 0.30%).

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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**Note 7 – Financial Investments**

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Assets recorded at fair value in other comprehensive income</b>	<b>134.898.212</b>	<b>40.979.100</b>
- Share certificates (*)	25.900.195	5.312.145
- Provision for increase/decrease in value of share certificates (*)	44.314.397	35.666.955
- Currency/Gold Conversion Currency/Price Protected TRY Deposit Accounts	43.880.298	-
- Blocked Foreign Currency/Gold Conversion Currency/Price Protected TRY Deposit Accounts	20.803.322	-
<b>Total Short Term Financial Investments</b>	<b>134.898.212</b>	<b>40.979.100</b>
<b>Available-for-sale financial assets</b>	<b>7.113.162</b>	<b>2.109.175</b>
Fc Kontrolmatik Toshkent Llc(**)	-	760.913
Kontrolmatik Libya branch	968.950	706.100
Llc Controlmaticrus	1.167.660	432.575
Kontrolmatik Cameroun	301.977	209.587
Kontrolmatik Technologies Inc.	4.674.575	-
<b>Total Long Term Financial Investments</b>	<b>7.113.162</b>	<b>2.109.175</b>

(\*) All of the Group's equity investments consist of equity shares other than its own shares traded on Borsa Istanbul. The fair value of the Group's listed equity investments at fair value through other comprehensive income is determined by using the best bid price at BIST at the balance sheet date.

(\*\*)As of 31.12.2022 reporting period, the Group has included its 100% subsidiary "FC Kontrolmatik Toshkent LLC" in its financial statements by full consolidation method.

**Note 8 - Borrowings**

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Short Term Borrowings</b>	<b>389.504.408</b>	<b>178.879.989</b>
Bank loans	389.504.408	178.879.989
<b>Short-term portion of long-term borrowings</b>	<b>100.948.567</b>	<b>42.513.594</b>
Bank loans	99.201.975	41.401.873
Finance lease payables	1.746.592	1.111.721
<b>Long Term Borrowings</b>	<b>688.028.518</b>	<b>67.400.739</b>
Bank Loans	686.530.490	65.515.876
Finance lease payables	1.498.028	1.884.863

**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
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(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Note 8 - Borrowings (Continued)**

**Details of Bank Loans:**

31.12.2022	Currency	Interest Rate Applied (%)		Maturity	Amount in TRY
		Min (%)	Max (%)		
Short Term Borrowings	TRY	18,43%	21,95%	Revolving loans	173.712.806
				3 Months	14.838.220
	TRY	18,43%	21,95%	3-12 Months	41.718.400
	EURO	2,82%	8,66%	3 Months	53.255.155
	EURO	2,82%	8,66%	3-12 Months	92.320.140
	USD	3,18%	8,71%	3 Months	7.468.144
	USD	3,18%	8,71%	3-12 Months	6.191.543
				<b>389.504.408</b>	
Short-term portion of long-term borrowings	TRY	7,61%	29,82%	3 Months	6.342.300
				3-12 Months	23.441.709
	EURO	2,57%	8,58%	3 Months	20.280.929
	EURO	2,57%	8,58%	3-12 Months	49.056.051
	USD	6,66%	6,66%	3 Months	80.986
	USD	6,66%	6,66%	3-12 Months	-
					<b>99.201.975</b>
Long Term Borrowings	TRY	7,61%	29,82%	1-10 years	597.524.291
	EURO	2,57%	8,58%	1-10 years	83.011.959
	USD	6,66%	6,66%	1-10 years	5.994.240
				<b>686.530.490</b>	

31.12.2021	Currency	Interest Rate (%)		Maturity	Amount in TRY
		Min (%)	Max (%)		
Short Term Borrowings	TRY	11,64%	23,25%	Revolving Loans	107.317.853
				3 Months	1.256.770
	TRY	11,64%	23,25%	3-12 Months	363.786
	EURO	0,90%	3,60%	3 Months	42.152.542
	EURO	0,90%	3,60%	3-12 Months	27.524.389
	USD	3,60%	3,60%	3 Months	264.649
	USD	0,00%	0,00%	3-12 Months	-
				<b>178.879.989</b>	
Short-term portion of long-term borrowings	TRY	7,56%	21,00%	3 Months	1.181.835
				3-12 Months	4.499.400
	AVRO	2,50%	3,24%	3 Months	8.073.094
	AVRO	2,50%	4,50%	3-12 Months	27.647.544
	USD	0,00%	0,00%	3 Months	-
	USD	0,00%	0,00%	3-12 Months	-
					<b>41.401.873</b>
Long Term Borrowings	TRY	7,56%	21,00%	1-10 years	17.418.027
	AVRO	2,50%	4,50%	1-10 years	43.945.049
	USD	6,12%	6,12%	1-10 years	4.152.800
				<b>65.515.876</b>	

Interest rate of TRY denominated revolving loans is between 13,42% - 21,95%, interest rate of USD denominated revolving loans is between 3,18% - 8,66%, interest rate of EUR denominated revolving loans is between 2,82% - 8,66%. (31.12.2021: Interest rate of TRY denominated revolving loans is between 12,00% - 29,75%, interest rate of USD denominated revolving loans is 2,50%, interest rate of EUR denominated revolving loans is between 0,90% - 6,45%).

As at 31.12.2022, revolving loans consist of TRY 74.058.757, USD 2.488.330 and EUR 2.665.000. As of 31.12.2022, total TRY equivalent of revolving loans is TRY 173.712.806.

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**Note 8 - Borrowings (Continued)**

**Details of bank borrowings: (Continued)**

As of 31.12.2022 and 31.12.2021, the maturity analysis of bank borrowings is as follows

	<b>31.12.2022</b>	<b>31.12.2021</b>
Revolving loans	173.712.806	107.317.853
up to 3 months	102.265.734	52.928.890
up to 3-12 months	212.727.843	60.035.119
1 to 10 years	686.530.490	65.515.876
	<b>1.175.236.873</b>	<b>285.797.738</b>

As of 31.12.2022 and 31.12.2021, the repayment schedule of long-term bank borrowings is as follows

<b>Yıl</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
2023	-	29.046.543
2024	162.156.731	11.969.586
2025	84.060.438	12.747.023
2026	81.252.800	11.752.724
2027	76.495.697	-
2028	60.835.935	-
2029 and after	221.728.889	-
<b>TOPLAM</b>	<b>686.530.490</b>	<b>65.515.876</b>

**Details of Financial Lease Payables:**

<b>31.12.2022</b>	<b>Currency</b>	<b>Maturity</b>	<b>Currency in TRY</b>
Short Term Portion of Long Term Finance Lease Payables	TRY	up to 3 months	31.756
	TRY	up to 3-12 months	115.960
	EUR	up to 3 months	391.132
	EUR	up to 3-12 months	1.207.744
	USD	up to 3 months	-
	USD	up to 3-12 months	-
			<b>1.746.592</b>
Long Term Financial Lease Payables	TRY	1 to 5 years	537.731
	EUR	1 to 5 years	960.297
	USD	1 to 5 years	-
			<b>1.498.028</b>

<b>31.12.2021</b>	<b>Currency</b>	<b>Maturity</b>	<b>Currency in TRY</b>
Short Term Portion of Long Term Finance Lease Payables	EUR	up to 3 months	271.961
	EUR	up to 3-12 months	839.760
			<b>1.111.721</b>
Long Term Financial Lease Payables	EUR	1 to 5 years	1.884.863
			<b>1.884.863</b>

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**Note 8 - Borrowings (Continued)**

**Details of finance lease payables: (Continued)**

As of 31.12.2022, the maturity analysis of financial lease payables is presented below:

	<b>31.12.2022</b>	<b>31.12.2021</b>
up to 3 months	422.888	271.961
up to 3-12 months	1.323.704	839.760
1 to 5 years	1.498.028	1.884.863
<b>TOTAL</b>	<b>3.244.620</b>	<b>2.996.584</b>

As of 31.12.2022, the repayment schedule of long term finance lease payables is as follows

<b>Year</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
2023	-	1.177.592
2024	1.498.028	707.271
<b>TOTAL</b>	<b>1.498.028</b>	<b>1.884.863</b>

**Note 9 - Right of Use Assets and Liabilities Arising from Lease Transactions**

**Right of Use Assets**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Opening balance at the beginning of the period	788.294	-
Net inflows / outflows during the period	1.076.810	909.570
Period depreciation (Note 30)	(676.435)	(121.276)
Closing balance at the end of the period	<b>1.188.669</b>	<b>788.294</b>

	<b>31.12.2022</b>	<b>31.12.2021</b>
Payables from Leasing Transactions	<b>1.417.703</b>	<b>720.467</b>
Short Term	564.333	179.650
Long Term	853.370	540.817

	<b>31.12.2022</b>	<b>31.12.2021</b>
Opening balance at the beginning of the period	720.467	-
Net increase/decrease in lease liabilities for the period	873.434	909.570
Operating lease payments during the period	(503.664)	(280.000)
Interest expense for the period (Note 33)	327.466	90.897
Closing balance at the end of the period	<b>1.417.703</b>	<b>720.467</b>

**Note 10 - Trade Receivables and Payables**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade receivables from related parties (*)	<b>12.913.948</b>	<b>6.768.495</b>
- Buyers	12.913.948	6.787.995
- Rediscount on trade receivables (-)	-	(19.500)
Trade receivables from third parties	<b>822.445.455</b>	<b>387.025.660</b>
- Buyers	830.531.098	371.662.237
- Post-dated cheques and notes receivable	12.426.170	20.521.354
- Doubtful trade receivables	31.228.578	14.088.518
- Rediscount on trade receivables (-)	(20.511.813)	(7.254.466)
- Provision for doubtful trade receivables (-)	(31.228.578)	(11.991.983)
Total Trade Receivables (Short Term)	<b>835.359.403</b>	<b>393.794.155</b>
Total Trade Receivables (Long Term)	-	-

(\*) Details are explained in Note 38.

The average maturity of the Group's trade receivables as of 31.12.2022 is 120-150 days (31.12.2021: 137 days).

Aging analysis and provisions for overdue receivables for which no provision for impairment is recognised and overdue receivables for which provision for impairment is recognised are disclosed in Note 39-E.

As of 31.12.2022 and 31.12.2021, the maturity analysis of trade receivables (net) that are not overdue is presented in Note 39-E.

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**Note 10 - Trade Receivables and Payables (Continued)**

As of 31.12.2022 and 31.12.2021, the maturity analysis of trade receivables (net) is presented in Note 39-E.  
The movement of provision for doubtful trade receivables is as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
Balance as of 01 January	<b>(11.991.983)</b>	<b>(4.849.775)</b>
Provision for doubtful trade receivables (Note 30)	(19.236.595)	(7.142.208)
Balance at the end of the period	<b>(31.228.578)</b>	<b>(11.991.983)</b>

	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade payables to related parties (*)	<b>6.031.092</b>	<b>339.961</b>
- Sellers	6.358.717	352.776
- Rediscount on trade payables (-)	(327.625)	(12.815)
Trade payables to third parties	<b>467.458.287</b>	<b>157.478.543</b>
- Sellers	282.273.561	69.685.068
- Post-dated cheques and promissory notes	196.747.961	91.004.302
- Rediscount on trade payables (-)	(11.563.235)	(3.210.827)
Total Trade Payables (Short Term)	<b>473.489.379</b>	<b>157.818.504</b>
Total Trade Payables (Long Term)	-	-

(\*) Details are explained in Note 38.

The average maturity of the Group's trade payables as of 31.12.2022 is 60-90 days (31.12.2021: 86 days).

**Note 11 - Other receivables and payables**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Other receivables from related parties (*)	<b>29.627.502</b>	<b>11.746.915</b>
- Other receivables from related parties	29.627.502	11.746.915
Other receivables from third parties	<b>51.041.129</b>	<b>24.561.033</b>
- Deposits and guarantees given	40.282.180	17.548.524
- Receivables from the tax office	9.559.758	6.806.072
- Receivables from staff	14.715	9.896
- Other receivables	1.184.476	767.554
- Provision for doubtful trade receivables (-)	-	(571.013)
Other Receivables (Short Term)	<b>80.668.631</b>	<b>36.307.948</b>
Other Receivables (Long Term)	-	-

(\*) Details are explained in Note 38.

	<b>31.12.2022</b>	<b>31.12.2021</b>
Other payables to related parties (Short Term)(*)	-	<b>2.130.540</b>
- Due to shareholders(**)	-	2.130.540
Other payables to related parties (Long Term)(*)	<b>1.201.854.561</b>	-
- Due to shareholders(**)	1.201.854.561	-
Other payables to third parties (Short Term)	<b>5.411.456</b>	<b>2.318.724</b>
- Deposits and guarantees received	5.181.609	2.203.158
- Other miscellaneous payables	229.847	115.566
Other Payables (Short Term)	<b>5.411.456</b>	<b>4.449.264</b>
Other Payables (Long Term)	<b>1.201.854.561</b>	-

(\*) Details are disclosed in Note 38.

(\*\*)Due to shareholders arises from payables to Sami Aslanhan and Ömer Ünsalan, shareholders of the Company.

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**Note 12 - Receivables and Payables from Finance Sector Operations**

**Current Period: None (Prior period: None).**

**Note 13 - Inventories**

	<b>31.12.2022</b>	<b>31.12.2021</b>
First Material Supplies	8.382.846	-
Semi-finished	21.472.891	-
Commodity	386.939.923	136.254.870
Provision for impairment of inventories (-)	(8.487.635)	(2.263.441)
Other Inventories	459.323	-
<b>TOTAL</b>	<b>408.767.348</b>	<b>133.991.429</b>

The movement of provision for impairment on inventories is as follows

	<b>31.12.2022</b>	<b>31.12.2021</b>
Balance as of 01 January	<b>(2.263.441)</b>	<b>(2.052.936)</b>
Provision for impairment/ cancellation of inventories (Net)	(6.224.194)	(210.505)
Balance at the end of the period	<b>(8.487.635)</b>	<b>(2.263.441)</b>

**Note 14 - Live Assets**

**Current Period: None (Prior period: None).**

**Note 15 - Receivables and Liabilities from Customer Contracts**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Receivables arising from customer contracts	33.228.406	4.097.012
Obligations arising from customer contracts	(38.234.757)	(2.046.799)
Total net receivables / payables	<b>(5.006.351)</b>	<b>2.050.213</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
Realised		
Cost	110.952.328	16.101.250
Progress Payment	137.586.941	16.732.231
End of business forecast		
Cost	410.518.786	18.243.359
Progress Payment	492.364.186	21.595.273
	<b>31.12.2022</b>	<b>31.12.2021</b>
Revenue according to TFRS (A)	132.580.590	18.782.444
Realised cost (B)	(110.952.328)	(16.101.250)
Profit/loss according to TFRS (C=A+B)	21.628.262	2.681.194
Progress payments received (D)	137.586.941	16.732.231
Total net customer contract receivables / payables (E=A-D)	<b>(5.006.351)</b>	<b>2.050.213</b>



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**Note 16 - Investments accounted for using the equity method**

Group, Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. Joint Venture (IOT) on 04.09.2018 (at its establishment) by 50%.

The Group, Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. Joint Venture (SAY) on 10.10.2018 (in its establishment) by 50%.

The Group has participated in Plan S Uydu ve Uzay Teknolojileri A.Ş. by 25% on 06.07.2021 (in its establishment).

The Group has participated in MINT Elektrik Araç Teknolojileri A.Ş. by 40% on 22.06.2022 (in its establishment).

The Group has indirectly participated in Teknovus Şarj Teknolojileri A.Ş., a 100% subsidiary of MİNT Elektrik Araç Teknolojileri A.Ş., by 40%.

The Group has indirectly participated in Kontrolmatik Tek.Ene. ve Müh. A.Ş. and Siterm Isı San. A.Ş. and Siterm Isı San. A.Ş. İş Ort (SİTERM).

Associates (Equity method)	01.01-31.12.2022			31.12.2022
	Effective Share %	Subsidiary Amount	Provision for impairment/ Value increases	Net Value
Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. Business Partner (IOT)	50	5.000	34.106	-
Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. Business Partner (SAY)	50	5.000	32.721	-
Plan S Satellite and Space Technologies Inc.	25	37.500.000	(698.776)	36.656.700
MINT Electric Vehicle Technologies Inc.	40	8.000.000	373.143	8.373.143
Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. and Siterm Isı Sanayi A.Ş.(*)	50	-	-	-
<b>TOTAL</b>		<b>45.510.000</b>	<b>(258.806)</b>	<b>45.029.843</b>

Associates (Equity method)	01.01-31.12.2021			31.12.2021
	Effective Share %	Subsidiary Amount	Provision for impairment	Net Value
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	(17.017)	(34.106)
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	3.900	(32.721)
Plan S Uydu ve Uzay Teknolojileri A.Ş.	25	5.000.000	(144.524)	4.855.476
<b>TOTAL</b>		<b>5.010.000</b>	<b>(157.641)</b>	<b>4.788.649</b>

Subsidiaries	31.12.2022	31.12.2021
Opening at the beginning of the term	<b>4.788.649</b>	<b>(53.710)</b>
Subsidiary inflows/outflows during the period	40.500.000	5.000.000
Profit/Loss for the Period	(258.806)	(157.641)
Period End Closing	<b>45.029.843</b>	<b>4.788.649</b>

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**Note 17 - Investment Properties**

**01.01-31.12.2022**

	<b>01.01.2022</b>	<b>Additions</b>	<b>Value Increase</b>	<b>Disposals</b>	<b>31.12.2022</b>
Cost					
Land and land plots	41.723.880	6.969.600	32.407.952	(472.680)	80.628.752
Buildings	4.680.914	-	4.307.448	(463.320)	8.525.042
<b>Total</b>	<b>46.404.794</b>	<b>6.969.600</b>	<b>36.715.400</b>	<b>(936.000)</b>	<b>89.153.794</b>
Less Accumulated Amortisation					
Buildings	(30.794)	-	-	-	(30.794)
<b>Total</b>	<b>(30.794)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30.794)</b>
<b>Investment Properties, net</b>	<b>46.374.000</b>	<b>6.969.600</b>	<b>36.715.400</b>	<b>(936.000)</b>	<b>89.123.000</b>

**01.01-31.12.2021**

	<b>01.01.2021</b>	<b>Additions</b>	<b>Value Increase</b>		<b>31.12.2021</b>
Cost					
Land and land plots	20.725.450	-	20.998.430		41.723.880
Buildings	2.487.344	-	2.193.570		4.680.914
<b>Total</b>	<b>23.212.794</b>	<b>-</b>	<b>23.192.000</b>		<b>46.404.794</b>
Less Accumulated Amortisation					
Buildings	(30.794)	-	-		(30.794)
<b>Total</b>	<b>(30.794)</b>	<b>-</b>	<b>-</b>		<b>(30.794)</b>
<b>Investment Properties, net</b>	<b>23.182.000</b>	<b>-</b>	<b>23.192.000</b>		<b>46.374.000</b>

The fair values of the Group's investment properties listed below have been determined by Emek Taşınmaz Değerleme ve Danışmanlık A.Ş., a valuation company independent from the Group. The valuation company has determined the values in the valuation reports dated 31.12.2022 by using Peer Comparison and Income Reduction Methods

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**Note 17 - Investment Properties(Continued)**

Description	Date of Purchase	31.12.2022			31.12.2021			2022	
		Book Value		TOTAL	Book Value		TOTAL	DAF	DDK
		Land Share	Building Share		Land Share	Building Share			
Kırklareli province Kofçaz district - Field	28.12.2016	116.000	-	116.000	52.000	-	52.000	64.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	57.000	-	57.000	23.000	-	23.000	34.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	68.000	-	68.000	27.000	-	27.000	41.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	206.000	-	206.000	105.000	-	105.000	101.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	428.000	-	428.000	204.000	-	204.000	224.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	10.000	-	10.000	4.000	-	4.000	6.000	-
Kırklareli province Kofçaz district - Field	28.12.2016	43.000	-	43.000	17.000	-	17.000	26.000	-
Arnavutkoy district of Istanbul province - Field	11.09.2017	1.083.000	-	1.083.000	728.000	-	728.000	355.000	-
Arnavutkoy district of Istanbul province - Field	11.09.2017	276.000	-	276.000	186.000	-	186.000	90.000	-
Arnavutkoy district of Istanbul province - Field (*)	29.01.2018	4.164.000	-	4.164.000	2.800.000	-	2.800.000	1.364.000	-
Kocaeli province Çayirova district - Land	17.01.2019	37.800.000	-	37.800.000	26.250.000	-	26.250.000	11.550.000	-
Gaziosmanpaşa, İstanbul district - Apartment	10.05.2013	-	-	-	472.680	463.320	936.000	-	-
Istanbul Province Silivri District - Land	15.06.2022	2.581.000	-	2.581.000	-	-	-	1.276.000	-
Istanbul Province Silivri District - Land	15.06.2022	3.640.000	-	3.640.000	-	-	-	1.812.100	-
Istanbul Province Silivri District - Land	15.06.2022	7.505.000	-	7.505.000	-	-	-	3.668.300	-
Istanbul Province Silivri District - Land	17.07.2019	3.187.500	562.500	3.750.000	1.407.600	248.400	1.656.000	2.094.000	-
Besiktas district of Istanbul - Apartment	17.07.2019	3.187.500	562.500	3.750.000	1.407.600	248.400	1.656.000	2.094.000	-
Besiktas district of Istanbul - Apartment	16.08.2019	3.117.354	1.382.646	4.500.000	1.461.000	648.000	2.109.000	2.391.000	-
Sakarya province Serdivan district - Shop	2.08.2019	3.705.291	1.644.709	5.350.000	1.735.600	770.400	2.506.000	2.844.000	-
Sakarya province Serdivan district - Shop	16.08.2019	3.199.380	1.365.620	4.565.000	1.484.400	633.600	2.118.000	2.447.000	-
Sakarya province Serdivan district - Shop	17.09.2019	3.998.727	1.707.273	5.706.000	1.855.000	792.000	2.647.000	3.059.000	-
Sakarya province Serdivan district - Apartment	26.09.2019	2.256.000	1.269.000	3.525.000	1.504.000	846.000	2.350.000	1.175.000	-
Ankara province Etimeskut district - Land		<b>80.628.752</b>	<b>8.494.248</b>	<b>89.123.000</b>	<b>41.723.880</b>	<b>4.650.120</b>	<b>46.374.000</b>	<b>36.715.400</b>	-

Description	Purchase Date	31.12.2020			31.12.2019			2020	
		Land Share	Building Share	TOTAL	Land Share	Building Share	TOTAL	DAF	DDK
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	52.000	-	52.000	39.000	-	39.000	13.000	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	23.000	-	23.000	16.000	-	16.000	7.000	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	27.000	-	27.000	20.000	-	20.000	7.000	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	105.000	-	105.000	79.000	-	79.000	26.000	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	204.000	-	204.000	150.000	-	150.000	54.000	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	4.000	-	4.000	2.600	-	2.600	1.400	-
Kırklareli ili Kofçaz ilçesi - Field	28.12.2016	17.000	-	17.000	12.400	-	12.400	4.600	-
İstanbul ili Arnavutköy ilçesi - Field	11.09.2017	728.000	-	728.000	504.000	-	504.000	224.000	-
İstanbul ili Arnavutköy ilçesi - Field	11.09.2017	186.000	-	186.000	129.000	-	129.000	57.000	-
İstanbul ili Arnavutköy ilçesi - Field (*)	29.01.2018	2.800.000	-	2.800.000	1.938.000	-	1.938.000	862.000	-
Kocaeli ili Çayirova ilçesi - Arsa	17.01.2019	26.250.000	-	26.250.000	11.550.000	-	11.550.000	14.700.000	-
İstanbul ili Gaziosmanpaşa ilçesi - Apartment	10.05.2013	472.680	463.320	936.000	315.900	229.100	545.000	391.000	-
İstanbul ili Beşiktaş ilçesi - Apartment	17.07.2019	1.407.600	248.400	1.656.000	679.400	165.600	845.000	811.000	-
İstanbul ili Beşiktaş ilçesi - Apartment	17.07.2019	1.407.600	248.400	1.656.000	679.400	165.600	845.000	811.000	-
Sakarya ili Serdivan ilçesi - Shop	16.08.2019	1.461.000	648.000	2.109.000	680.000	333.000	1.013.000	1.096.000	-
Sakarya ili Serdivan ilçesi - Shop	2.08.2019	1.735.600	770.400	2.506.000	808.100	395.900	1.204.000	1.302.000	-
Sakarya ili Serdivan ilçesi - Shop	16.08.2019	1.484.400	633.600	2.118.000	692.400	325.600	1.018.000	1.100.000	-
Sakarya ili Serdivan ilçesi - Shop	17.09.2019	1.855.000	792.000	2.647.000	865.000	407.000	1.272.000	1.375.000	-
Ankara ili Etimeskut ilçesi - Field	26.09.2019	1.504.000	846.000	2.350.000	1.565.250	434.750	2.000.000	350.000	-
<b>TOPLAM</b>		<b>41.723.880</b>	<b>4.650.120</b>	<b>46.374.000</b>	<b>20.725.450</b>	<b>2.456.550</b>	<b>23.182.000</b>	<b>23.192.000</b>	-

(\*) In the valuation report made in the current period regarding the field in question, it was stated that the indication of litigation in the land registry creates a risk of loss of ownership for the possible buyers of the immovable.

As of 31.12.2022, the Group has mortgage risk on investment properties amounting to TRY 63.895.139 (31.12.2021: TRY 63.800.000 and EUR 6.360.000). These mortgages are also on some properties included in property, plant and equipment and are classified in this section.

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**Note 18 - Property, Plant and Equipment**  
**01.01 -31.12.2022**

	<b>01.01.2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Value increases</b>	<b>31.12.2022</b>
Cost						
Land and land plots	17.839.180	16.084.740	(478.740)	-	29.980.871	63.426.051
Buildings	37.081.511	115.993.077	(469.260)	249.847.167	104.240.456	506.692.951
Machinery, plant and equipment	7.146.349	9.038.340	-	-	-	16.184.689
Vehicles	4.569.786	28.454.401	(2.068.531)	611.137	-	31.566.793
Furniture and fixtures	6.064.017	16.307.458	(614.209)	62.430	-	21.819.696
Special costs	238.417	132.520	-	-	-	370.937
Construction in progress(*)	-	250.520.734	-	(250.520.734)	-	-
<b>Total</b>	<b>72.939.260</b>	<b>436.531.270</b>	<b>(3.630.740)</b>		<b>134.221.327</b>	<b>640.061.117</b>
Less Accumulated Amortisation						
Buildings	(215.691)	-	215.691	-	-	-
Machinery, plant and equipment	(3.214.919)	(1.635.330)	-	-	-	(4.850.249)
Vehicles	(1.384.830)	(2.924.744)	785.016	-	-	(3.524.558)
Furniture and fixtures	(2.101.275)	(2.319.180)	537.719	-	-	(3.882.736)
Special costs	(193.710)	(35.495)	-	-	-	(229.205)
<b>Total</b>	<b>(7.110.425)</b>	<b>(6.914.749)</b>	<b>1.538.426</b>		<b>-</b>	<b>(12.486.748)</b>
<b>Property, Plant and Equipment, net</b>	<b>65.828.835</b>	<b>429.616.521</b>	<b>(2.092.314)</b>		<b>134.221.327</b>	<b>627.574.369</b>

(\*) Although the majority of construction in progress is classified under buildings, the construction of the factory is not completed and consists of Pomega's investments in Polatlı factory.

The fair values of the Group's property, plant and equipment, which are listed below, including the office located in Sarıyer, Istanbul, 2 offices located in Esenler, Istanbul and the factory located in Polatlı, Ankara were determined by Emek Taşınmaz Değerleme ve Danışmanlık A.Ş., an independent valuation company of the Group, on 31.12.2022. The valuation company has determined the values in the valuation reports dated 31.12.2022 by using Peer Comparison and Income Reduction Methods.

<b>Description</b>	<b>Date Of Purchase</b>	<b>31.12.2022</b>		
		<b>Book Value</b>		
		<b>Land Share</b>	<b>Building Share</b>	<b>TOTAL</b>
Sarıyer District of Istanbul Province - Office	8.04.2022	25.029.725	206.548.277	231.578.002
Esenler district of Istanbul - Office	9.09.2013	11.395.163	2.119.837	13.515.000
Esenler district of Istanbul - Office	27.09.2016	11.395.163	2.119.837	13.515.000
Polatlı district of Ankara province - Factory	18.08.2021	15.606.000	295.905.000	311.511.000
<b>TOTAL</b>		<b>63.426.051</b>	<b>506.692.951</b>	<b>570.119.002</b>

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**Note 18 - Property, Plant and Equipment(Continued)**  
**01.01-31.12.2021**

	<b>01.01.2021</b>	<b>Purchases</b>	<b>Disposals</b>	<b>Value Increases</b>	<b>31.12.2021</b>
Cost					
Land and land plots	6.651.820	-	-	11.187.360	17.839.180
Buildings	1.778.209	16.325.000	-	18.978.302	37.081.511
Machinery, plant and equipment	4.055.334	3.091.015	-	-	7.146.349
Vehicles	2.207.728	2.788.020	(425.962)	-	4.569.786
Furniture and fixtures	2.773.386	3.290.631	-	-	6.064.017
Special costs	238.417	-	-	-	238.417
<b>Total</b>	<b>17.704.894</b>	<b>25.494.666</b>	<b>(425.962)</b>	<b>30.165.662</b>	<b>72.939.260</b>
Less Accumulated Amortisation					
Buildings	(215.691)	-	-	-	(215.691)
Machinery, plant and equipment	(2.296.682)	(918.237)	-	-	(3.214.919)
Vehicles	(985.170)	(786.422)	386.762	-	(1.384.830)
Furniture and fixtures	(1.274.015)	(827.260)	-	-	(2.101.275)
Special costs	(167.616)	(26.094)	-	-	(193.710)
<b>Total</b>	<b>(4.939.174)</b>	<b>(2.558.013)</b>	<b>386.762</b>	<b>-</b>	<b>(7.110.425)</b>
<b>Property, Plant and Equipment, net</b>	<b>12.765.720</b>	<b>22.936.653</b>	<b>(39.200)</b>	<b>30.165.662</b>	<b>65.828.835</b>

The fair values of the Group's property, plant and equipment, which are listed in detail below, including the apartment in Gaziosmanpaşa, Istanbul, 2 offices in Esenler, Istanbul, and the building and land shares of the factory in Polatlı, Ankara, were determined by Emek Taşınmaz Değerleme ve Danışmanlık A.Ş., an independent valuation company of the Group, on 31.12.2021. The valuation company has determined the values in the valuation reports dated 31.12.2021 by using Peer Comparison and Income Reduction Methods.

<b>Explanation</b>	<b>Purchase Date</b>	<b>31.12.2021</b>		
		<b>Land Share</b>	<b>Building Share</b>	<b>TOTAL</b>
Gaziosmanpasa district of Istanbul province - Apartment	10.05.2013	478.740	469.260	948.000
Esenler district of Istanbul - Office	9.09.2013	5.483.000	1.020.000	6.503.000
Esenler district of Istanbul - Office	27.09.2016	5.483.000	1.020.000	6.503.000
Polatli district of Ankara province - Factory	18.08.2021	6.394.440	34.356.560	40.751.000
<b>TOTAL</b>		<b>17.839.180</b>	<b>36.865.820</b>	<b>54.705.000</b>

As of 31.12.2022, the Group has mortgage risk on its property, plant and equipment amounting to TL 757.498.000 (31.12.2021: TRY 57.500.000) and pledge risk on its vehicles amounting to TRY 2.072.477 (31.12.2021: TRY 2.580.970).

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**Note 18 - Property, Plant and Equipment(Continued)**

Since property, plant and equipment are not within the scope of qualifying assets as defined in TAS 23 Borrowing Costs, finance costs related to property, plant and equipment are recognised in the income statement and are not capitalised.

The Group does not have any temporarily idle property, plant and equipment.

**Note 19 - Intangible Assets**

**A-) Goodwill:**

	01.01.2022	Purchases	Disposals	Impairment	31.12.2022
Cost					
Goodwill	-	5.954.341	-	-	5.954.341
<b>Total</b>	<b>-</b>	<b>5.954.341</b>	<b>-</b>	<b>-</b>	<b>5.954.341</b>

**Goodwill impairment test**

The Group tests goodwill for impairment annually. The recoverable amounts of cash generating units are determined based on value in use calculations. On 01.07.2022, goodwill arising from the acquisition of ENWAIR was not tested for impairment due to the proximity of the acquisition date to the reporting date. In the following periods, goodwill impairment test will be performed continuously by an institution authorised by CMB over 5-year projections approved by the management. Value in use will be calculated by discounting the cash flows expected to be derived from the continuous use of the unit.

The following assumptions will be used when calculating the value in use in the following years: Net asset value is the amount that would be realised from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. In other words, it is defined as fair value less costs to sell.

The recoverable amount of the Company is the higher of the market values calculated according to the net asset value method or the Discounted Cash Flow (DCF) method. Goodwill impairment is recognised if the recoverable amount of the Company is less than its carrying amount. As a result of these assumptions, there is no goodwill impairment as of 31.12.2022.

**B-) Other Intangible Assets:**

**01.01-31.12.2022**

	01.01.2022	Purchases	Disposals	31.12.2022
Cost				
Rights	24.800	1.828.484	-	1.853.284
Computer software and design centre expenditures	21.428.714	2.417.834	-	23.846.548
Research and development expenses (*)	6.007.026	13.665.780	(33.094)	19.639.712
<b>Total</b>	<b>27.460.540</b>	<b>17.912.098</b>	<b>(33.094)</b>	<b>45.339.544</b>
Less Accumulated Amortisation				
Rights	(5.218)	(61.264)	-	(66.482)
Computer software and design centre expenditures	(4.848.178)	(7.174.506)	-	(12.022.684)
Research and development expenses (*)	-	(934.551)	-	(934.551)
<b>Total</b>	<b>(4.853.396)</b>	<b>(8.170.321)</b>	<b>-</b>	<b>(13.023.717)</b>
<b>Intangible Assets, net</b>	<b>22.607.144</b>	<b>9.741.777</b>	<b>(33.094)</b>	<b>32.315.827</b>

(\*) Research and development expenses incurred by the Company are included, completed projects are depreciated, development costs of incomplete projects are capitalised and not depreciated.

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**Note 19 - Intangible Assets(Continued)**

**01.01-31.12.2021**

	<b>01.01.2021</b>	<b>Purchases</b>	<b>Disposals</b>	<b>31.12.2021</b>
Cost				
Rights	14.000	10.800	-	24.800
Computer software	709.008	20.719.706	-	21.428.714
Research and development expenses (*)		6.007.026	-	6.007.026
<b>Total</b>	<b>723.008</b>	<b>26.737.532</b>	<b>-</b>	<b>27.460.540</b>
Less Accumulated Amortisation				
Rights	(2.883)	(2.335)	-	(5.218)
Computer software	(506.816)	(4.341.362)	-	(4.848.178)
<b>Total</b>	<b>(509.699)</b>	<b>(4.343.697)</b>	<b>-</b>	<b>(4.853.396)</b>
<b>Intangible Assets, net</b>	<b>213.309</b>	<b>22.393.835</b>	<b>-</b>	<b>22.607.144</b>

**Note 20 - Government Grants and Incentives**

Current Period: None (Prior period: None).

**Note 21 - Provisions, Contingent Assets, Contingent Liabilities and Commitments**

Commitments, guarantees, pledges and mortgages given by the Group:

As of 31.12.2022 and 31.12.2021, the tables related to the Group's guarantee, pledge, mortgage and commitment (GPM) position are as follows

**31.12.2022**

<b>GPMs given by the Group</b>	<b>USD</b>	<b>EUR</b>	<b>TRY</b>	<b>TOTAL-TRY</b>
A. Total amount of GPMs given by the Parent Company in favour of its own legal entity	9.282.719	25.055.040	577.668.718	1.250.709.488
B. i. Total amount of GPMs given by the Parent Company in favour of subsidiaries included in full consolidation	-	-	498.890.000	498.890.000
B. ii. Total amount of GPMs given by the subsidiaries included in full consolidation in favour of themselves and each other	-	100.000	499.197.225	501.190.715
B. iii. Total amount of GPMs given in favour of the Parent Company by Subsidiaries included in full consolidation	-	-	-	-
C. Total amount of GPMs given by the Group in order to ensure the debts of other third parties for the purpose of carrying out ordinary business activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
i. Total amount of GPMs given by the Group in favour of the main shareholder	-	-	-	-
ii. Total amount of GPMs given by the Group in favour of other Group companies which are not in the scope of B and C	-	-	-	-
iii. Total GPMs given by the Group in favour of third parties not included in the scope of C	-	-	-	-
<b>Total</b>	<b>9.282.719</b>	<b>25.155.040</b>	<b>1.575.755.943</b>	<b>2.250.790.203</b>
<b>Total Equity of the Group</b>				<b>1.298.880.447</b>
<b>Ratio of other GPMs given by the Group to the Group's equity</b>				<b>-</b>

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**Note 21 - Provisions, Contingent Assets, Contingent Liabilities and Commitments (Continued)**

Commitments, guarantees, pledges and mortgages given by the Group: (Continued)

**31.12.2021**

<b>GPMs given by the Group</b>	<b>USD</b>	<b>EUR</b>	<b>TRY</b>	<b>TOTAL-TRY</b>
A. Total amount of GPMs given by the Parent Company in favour of its own legal entity	7.941.039	19.621.254	159.193.701	550.333.681
B. i. Total amount of GPMs given by the Parent Company in favour of subsidiaries included in full consolidation	-	-	1.453.200	1.453.200
B. ii. Total amount of GPMs given by the subsidiaries included in full consolidation in favour of themselves and each other	-	-	-	-
B. iii. Total amount of GPMs given in favour of the Parent Company by Subsidiaries included in full consolidation	-	-	-	-
C. Total amount of GPMs given by the Group in order to ensure the debts of other third parties for the purpose of carrying out ordinary business activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
i. Total amount of GPMs given by the Group in favour of the main shareholder	-	-	-	-
ii. Total amount of GPMs given by the Group in favour of other Group companies which are not in the scope of B and C	-	-	-	-
iii. Total GPMs given by the Group in favour of third parties not included in the scope of C	-	-	-	-
<b>Total</b>	<b>7.941.039</b>	<b>19.621.254</b>	<b>160.646.901</b>	<b>551.786.881</b>
Total Equity of the Group				<b>286.399.809</b>
Ratio of other GPMs given by the Group to the Group's equity				-

The details of the Group's contingent assets, liabilities and commitments (CPM) risk presented in the table above as of 31.12.2022 and 31.12.2021 are as follows:

**31.12.2022**

<b>GPM Type</b>	<b>TRY</b>	<b>USD</b>	<b>EURO</b>
Mortgages granted	821.393.139	-	-
Letters of guarantee given	220.520.801	9.142.719	25.155.040
Letters of Credit	-	140.000	-
Sureties	498.890.000	-	-
Blocked deposits	32.879.526	-	-
Vehicle pawns issued	2.072.477	-	-
<b>GPM Total</b>	<b>1.575.755.943</b>	<b>9.282.719</b>	<b>25.155.040</b>

**31.12.2021**

<b>GPM Type</b>	<b>TRY</b>	<b>USD</b>	<b>EURO</b>
Mortgages granted	121.300.000	-	6.360.000
Letters of guarantee given	36.765.931	7.941.039	12.891.253
Blocked deposits	-	-	370.001
Vehicle pawns issued	2.580.970	-	-
<b>GPM Total</b>	<b>160.646.901</b>	<b>7.941.039</b>	<b>19.621.254</b>

**Provisions**

**The movement of provisions for litigation is as follows**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Provision as of 1 January	<b>46.018</b>	<b>49.277</b>
Provisions recognised during the period (Note 31)	-	46.018
Provisions not recognised (Note 31)	(18.618)	(49.277)
Balance at the end of the period	<b>27.400</b>	<b>46.018</b>



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**Note 21 - Provisions, Contingent Assets, Contingent Liabilities and Commitments (Continued)**

Information on lawsuits and execution proceedings filed by/against the Group:

Provision for litigation amounting to TRY 27.400 (prior period: TRY 46.018) has been provided as of the balance sheet date in case of loss of the ongoing lawsuits filed against the Group.

The Group's ongoing lawsuits and execution proceedings against or in favour of the Group as of the balance sheet date are as follows:

<b>Ongoing Litigation and Execution Proceedings</b>	<b>31.12.2022</b>		<b>31.12.2021</b>	
	<b>AMOUNT</b>	<b>COST</b>	<b>AMOUNT</b>	<b>COST</b>
Ongoing lawsuits filed by the Group	8	675.198	5	963.332
Ongoing enforcement proceedings in favour of the Group	6	357.252	6	357.252
Ongoing lawsuits against the Group	3	27.400	4	245.438

**Note 22 - Employee Benefits and Employee Benefit Payables**

	<b>31.12.2022</b>	<b>31.12.2021</b>
Payables to personnel	7.862.453	2.112.586
Social security deductions payable	5.934.874	816.534
<b>Employee Benefit Payables</b>	<b>13.797.327</b>	<b>2.929.120</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
Provision for Employment Termination Benefits	2.672.897	1.248.281
Unused Leave Liabilities	2.678.165	1.224.037

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). The amount payable is equal to one month's salary limited to a maximum of TRY 19,983 (31.12.2021: TRY 8,285) for each year of service, which is determined as the seniority ceiling for 01.01.2023 and beyond.

Since there is no obligation to set aside a fund, no fund has been set aside for the liability.

Provision for employment termination benefits represents the probable obligation of the Group arising from the retirement of the employees,

The value at the balance sheet date has been estimated.

TAS 19 Employee Benefits requires actuarial valuation methods to be used to estimate the enterprise's obligation under defined benefit plans. Accordingly, actuarial assumptions and existing legal requirements are used in the calculation of the total liability for each company.

	<b>31.12.2022</b>	<b>31.12.2021</b>
Discount rate	2,55%	1,83%
Severance pay non-payment rate	5%	6%

The movement of provisions for employment termination benefits is as follows

	<b>31.12.2022</b>	<b>31.12.2021</b>
Provision as of 1 January	<b>1.248.281</b>	<b>854.035</b>
Provision for employment termination benefits	1.526.021	363.052
Payments and provisions	(416.700)	(109.099)
Actuarial gain/loss fund from pension plans	315.295	140.293
<b>Balance at the end of the period</b>	<b>2.672.897</b>	<b>1.248.281</b>

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**Note 22 - Employee Benefits and Employee Benefit Payables (Continued)**

The movement of vacation pay liability is as follows

	31.12.2022	31.12.2021
Provision as of 1 January	1.224.037	649.258
Provisions recognised during the period	1.454.128	574.779
Balance at the end of the period	2.678.165	1.224.037

**Note 23 - Pension Plans**

There are no regulations for pension commitments other than the legal regulations explained in Note 22.

**Note 24 - Prepaid Expenses and Deferred Income**

	31.12.2022	31.12.2021
Prepaid expenses to related parties (*)	4.501.579	415.487
- Order advances given	4.389.224	403.093
- Work advances	112.355	12.394
Prepaid expenses to third parties	402.467.078	71.569.182
- Order advances given	400.197.041	68.205.825
- Expenses for the coming months	578.830	1.725.333
- Work advances	1.691.207	1.638.024
Prepaid Expenses (Classified under Current Assets)	406.968.657	71.984.669

(\*) Details are explained in Note 38.

	31.12.2022	31.12.2021
Prepaid expenses to third parties	292.324.509	11.575.852
- Expenses for future years	5.484.822	47.670
- Order advances given	286.839.687	11.528.182
Prepaid Expenses (Classified in Non-Current Assets)	292.324.509	11.575.852

	31.12.2022	31.12.2021
Deferred income from related parties	9.749.987	-
- Order advances received(*)	9.749.987	-
Deferred income from third parties	72.586.742	175.210.959
-Order Advances Received	72.586.742	175.210.959
Deferred Income Excluding Liabilities Arising from Customer Contracts (Short Term)	82.336.729	175.210.959
Deferred Income Excluding Liabilities Arising from Customer Contracts (Long Term)	-	-

(\*) Details are explained in Note 38.

**Note 25 - Assets Related to Current Period Tax.**

	31.12.2022	31.12.2021
Prepaid taxes and funds (short term)	7.423	-
Prepaid taxes and funds (long term)(*)	7.142.097	672.776
Current Period Tax Related Assets	7.149.520	672.776

(\*) Long-term prepaid taxes and funds consist of withholding taxes on contracting works.

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**Note 26 - Other Assets and Liabilities**

	31.12.2022	31.12.2021
Carried forward VAT	19.337.085	19.922.343
Other Current Assets	<b>19.337.085</b>	<b>19.922.343</b>
Other Non-Current Assets	-	-

	31.12.2022	31.12.2021
Taxes, duties and other deductions payable	9.346.301	3.596.364
Overdue, deferred and instalment tax and premium payables	6.381	773.511
Other Short Term Liabilities	<b>9.352.682</b>	<b>4.369.875</b>
Other Long Term Liabilities	-	-

**Note 27 - Share capital, reserves and other equity items**

The shareholding structure of the Company as of 31.12.2022 and 31.12.2021 is as follows

Name/Title	31.12.2022		31.12.2021	
	Share Rate %	Share Amount (TRY)	Share Rate %	Share Amount (TRY)
Sami Aslanhan	29	58.181.444	38	14.500.000
Ömer Ünsalan	29	58.181.444	38	14.500.000
Publicly Traded Portion(*)	42	83.637.112	24	9.062.500
<b>Total Paid-in Capital</b>	<b>100</b>	<b>200.000.000</b>	<b>100</b>	<b>38.062.500</b>

(\*) In the current period, 95.000 shares in the publicly traded segment consist of repurchased shares whose settlement was completed as of the balance sheet date.

The Company does not have any privileged shares.

The paid-in capital of the Company as of 31.12.2022 is TRY 200.000.000 (31.12.2021: TRY 38.062.500). The Company switched to the registered capital system at the general assembly meeting dated 21.05.2020.

The Company's share capital consists of 200,000,000 shares of TRY 1 each (31.12.2021: 38,062,500 shares).

On 25 July 2022, the Company increased its share capital to TRY 200,000,000 by making a bonus issue from internal resources.

On 10.10.2022, Sami Aslanhan sold 502,500 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. shares with a nominal value of TRY 1 to domestic institutional investors via special order at a price of TRY 80 and 22,951 shares to the market at a price range of TRY 81.90-82.20. With this transaction, the ratio of Sami Aslanhan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 32.84%.

On 10.10.2022, Ömer Ünsalan sold 525,000 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. shares with a nominal value of TRY 1 to domestic institutional investors via special order at a price of TRY 80 and 451 shares to the market at a price of TRY 81.85. With this transaction, the ratio of Ömer Ünsalan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 32.84%.

On 20.10.2022, Ömer Ünsalan sold 5,000,000 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. with a nominal value of TRY 1 to domestic and foreign institutional investors at a price of TRY 88 via special order. With this transaction, the ratio of Ömer Ünsalan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 30.34%.

On 20.10.2022, Sami Aslanhan realised the sale of 5,000,000 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. with a nominal value of TRY 1 to domestic and foreign institutional investors through a special order at a price of TRY 88. With this transaction, the ratio of Sami Aslanhan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 30.34%.

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**Note 27 - Capital, Reserves and Other Equity Items (Continued)**

On 24.11.2022, Sami Aslanhan sold 2,500,000 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. with a nominal value of TRY 1 to domestic and foreign institutional investors at a price of TRY 200 through a special order. With this transaction, the ratio of Sami Aslanhan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 29.09%.

On 24.11.2022, Ömer Ünsalan sold 2,500,000 shares of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. with a nominal value of TRY 1 to domestic and foreign institutional investors at a price of TRY 200 through a special order. With this transaction, the ratio of Ömer Ünsalan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. to the total capital became 29.09%.

**B. Share Premiums / Discounts**

As a result of the public offering made in 2020, the Company sold 8.062.500 shares with a nominal value of TRY 1 in the stock exchange, which resulted in a capital increase of TRY 8.062.500, as well as an additional cash inflow of TRY 59.331.875 due to the fact that the sale was realised above the nominal value, this inflow was included in the financial statements as share premium, the Company made TRY 49.000.000 of the capital increase made from internal resources on 08.06.2022 from Premiums on Shares. In the current period, as a result of the acquisition of ENWAIR's shares, due to its inclusion in the consolidation, the parent company share amounting to TRY 329.107 has been added to the share premium account. As a result of the sale of 11% shares of Pomega, a subsidiary of the Company, issuance premiums arose in the current period.

Share Premiums / Discounts Related to Shares	31.12.2022	31.12.2021
1 January balance	59.331.875	59.331.875
Capital increase	(49.000.000)	-
Premiums arising from bargain purchase	427.926.620	-
Acquisition of subsidiaries	329.107	-
Balance at the end of the period	438.587.602	59.331.875

**B. Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss**

**Accumulated other comprehensive income/expense not to be reclassified to profit or loss consists of revaluation increases on property, plant and equipment and remeasurement gains/losses on defined benefit plans and the movement tables are as follows**

Increase in revaluation of property, plant and equipment	31.12.2022	31.12.2021
1 January balance	33.135.234	4.477.856
Increase/decrease in revaluation value of property, plant and equipment during the period	134.221.327	30.424.906
Taxes on other comprehensive income not to be reclassified to profit or loss	(15.166.092)	(1.767.528)
Balance at the end of the period	152.190.469	33.135.234

Gains/losses on remeasurement of defined benefit plans	31.12.2022	31.12.2021
1 January balance	(280.003)	(178.677)
Gains / losses on remeasurement of defined benefit plans during the period	(315.297)	(165.772)
Taxes on other comprehensive income not to be reclassified to profit or loss	52.150	64.446
Balance at the end of the period	(543.150)	(280.003)

**B. Other Comprehensive Income / Expenses to be Reclassified to Profit or Loss**

**Accumulated other comprehensive income/expense to be reclassified to profit or loss consists of foreign currency translation differences and the movement tables are as follows**

Foreign Currency Translation Differences	31.12.2022	31.12.2021
1 January balance	469.174	-
Acquisition or disposal of subsidiaries	-	-
Total comprehensive income	3.073.023	469.174
Balance at the end of the period	3.542.197	469.174

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**Note 27 - Capital, Reserves and Other Equity Items (Continued)**

**B. Restricted Reserves**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the revalued paid-in share capital. The second legal reserve is appropriated at the rate of 10% per cent of all dividend distributions in excess of 5% of the revalued share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

	<b>31.12.2022</b>	<b>31.12.2021</b>
1 January balance	<b>1.617.443</b>	<b>10.299</b>
Reserves allocated during the period	7.548.622	1.607.144
Acquisition or disposal of subsidiaries	1.809.740	-
R&D Design Fund allocated during the period	153.584	-
<b>Total</b>	<b>11.129.389</b>	<b>1.617.443</b>

**B. Retained Earnings/Losses**

As of 1.01.2008, in accordance with Communiqué Serial: XI, No: 29 and related announcements of CMB, paid-in capital, restricted reserves and share premium should be carried at their statutory amounts. Differences arising in the valuations during the application of the aforementioned communiqué;

if the difference is arising due to the inflation adjustment of Paid-in Capital and not yet been transferred to capital, it shall be classified under Adjustment to Share Capital,

-If the difference is arising from restricted reserves and share premium and the amount has not been utilised in dividend distribution or capital increase yet, it is classified under retained earnings.

**Retained earnings/losses consist of the following items;**

	<b>31.12.2022</b>	<b>31.12.2021</b>
1 January balance	<b>23.573.794</b>	<b>8.108.635</b>
Prior Period Profit/(loss)	130.667.738	23.978.951
Dividends Paid	(12.429.627)	(6.906.648)
Transfer to Restricted Profit Reserves	(7.548.622)	(1.607.144)
Capital Increase	(112.937.500)	-
R&D Design Fund Allocated During the Period	(153.584)	-
Acquisition or Disposal of Subsidiary(3)	(2.080.670)	-
Increase/Decrease in Subsidiaries due to Changes in Proportion of Shares not Resulting in Loss of Control (1)	3.186	-
Effect of Merger / Division / Liquidation (2)	(177.946)	-
<b>Balance at the end of the period</b>	<b>18.916.769</b>	<b>23.573.794</b>

(1) Effect on retained earnings and losses of the parent company arising from the sale of 5% shares of Progresiva.

(2) The effect on retained earnings and losses of the parent due to the liquidation of 6 joint ventures of the Group, which were included in the consolidation in previous periods, between 01.01.2022-31.12.2022.

(3) Resulted from the acquisition of ENWAIR as a subsidiary.

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**Note 27 - Capital, Reserves and Other Equity Items (Continued)**

**B. Non-controlling Interests**

The details of non-controlling interests are as follows

	<b>31.12.2022</b>	<b>31.12.2021</b>
1 January balance	<b>(177.946)</b>	<b>(64.314)</b>
Non-controlling interests Effect of change in ownership interest	3.062.249	-
Acquisition of Subsidiary	2.352.474	-
Deconsolidation of subsidiaries	177.946	-
Non-controlling interests profit/loss for the period	14.731.794	(113.632)
Balance at the end of the period	<b>20.146.517</b>	<b>(177.946)</b>

**H. Treasury Shares**

	<b>31.12.2022</b>	<b>31.12.2021</b>
1 January balance	-	-
Increase (decrease) due to share buy-back transactions	(14.150.000)	-
Balance at the end of the period	<b>(14.150.000)</b>	-

Within the scope of the share buy-back programme initiated with the decision taken by the Company Management on 06 December 2022, in order to eliminate the negative effects that the price movements in the Company's shares traded on Borsa Istanbul A.Ş. ("Borsa Istanbul") may cause on investors in the short term, to protect the value of the investments of all shareholders and to support price stability in the Company's share value, and also to use it within the framework of employee stock acquisition plans when deemed appropriate and necessary by the Company management; within the scope of the share buy-back programme initiated in accordance with the Capital Markets Board's ("Board") Communiqué on Repurchased Shares No. II-22. 1 numbered Communiqué of the Capital Markets Board ("Board") and the announcements dated 21 July 2016 and 25 July 2016, within the scope of the share buy-back programme initiated in line with the transactions completed as of 31 December 2022, shares with a total nominal value of TRY 95,000, corresponding to 0.0475% of the Company's capital, were bought back by paying a total price of TRY 14,150,000 including transaction costs.

**Note 28 - Revenue and Cost of Sales**

**A. Gross Profit/Loss from Trading Activities**

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Domestic sales(*)	900.354.444	167.751.225
International sales	893.979.982	447.086.476
Other sales	892.226	48.652
Total Gross Revenue	<b>1.795.226.652</b>	<b>614.886.353</b>
Sales discounts (-)	(4.072.367)	(3.078.684)
Net Revenue	<b>1.791.154.285</b>	<b>611.807.669</b>
Cost of sales (-)	(1.308.889.234)	(446.448.313)
Gross Sales Profit	<b>482.265.051</b>	<b>165.359.356</b>

(\*)The Group's domestic sales amounting to USD 10.103.240 and EUR 6.072.855, totalling to TRY 292.401.582, are denominated in foreign currencies.

**A. Gross Profit/Loss from Finance Sector Operations**

Current Period: None (Prior period: None).

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**Note 29 - Operating Expenses**

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
General administrative expenses	(55.922.517)	(18.237.748)
Marketing expenses	(42.376.473)	(27.124.857)
Research and development expenses	(13.620.490)	(4.405.241)
<b>Total</b>	<b>(111.919.480)</b>	<b>(49.767.846)</b>

**Note 30 - Expenses by Nature**

As of 01.01-31.12.2022 and 01.01-31.12.2021, the details of expenses according to their nature are as follows

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Personnel expenses	(8.579.852)	-
Amortisation expenses	(2.802.134)	(4.191.733)
Other miscellaneous expenses	(1.914.442)	(207.221)
Leave provision expenses	(281.684)	(102)
Provision for employment termination benefits	(42.378)	(6.185)
<b>Research and Development Expenses</b>	<b>(13.620.490)</b>	<b>(4.405.241)</b>

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Travel accommodation expenses	(11.044.957)	(3.272.213)
Freight expenses	(9.719.083)	(10.230.506)
Advertising and promotion expenses	(9.176.444)	(3.499.244)
Personnel expenses	(5.381.719)	(1.898.135)
Consultancy expenses	(2.459.541)	(2.472.664)
Customs clearance expenses	(2.050.887)	(4.089.300)
Expenses for outsourced benefits and services	(1.714.761)	(1.160.505)
Vehicle expenses	(693.982)	(348.375)
Leave provision expenses	(101.095)	(89.651)
Provision for employment termination benefits	(34.004)	(38.424)
Other miscellaneous expenses	-	(25.840)
<b>Marketing Expenses</b>	<b>(42.376.473)</b>	<b>(27.124.857)</b>

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Expenses for outsourced benefits and services	(16.633.197)	(5.053.110)
Personnel expenses	(16.561.342)	(5.886.474)
Amortisation expense	(8.392.468)	(1.805.699)
Rent, fees and occupancy costs	(3.649.429)	(990.120)
Taxes, duties and charges	(3.417.332)	(1.547.867)
Banking expenses	(2.169.556)	(706.178)
Vehicle expenses	(2.072.706)	(823.556)
Other miscellaneous expenses	(1.054.905)	(137.543)
Minor fixture expenses recognised as expense	(876.560)	(502.377)
Amortisation expenses related to leases	(676.435)	(121.276)
Leave provision expenses	(334.800)	(110.984)
Provision for employment termination benefits	(83.787)	(89.923)
Provision for doubtful trade receivables	-	-
Provision for order advances given	-	-
Other receivable expense and provision expenses	-	(462.641)
Public offering expenses	-	-
Provision for work advances	-	-
<b>General Administrative Expenses</b>	<b>(55.922.517)</b>	<b>(18.237.748)</b>

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**Note 29 - Operating Expenses (continued)**

The details of the Group's depreciation expenses are as follows

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
General administrative expenses	(8.392.468)	(1.805.699)
Cost of sales	(3.890.468)	(904.278)
Research and development expenses	(2.802.134)	(4.191.733)
<b>Depreciation Expenses</b>	<b>(15.085.070)</b>	<b>(6.901.710)</b>

The details of the Group's provision for employment termination benefits are as follows

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Cost of sales	(1.365.852)	(228.520)
General administrative expenses	(83.787)	(89.923)
Research and development expenses	(42.378)	(6.185)
Marketing expenses	(34.004)	(38.424)
Finance expenses	-	-
<b>Provision for Employment Termination Benefits</b>	<b>(1.526.021)</b>	<b>(363.052)</b>

The details of the Group's leave provision expenses are as follows

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Cost of sales	(736.549)	(374.042)
General administrative expenses	(334.800)	(110.984)
Research and development expenses	(281.684)	(102)
Marketing expenses	(101.095)	(89.651)
<b>Leave Provision Expense</b>	<b>(1.454.128)</b>	<b>(574.779)</b>

**Note 31 - Other Operating Income / Expenses**

For the periods 01.01-31.12.2022 and 01.01-31.12.2021, the details of income / expenses from operating activities are as follows

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Foreign exchange gains	281.761.569	153.759.772
Other income	23.393.617	1.936.783
Income from maturity difference	21.938.476	22.126.960
Social security premium and support revenues	2.375.874	1.253.710
Rental income	1.137.935	4.800
Provision for other doubtful receivables	571.013	-
Provision for uncollectible litigation expenses	18.618	49.277
Bank protocol income	-	90.000
<b>Total Other Operating Income</b>	<b>331.197.102</b>	<b>179.221.302</b>



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**Note 31 - Other Operating Income / Expenses (continued)**

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Foreign exchange losses	(149.618.338)	(99.278.060)
Interest expense on maturity difference	(23.735.455)	(15.094.729)
Provision for doubtful trade receivables	(19.236.595)	(7.142.208)
Other expenses	(4.703.216)	(1.189.073)
Passenger car expenses not recognised as expense	(3.608.013)	(879.783)
Provision for order advances given	(1.761.854)	(1.317.565)
Donation and aid expenses	(303.375)	(124.500)
Litigation provision expenses	-	(46.018)
Tax base increase tax expenses arising from the amnesty utilised within the scope of Law No. 7326	-	(1.160.267)
<b>Total Other Operating Expenses</b>	<b>(202.966.846)</b>	<b>(126.232.203)</b>

**Note 32 - Income/Expenses from Investing Activities**

For the periods 01.01-31.12.2022 and 01.01-31.12.2021, the details of income / expenses from investing activities are as follows:

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Gain on sale and revaluation of shares	45.076.184	40.585.485
Revaluation income from investment properties	36.715.400	23.192.000
Gain on sale of marketable securities	20.773.566	243.026
Income from foreign currency/gold conversion currency protected/price protected TRY deposit accounts	18.955.008	-
Gain on sale of fixed assets	5.247.961	947.632
Rental income from investment properties	-	110.515
<b>Total Income from Investing Activities</b>	<b>126.768.119</b>	<b>65.078.658</b>

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Loss on sale of shares and provision for diminution in value	(9.067.075)	(901.529)
Losses from joint ventures	(322.386)	-
<b>Total Expenses from Investing Activities</b>	<b>(9.389.461)</b>	<b>(901.529)</b>

**Note 33 - Finance Expenses**

As of 01.01-31.12.2022 and 01.01-31.12.2021, the details of financial expenses are as follows:

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Foreign exchange losses	(148.717.120)	(71.355.837)
Interest expenses	(62.283.328)	(11.183.200)
Letter of guarantee commission expenses	(21.155.450)	(4.523.083)
Interest expense on operating leases	(327.466)	(90.897)
<b>Total Finance Expenses</b>	<b>(232.483.364)</b>	<b>(87.153.017)</b>

**Note 34 - Finance Income**

As of 01.01-31.12.2022 and 01.01-31.12.2021, the details of financial income are as follows:

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Interest income	33.851.353	2.002.238
Foreign exchange gains	5.316.442	1.452.248
<b>Total Financing Revenues</b>	<b>39.167.795</b>	<b>3.454.486</b>

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**Note 35 – Non-current Assets Held for Sale and Discontinued Operations**

**A. Non-current Assets Held for Sale**

Current Period: None (Prior Period: None).

**B. Discontinued Operations**

Current Period: None (Prior Period: None).

**Note 36 – Income Taxes**

**A. Current Period Tax Assets and Liabilities**

In Turkey, the corporate tax rate is 23% as of 31.12.2022. With the provisional article 13 added to the Corporate Tax Law No. 5520, with the 11th article of the Law No. 7316 on the Collection Procedure of Public Receivables and the Law on Amending Certain Laws, which was published in the Official Gazette dated April 22, 2021 and numbered 31462. The corporate tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period, 23% for the corporate earnings of the 2022 taxation period, and then it is foreseen to continue to be taxed at the rate of 20%.

50% of the income arising from the sale of real estates and participation shares, founder's shares, usufruct shares and pre-emption rights, which are in the assets of the corporations for at least two full years, are exempted from corporate tax. In order to benefit from the exemption, the said income must be kept in a passive fund account and not withdrawn from the business for 5 years, and the sale price must be collected until the end of the second calendar year following the year of sale.

According to the Corporate Tax Law, financial losses shown on the return can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

As of 31.12.2022 and 31.12.2021, the main components of tax expenses are as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
Current period tax provisions	87.049.217	23.480.365
Prepaid taxes (-)	(50.687.577)	(13.216.626)
<b>Total</b>	<b>36.361.640</b>	<b>10.263.739</b>

The details of tax expenses reflected in the income statement for the periods 01.01-31.12.2022 and 01.01-31.12.2021 are as follows:

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
Corporation tax for the current period	(87.049.217)	(23.480.365)
Deferred tax incomes/expenses	148.461.553	5.132.905
<b>End of the period</b>	<b>61.412.336</b>	<b>(18.347.460)</b>

**B. Deferred Tax Assets and Liabilities**

The Group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations between TFRS and statutory financial statements of balance sheet items. These temporary differences generally result from the recognition of income and expenses in different reporting periods according to TFRS and tax laws.

In Turkey, the corporate tax rate is 23% as of 31 December 2022. With the provisional article 13 added to the Corporate Tax Law No. 5520, with the 11th article of the Law No. 7316 on the Collection Procedure of Public Receivables and the Law on Amending Certain Laws, which was published in the Official Gazette dated April 22, 2021 and numbered 31462. The corporate tax rate will be applied as 25% for the corporate earnings of the 2021 taxation period, 23% for the corporate earnings of the 2022 taxation period, and then it is foreseen to continue to be taxed at the rate of 20%.

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**Note 36 – Income Taxes (Cont’d)**

As of 31 December 2022, deferred tax assets and liabilities are calculated by considering the 20% tax rate.

The accounting policies used by the Group in calculating deferred tax are the same as those used in the independently audited financial statements prepared as of 31 December 2021, except for the use of the new rates enacted in the accounting period ending as of 31 December 2022.

As of 31.12.2022 and 31.12.2021, the table prepared using the current tax rates of accumulated temporary differences and deferred tax assets and liabilities is as follows:

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	31.12.2022		31.12.2021	
<b>Deferred Tax Related to Statement of Income</b>	<b>Total Temporary Differences</b>	<b>Deferred Tax Asset / (Liability)</b>	<b>Total Temporary Differences</b>	<b>Deferred Tax Asset / (Liability)</b>
Adjustments for doubtful trade receivables provisions	30.687.351	6.083.561	11.579.912	2.663.379
Adjustments to trade receivables rediscounts	20.511.813	4.102.362	9.979.114	2.295.198
Corrections regarding provisions for order advances given	4.663.502	932.700	2.901.648	667.379
Adjustments for provisions for impairment in inventories	8.487.635	1.697.527	2.263.441	520.591
Adjustments for temporary differences on intangible assets	713.011	142.602	1.661.795	332.622
Adjustments to provisions for severance pay	2.048.799	409.760	1.248.281	287.105
Adjustments to provisions for vacation payment provisions	2.711.100	540.573	1.224.037	281.528
Adjustments for interest accrual expenses	22.639.813	4.527.962	913.520	210.110
Adjustments to provisions for business advance	-	-	268.534	61.763
Non-deductible financial losses	3.207.519	641.555	180.044	39.610
Adjustments to litigation provisions	27.400	5.480	46.018	10.584
Adjustments to other provisions for receivables	-	-	9.000	2.070
Adjustments for temporary differences on property, plant and equipment	45.551	9.110	-	-
Adjustments due to rental transactions	500.237	100.047	-	-
Adjustments for investments accounted for using the equity method	480.156	96.031	-	-
Investment Incentive (**)	463.109.567	148.195.062	-	-
Adjustments for interest accrual income	875.600	131.340	-	-
<b>Gross deferred tax asset</b>		<b>167.615.672</b>		<b>7.371.939</b>
Adjustments for temporary differences on intangible assets	(293.863)	(58.773)	-	-
Adjustments to interest income on currency-protected deposits	(3.278.310)	(655.662)	-	-
Adjustments for investment property appreciation (*)	(67.510.978)	(6.751.098)	(31.612.372)	(1.580.619)
Adjustments to trade payables rediscounts	(11.890.860)	(2.378.172)	(3.223.642)	(741.437)
Corrections made due to the application of percent complete method in projects	(21.628.262)	(4.325.652)	(3.116.361)	(716.763)
Adjustments for temporary differences on property, plant and equipment	(2.750.670)	(550.134)	(523.478)	(104.696)
Adjustments due to rental transactions	-	-	(67.827)	(15.600)
Adjustments for interest accrual income	(1.117.437)	(223.487)	(7.318)	(1.683)
<b>Gross deferred tax liability</b>		<b>(14.942.978)</b>		<b>(3.160.798)</b>
<b>Net deferred tax assets / (liability)</b>		<b>152.672.694</b>		<b>4.211.141</b>

	31.12.2022		31.12.2021	
<b>Deferred Tax Related to Equity</b>	<b>Total Temporary Differences</b>	<b>Deferred Tax Asset / (Liability)</b>	<b>Total Temporary Differences</b>	<b>Deferred Tax Asset / (Liability)</b>
Adjustments for remeasurement gains / (losses) of defined benefit plans	743.529	148.705	363.640	83.636
<b>Gross deferred tax asset</b>	<b>743.529</b>	<b>148.705</b>	<b>363.640</b>	<b>83.636</b>
Adjustments for defined benefit plans remeasurement gains / (losses)	(64.593)	(12.919)	-	-
Adjustments to property, plant and equipment revaluation increases	(169.100.521)	(16.910.052)	(34.879.194)	(1.743.960)
<b>Gross deferred tax liability</b>	<b>(169.165.114)</b>	<b>(16.922.971)</b>	<b>(34.879.194)</b>	<b>(1.743.960)</b>
<b>Net deferred tax assets/(liabilities)</b>		<b>(16.774.266)</b>		<b>(1.660.324)</b>

(\*)In accordance with Article 5 of the CTL, 50% of the fixed asset revaluation increase fund has not been subject to deferred tax and 50% is subject to deferred tax.

(\*\*)Pomega Energy Storage Systems Inc. has an investment incentive of up to 1.200.000.000 TRY within the scope of Regional-Priority Investment (5th Region). Within the scope of this incentive, there is 80% corporate tax exemption up to 40% of the total investment amount. As an expense of 463.109.567 TRY was made within the scope of this investment, 148.195.061 TRY was subject to deferred tax in proportion to the investment incentive certificate.

Movement of net deferred tax assets is as follows:

	31.12.2022	31.12.2021
<b>Balance of 1 January</b>	<b>2.550.817</b>	<b>(1.112.771)</b>
Deferred tax income / (expense) written to the income statement	148.461.553	5.132.905
Deferred tax income/(expense) attributed to equity	(15.113.942)	(1.469.317)
<b>Balance at the end of the period</b>	<b>135.898.428</b>	<b>2.550.817</b>

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**Note 37 – Earnings and Losses Per Share**

The weighted average of the Group's shares for the periods 01.01-31.12.2022 and 01.01-31.12.2021 and calculation of earnings per unit share are as follows:

	<b>01.01.2022- 31.12.2022</b>	<b>01.01.2021- 31.12.2021</b>
<b>Earnings / (loss) per share from continuing operations:</b>		
Net profit / (loss) from continuing operations	483.792.448	130.554.106
Weighted average number of shares with a nominal value of 1 TRY each	200.000.000	38.062.500
<b>Earnings per share from continuing operations / (loss) (TRY)</b>	<b>2,42</b>	<b>3,43</b>
<b>Earnings / (loss) per share from discontinued operations:</b>	-	-
<b>Earnings / (loss) per share:</b>		
Net profit for the period / (loss)	483.792.448	130.554.106
Net profit / (loss) of non-controlling interests	14.731.794	(113.632)
Net profit for the period / (loss) on the shares of the parent	469.060.654	130.667.738
Weighted average number of shares with a nominal value of 1 TRY each	200.000.000	38.062.500
<b>Earnings / (Loss) Per Share (TRY)</b>	<b>2,35</b>	<b>3,43</b>

The company accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and switched to the registered capital system with the permission of the Capital Markets Board dated 02.04.2020 and numbered 19/456. The registered capital ceiling of the company is 750.000.000 (Seven hundred and fifty million) Turkish Liras and it is divided into 750.000.000 shares, each of which is worth 1 (one) Turkish Lira.

The company made a capital increase from internal resources on 24.02.2020 and the company's capital increased to 30 million TRY. The company switched to the registered capital system at the general assembly meeting dated 21.05.2020 and consisted of 30.000.000 shares, each of which was 1 TRY.

The Company's public offering was approved by the Capital Markets Board on September 24, 2020, and the Company began trading on the Borsa Istanbul on October 19, 2020. The company's capital reached TRY 36.250.000 after the public offering. Subsequently, on 27 October 2020, the shares with a nominal value of 1.812.500 TRY, which were kept ready for sale, were sold on the stock exchange, and the Company's capital became 38.062.500 TRY.

The company made a capital increase from internal resources on 25.08.2022 and the company's capital increased to 200.000.000 TRY.

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Number of weighted shares at the beginning of the period</b>	<b>38.062.500</b>	<b>28.942.111</b>
Number of weighted shares issued during the period	161.937.500	9.120.389
<b>Number of weighted shares at the end of the period</b>	<b>200.000.000</b>	<b>38.062.500</b>

Diluted earnings per share have not been calculated due to the Group's lack of potential dilutive ordinary shares (Previous period: None).

In the current period, dividend accrued amounting to 12.429.627 TRY. (Previous period: 6.906.648 TRY dividend was paid).

There are no share-based payments (Previous period: None).

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**Note 38 – Related Party Disclosures**

A. As of 31.12.2022 and 31.12.2021, the current account balances (net book values) of the Group with its partners, certain companies with which it has indirect capital, management and business relations through its partners and key personnel are as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Trade Receivables From Related Parties</b>		
Kmt International Projects Dmcc.	7.522.077	5.220.152
Kontrolmatik Libya şubesi	4.476.513	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	898.642	466.385
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	16.716	19.792
Dcd Enerji ve Teknoloji A.Ş.	-	1.062.166
<b>Total</b>	<b>12.913.948</b>	<b>6.768.495</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Other Receivables From Related Parties</b>		
Kontrolmatik Tech INC.	13.488.391	-
Kontrolmatik Cameroon	10.129.360	-
Kontrolmatik Libya şubesi	5.885.043	551.544
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	59.860	22.738
Llc Controlmaticrus	45.408	30.280
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	19.440	404
Fc Kontrolmatik Toshkent Llc	-	11.030.875
Boyut Mak. San. Taş. Ltd. Şti.	-	100.000
Biserwis Ulaşım ve Mobil Teknolojileri A.Ş.	-	11.074
<b>Total</b>	<b>29.627.502</b>	<b>11.746.915</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Prepaid Expenses (On Current Assets)</b>		
Panel Smart Elektromekanik ve Otomasyon Tic. A.Ş.	2.712.686	-
Cosmos Mühendislik	1.000.000	-
Mekatronik Yapı Taahhüt Sanayi A.Ş.	515.677	-
Rektus Dış Tic. Ltd. Şti.	131.659	131.323
Osman Şahin Köşker	112.355	12.394
Biserwis Ulaşım ve Mobil Teknolojileri A.Ş.	28.267	-
İnfinia Mühendislik Ltd. Şti.	935	250.000
Nennkraft Energie Gmbh	-	21.770
<b>Total</b>	<b>4.501.579</b>	<b>415.487</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Trade Payables To Related Parties</b>		
Panel Smart Elektromekanik	5.449.747	-
Nennkraft Energie Gmbh	447.823	-
Mekatronik Yapı Taahhüt Sanayi A.Ş.	133.522	-
İnfinia Mühendislik Ltd. Şti.	-	279.466
Ali Ünsalan	-	60.495
<b>Total</b>	<b>6.031.092</b>	<b>339.961</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Other Payables To Related Parties (Short-Term)</b>		
Sami Aslanhan	-	1.981.248
Ömer Ünsalan	-	149.292
<b>Total</b>	<b>-</b>	<b>2.130.540</b>

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**Note 38 – Related Party Disclosures(Cont'd)**

	31.12.2022	31.12.2021
<b>Other Payables To Related Parties (Long-Term)</b>		
Sami Aslanhan	631.613.898	-
Ömer Ünsalan	570.240.663	-
<b>Total</b>	<b>1.201.854.561</b>	<b>-</b>

	31.12.2022	31.12.2021
<b>Deffered Incomes From Related Parties</b>		
Kontrolmatik ve SİTERM İş Ortaklığı	9.749.987	-
<b>Total</b>	<b>9.749.987</b>	<b>-</b>

**B.** The Group's sales and purchases (including maturity differences) with its partners and certain companies with which it has indirect capital, management and business relations in the 01.01-31.12.2022 and 01.01-31.12.2021 periods:

	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
<b>Goods and Services Sales</b>		
Kontrolmatik Enerji ve Müh. A.Ş. ve SİTERM Isı Sanayi A.Ş. İş Ortaklığı	20.004.000	-
Panel Smart Elektromekanik ve Otomasyon Ticaret A.Ş.	3.085.172	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort.(Say)	998.609	237.035
Kontrolmatik CAMEROON	622.971	-
Kontrolmatik Technologies (Libya)	563.909	-
Kontrolmatik Technologies INC.	399.580	-
Kontrolmatik Enerji ve Müh.A.Ş. Ve Skysens Teknoloji A.Ş. İş Ortaklığı (IOT)	2.400	-
<b>Total</b>	<b>25.676.641</b>	<b>237.035</b>

	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
<b>Goods and Services Purchases</b>		
İnfinia Mühendislik Ltd. Şti.	18.877.938	5.725.641
Mekatronik Yapı Taah. San.A.Ş.	6.063.155	-
Nennkraft Energie Gmbh	1.781.383	274.495
Ali Ünsalan	-	95.222
<b>Total</b>	<b>26.722.476</b>	<b>6.095.358</b>

**C.** Interest, rent and other income/expenses paid and received by the Group with its partners and major companies with which it has indirect capital, management and business relations in the 01.01-31.12.2022 and 01.01-31.12.2021 periods:

	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
<b>Rental invoices that have been cut</b>		
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	1.800	1.800
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	1.800	1.800
Kontrolmatik Enerji ve Müh. A.Ş. ve SİTERM Isı Sanayi A.Ş. İş Ortaklığı	1.000	-
<b>Total</b>	<b>4.600</b>	<b>3.600</b>

	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
<b>Deducted Adat Bills</b>		
Ömer Ünsalan	294.128	34.645
Sami Aslanhan	22.120	191.090
<b>Total</b>	<b>316.248</b>	<b>225.735</b>

Salaries, attendance fees and similar short-term benefits provided to key management personnel in the 01.01-31.12.2022 and 01.01-31.12.2021:

01.01-31.12.2022: 1.945.628 TRY (01.01-31.12.2021: 1.253.117 TRY).

Benefits (compensations) to be provided after the dismissal of the Group's senior (key) managerial personnel: 01.01-31.12.2022: 368.562 TRY (01.01-31.12.2021: 61.073 TRY).

There are no long-term benefits provided to the key management personnel of the Group in the periods 01.01-31.12.2022 and 01.01-31.12.2021

There are benefits provided to the key management personnel of the Group who have left the job and whose senior position has ended:: 01.01-31.12.2022:60.500 TRY ( 01.01- 31.12.2021:None).

No share-based payments are made.

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments**

**A) Capital Risk Management**

The Group aims to increase its profits by providing the balance of debt and equity in an efficient manner While trying to ensure the continuity of its activities in capital management.

The Group's capital structure consists of debts including loans disclosed in Note 8, cash and cash equivalents and equity items including capital, reserves and retained earnings explained in Note 27.

The Group monitors its capital adequacy using the net financial debt to equity ratio. This ratio is found by dividing net financial debt by total equity. Net financial debt is calculated by deducting cash and cash equivalents from the total financial debt amount (including borrowings included in the consolidated statement of financial position).

	<b>31.12.2022</b>	<b>31.12.2021</b>
Borrowings total (Note 8)	1.178.481.493	288.794.322
Minus: Cash and cash equivalents (Note 6-7)	(1.246.780.846)	(77.148.996)
<b>Net financial debt</b>	<b>(68.299.353)</b>	<b>211.645.326</b>
<b>Total equity</b>	<b>1.298.880.447</b>	<b>286.399.809</b>
<b>Net financial debt/equity ratio</b>	<b>-</b>	<b>74%</b>

**B) Significant Accounting Policies**

The Group's significant accounting policies related to financial instruments are explained in the "Financial Instruments" section in footnote 2 "Summary of Significant Accounting Policies".

**C) Targets in financial risk management**

Although the Group does not have a defined risk management model, the Group monitors and manages the level and size of financial risks that the Group may or may be exposed to in its activities by regularly following the financial risks and developments in domestic and foreign markets. It is aimed to create an institutional risk management model, and studies in this direction are continuing.

**D) Risk Management**

The Group's activities expose it to financial risks related to price risk, changes in interest rates and foreign exchange rates. The distribution of incomes and expenses according to foreign currency types and the distribution of debts according to foreign currency types and with variable and fixed interest rates are followed by the Group management.

Changes in market conditions that give rise to market risk; The benchmark interest rate includes the price of another entity's financial instrument, the price of a commodity, the exchange rate, or changes in a price or rate index.

**Management of stock price changes (price risk):**

The Group is exposed to price risk as the selling prices are affected by the price changes of the inventories. There is no derivative instrument that can be used to avoid negative price movements on sales margins. Order placing, production and purchasing balances are reviewed by the Group, taking into account the forward-looking stock price movements.

**Interest rate risk management:**

The Group borrows at fixed and variable interest rates. The interest rates on the Group's assets and liabilities are explained in detail in Notes 6 and 8.

**Interest Position Table**

	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Fixed rate financial instruments</b>		
Financial Assets		
Financial assets at fair value through profit or loss	-	-
Financial assets held to maturity	522.227.639	16.558.229
Financial Liabilities	1.004.768.687	181.476.469
<b>Variable Rate Financial Instruments</b>		
Financial Assets	64.683.620	-
Financial Liabilities	173.712.806	107.317.853



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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

As of December 30, 2022 and December 31, 2021, if the interest base point had changed by 100 points, ie interest rates had increased by 1%, and all other variables had remained constant, net interest expense would amount to TRY 5.915.702 (2021: net interest expense (TRY 2.722.361) would be higher, and in this case, net profit before tax would decrease by TRY 5.915.702 (2021: TRY 2.722.361 would decrease).

The Group's sensitivity to interest rates is as follows:

Interest Rate Sensitivity Analysis Table	31.12.2022	
	Profit/Loss	
	Increase in Base Point	Decrease in Base Points
<b>If the base point change is 100 (1%):</b>		
TRY	(1.648.819)	1.648.819
USD	(197.349)	197.349
EUR	(2.979.242)	2.979.242
<b>Total Effect of Fixed Rate Financial Instruments</b>	<b>(4.825.410)</b>	<b>4.825.410</b>
<b>If the base point change is 100 (1%):</b>		
TRY	(88.318)	88.318
USD	(469.752)	469.752
EUR	(532.222)	532.222
<b>Total Effect of Variable Rate Financial Instruments</b>	<b>(1.090.292)</b>	<b>1.090.292</b>
<b>TOTAL</b>	<b>(5.915.702)</b>	<b>5.915.702</b>
	31.12.2021	
	Profit/Loss	
	Increase in Base Point	Decrease in Base Points
<b>If the base point change is 100 (1%):</b>		
TRY	(151.277)	151.277
USD	(44.174)	44.174
EUR	(1.453.731)	1.453.731
<b>Total Effect of Fixed Rate Financial Instruments</b>	<b>(1.649.182)</b>	<b>1.649.182</b>
<b>If the base point change is 100 (1%):</b>		
TRY	(395.305)	395.305
USD	(64.888)	64.888
EUR	(612.986)	612.986
<b>Total Effect of Variable Rate Financial Instruments</b>	<b>(1.073.179)</b>	<b>1.073.179</b>
<b>TOTAL</b>	<b>(2.722.361)</b>	<b>2.722.361</b>

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

**Exchange rate risk management:**

As of 31 December 2022 and 31 December 2021, the carrying values (net) of foreign currency denominated financial assets and liabilities are as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
A. Assets in foreign currency	1.794.394.663	483.074.326
B. Liabilities in foreign currency	746.604.405	436.891.290
<b>Net foreign exchange position (A-B)</b>	<b>1.047.790.258</b>	<b>46.183.036</b>

  

	TRY				
	31.12.2022	Equivalent	USD	EUR	Other
1. Trade Receivables	654.421.269	22.304.054	11.099.540	1.485.784	
2a. Monetary Financial Assets (Including Cash, Bank Accounts)	632.833.957	27.674.534	5.538.490	2.249.226.000	
2b. Non-Monetary Financial Assets	-	-	-	-	
3. Other	227.588.565	7.645.405	4.235.025	182.500	
<b>4. Current Assets (1+2+3)</b>	<b>1.514.843.791</b>	<b>57.623.993</b>	<b>20.873.055</b>	<b>2.250.894.284</b>	
5. Trade Receivables	-	-	-	-	
6a. Monetary Financial Assets	-	-	-	-	
6b. Non-Monetary Financial Assets	-	-	-	-	
7. Other	279.550.872	12.799.114	2.010.696	6.500	
<b>8. Fixed Assets (5+6+7)</b>	<b>279.550.872</b>	<b>12.799.114</b>	<b>2.010.696</b>	<b>6.500</b>	
<b>9. Total Assets (4+8)</b>	<b>1.794.394.663</b>	<b>70.423.107</b>	<b>22.883.751</b>	<b>2.250.900.784</b>	
10. Trade Payables	213.423.387	8.226.957	3.343.466	1.995	
11. Financial Liabilities	335.900.114	3.543.769	13.525.910	-	
12a. Other Monetary Liabilities	107.314.408	4.475.113	1.336.749	-	
12b. Other Non-Monetary Liabilities	-	-	-	-	
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>656.637.909</b>	<b>16.245.839</b>	<b>18.206.125</b>	<b>1.995</b>	
14. Trade Payables	-	-	-	-	
15. Financial Liabilities	89.966.496	320.577	4.212.324	-	
16a. Other Monetary Liabilities	-	-	-	-	
16b. Other Non-Monetary Liabilities	-	-	-	-	
<b>17. Long-Term Liabilities (14+15+16)</b>	<b>89.966.496</b>	<b>320.577</b>	<b>4.212.324</b>	<b>-</b>	
<b>18. Total Liabilities (13+17)</b>	<b>746.604.405</b>	<b>16.566.416</b>	<b>22.418.449</b>	<b>1.995</b>	
<b>19. Net Asset / (Liability) Position of Foreign Currency Derivative Instruments Outside the Statement of Financial Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
19a. Amount of Foreign Currency Derivative Products Out of Statement of Financial Position with Active Character	-	-	-	-	
19b. Amount of Foreign Currency Derivative Products Excluded from the Financial Position Statement with Liable Character	-	-	-	-	
<b>20. Net Foreign Currency Asset / (Liability) Position (9-18+19)</b>	<b>1.047.790.258</b>	<b>53.856.691</b>	<b>465.302</b>	<b>2.250.898.789</b>	
<b>21. Monetary Items Net Foreign Currency Asset/(Liabilities) Position (1+2a+5+6a-10- 11-12a-14-15-16a)</b>	<b>540.650.821</b>	<b>33.412.172</b>	<b>(5.780.419)</b>	<b>2.250.709.789</b>	
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>23. Amount of Hedged Part of Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>24. Hedged Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>25. Export (excluding interest discount)</b>	<b>893.979.982</b>	<b>38.506.612</b>	<b>12.646.185</b>	<b>-</b>	
<b>26. Import</b>	<b>69.559.448</b>	<b>2.707.719</b>	<b>720.253</b>	<b>-</b>	

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

31.12.2021	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	350.375.031	18.774.846	6.913.380	1.485.784
2a. Monetary Financial Assets (Including Cash, Bank Accounts)	66.395.363	3.688.788	1.261.663	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	66.303.932	2.233.215	2.539.936	175.000
<b>4. Current Assets (1+2+3)</b>	<b>483.074.326</b>	<b>24.696.849</b>	<b>10.714.979</b>	<b>1.660.784</b>
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
<b>8. Fixed Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>483.074.326</b>	<b>24.696.849</b>	<b>10.714.979</b>	<b>1.660.784</b>
10. Trade Payables	126.315.384	7.068.324	2.355.640	-
11. Financial Liabilities	174.561.291	520.393	11.429.265	-
12a. Other Monetary Liabilities	86.031.903	4.727.537	1.680.955	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>386.908.578</b>	<b>12.316.254</b>	<b>15.465.860</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	49.982.712	320.000	3.121.440	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
<b>17. Long-Term Liabilities (14+15+16)</b>	<b>49.982.712</b>	<b>320.000</b>	<b>3.121.440</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>436.891.290</b>	<b>12.636.254</b>	<b>18.587.300</b>	<b>-</b>
<b>19. Net Asset / (Liability) Position of Foreign Currency Derivative Instruments Outside the Statement of Financial Position (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
19a. Amount of Foreign Currency Derivative Products Out of Statement of Financial Position with Active Character	-	-	-	-
19b. Amount of Foreign Currency Derivative Products Excluded from the Financial Position Statement with Liabile Character	-	-	-	-
<b>20. Net Foreign Currency Asset / (Liability) Position (9-18+19)</b>	<b>46.183.036</b>	<b>12.060.595</b>	<b>(7.872.321)</b>	<b>1.660.784</b>
<b>21. Monetary Items Net Foreign Currency Asset/(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(20.120.896)</b>	<b>9.827.380</b>	<b>(10.412.257)</b>	<b>1.485.784</b>
<b>22. Total Fair Value of Financial Instruments Used for Currency Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Amount of Hedged Part of Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Hedged Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export (excluding interest discount)</b>	<b>452.678.953</b>	<b>29.390.904</b>	<b>11.447.602</b>	<b>-</b>
<b>26. Import</b>	<b>29.805.224</b>	<b>2.536.440</b>	<b>418.591</b>	<b>-</b>

As of 31.12.2022 and 31.12.2021, the rate of hedging of the total foreign currency liability arising from total imports is the rate of covering the foreign currency risk of the total foreign currency liability by means of a derivative instrument. Since the Group does not have forward transactions, there is no hedging ratio of the total foreign currency liabilities.

As of 31.12.2022 and 31.12.2021, if TRY, USD, EURO and other foreign currencies had changed at the same time by 10% and all other variables had remained constant, the net foreign exchange gain/loss arising from the assets and liabilities in these currencies before tax period net profit/loss would be 108.509.991 TRY (31.12.2021: 4,618,304 TRY would be higher / lower) would be higher / lower.

The currency risk sensitivity analysis of the Group's foreign currency position is as follows:

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

Exchange Rate Sensitivity Analysis Table	31.12.2022	
	Appreciation of foreign currency	Depreciation of foreign currency
	<b>Profit/Loss</b>	
<b>If the USD rate changes by 10%:</b>		
1- USD net asset/(liability)	101.653.898	(101.653.898)
2- The portion protected from USD risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>101.653.898</b>	<b>(101.653.898)</b>
<b>If the EUR rate changes by 10%:</b>		
4- EUR net asset/(liability)	2.918.184	(2.918.184)
5- Part protected from EURO risk (-)	-	-
<b>6- EUR Net Impact (4+5)</b>	<b>2.918.184</b>	<b>(2.918.184)</b>
<b>If other exchange rates change by 10%:</b>		
7- Other foreign currency net assets/(liabilities)	206.944	(206.944)
8- The portion protected from other foreign currency risk (-)	-	-
<b>9- Net Effect on Other Foreign Currency Assets (7+8)</b>	<b>206.944</b>	<b>(206.944)</b>
<b>Total (3+6+9)</b>	<b>104.779.026</b>	<b>(104.779.026)</b>

Exchange Rate Sensitivity Analysis Table	31.12.2021	
	Appreciation of foreign currency	Depreciation of foreign currency
	<b>Profit/Loss</b>	
<b>If the USD rate changes by 10%:</b>		
1- USD net asset/(liability)	15.651.638	(15.651.638)
2- The portion protected from USD risk (-)	-	-
<b>3- USD Net Effect (1+2)</b>	<b>15.651.638</b>	<b>(15.651.638)</b>
<b>If the EUR rate changes by 10%:</b>		
4- EUR net asset/(liability)	(11.558.378)	11.558.378
5- Part protected from EURO risk (-)	-	-
<b>6- EUR Net Impact (4+5)</b>	<b>(11.558.378)</b>	<b>11.558.378</b>
<b>If other exchange rates change by 10%:</b>		
7- Other foreign currency net assets/(liabilities)	525.044	(525.044)
8- The portion protected from other foreign currency risk(-)	-	-
<b>9- Net Effect on Other Foreign Currency Assets (7+8)</b>	<b>525.044</b>	<b>(525.044)</b>
<b>Total (3+6+9)</b>	<b>4.618.304</b>	<b>(4.618.304)</b>

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

**(E) Credit and collection risk management**

31.12.2022	Receivables				Deposits in Banks(*)	Cash and Other
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties		
<b>(A+B+C+D) Maximum Net Credit Risk As Of Balance Sheet Date (1)</b>	<b>12.913.948</b>	<b>822.445.455</b>	<b>29.627.502</b>	<b>51.041.129</b>	<b>1.246.064.309</b>	<b>716.537</b>
The Part Of Maximum Risk Under Guarantee With Collateral	-	-	-	-	-	-
A.Net Book Value Of Financial Assets That Are Neither Past Due Nor Impaired (2)	12.913.948	822.445.455	29.627.502	51.041.129	1.246.064.309	716.537
B.Net book value of assets that are past due but not impaired (5)	-	-	-	-	-	-
C.Net Book Value Of Impaired Asset (3)	-	-	-	-	-	-
- Overdue (Gross Net Book Value)	-	31.228.578	-	-	-	-
- Impairment (-)	-	(31.228.578)	-	-	-	-
-The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-
-Undue (Gross Net Book Value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-
D. Credit Risk off the Statement of Financial Position (4)	-	-	-	-	-	-

(\*)Foreign Currency/Gold Conversion Currency/Price Protected TRY Deposit balance is included in the Deposits at Banks balance.

The Group's credit and collection risk mainly relates to its trade receivables. The amount shown in the consolidated statement of financial position consists of the net amount after deducting the doubtful receivables estimated by the Group management based on previous experiences and current economic conditions. The Group's credit risk is dispersed due to working with a large number of customers.

**Credit risks exposed by types of financial instruments:**

- (1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.
- (2) Financial assets that are not overdue or impaired are not expected to experience impairment or credit risk in the future.
- (3) The aging analysis of overdue and impaired financial assets as of 30.09.2022 is as follows:

	Trade Receivables		Other Receivables	
	Overdue Amount	Provisions for Doubtful Receivables	Overdue Amount	Provisions for Doubtful Receivables
0-30 days past due	52.786	(52.786)	-	-
3-12 months past due	7.476.833	(7.476.833)	-	-
1-5 years past due	23.698.959	(23.698.959)	-	-
<b>TOTAL</b>	<b>31.228.578</b>	<b>(31.228.578)</b>	<b>-</b>	<b>-</b>

There are different indicators for a receivable to be evaluated as doubtful receivables, these are as follows: a) Data on uncollectible receivables in previous years, b) debtor's ability to pay, c) extraordinary conditions in the sector and current economic environment, d) Moving to the litigation stage due to difficulties in the collection of the receivable.

- (4) There are no guarantees or irrevocable loan commitments received from companies that pose a credit risk.
- (5) There are no financial assets that are overdue but not impaired.

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

31.12.2021	Receivables				Deposits in Banks	Cash and Other
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties		
<b>(A+B+C+D) Maximum Net Credit Risk As Of Balance Sheet Date (1)</b>						
<b>(A+B+C+D) (1)</b>	<b>6.768.495</b>	<b>387.025.660</b>	<b>11.746.915</b>	<b>24.561.033</b>	<b>76.907.727</b>	<b>241.269</b>
The portion of the maximum risk secured by collateral etc.	-	-	-	-	-	-
A. Net Book Value Of Financial Assets That Are Neither Past Due Nor Impaired (2)	6.768.495	384.929.125	11.746.915	24.561.033	76.907.727	241.269
B. Net book value of assets that are past due but not impaired (5)	-	-	-	-	-	-
C. Net Book Value Of Impaired Asset (3)	-	2.096.535	-	-	-	-
- Overdue ( Gross Net Book Value)	-	14.088.518	-	571.013	-	-
- Impairment (-)	-	(11.991.983)	-	(571.013)	-	-
-The Part Of Net Value Under Guarantee With Collateral Etc	-	-	-	-	-	-
-Undue (Gross Net Book Value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-
D. Credit Risk off the Statement of Financial Position (4)	-	-	-	-	-	-

- (1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.  
(2) Financial assets that are not overdue or impaired are not expected to experience impairment or credit risk in the future.  
(3) The aging analysis of overdue and impaired financial assets as of 31.12.2021 is as follows:

	Trade Receivables		Other Receivables	
	Overdue Amount	Provisions for Doubtful Receivables	Overdue Amount	Provisions for Doubtful Receivables
0-30 days past due	202.704	(20.270)	-	-
3-12 months past due	4.785.255	(2.871.154)	-	-
1-5 years past due	9.100.559	(9.100.559)	571.013	(571.013)
<b>Total</b>	<b>14.088.518</b>	<b>(11.991.983)</b>	<b>571.013</b>	<b>(571.013)</b>

There are different indicators for a receivable to be evaluated as doubtful receivables, these are as follows: a) Data on uncollectible receivables in previous years, b) debtor's ability to pay, c) extraordinary conditions in the sector and current economic environment, d) Moving to the litigation stage due to difficulties in the collection of the receivable.

- (4) There are no guarantees or irrevocable loan commitments received from companies that pose a credit risk  
(5) There are no financial assets that are overdue but not impaired.

**F) Liquidity Risk Management**

The Group manages its liquidity risk by regularly monitoring estimated and actual cash flows and maintaining adequate funds and borrowing reserves by matching the maturities of financial assets and liabilities.

Maturities as per the Contract	31.12.2022				
	Book Value	Total Cash Outs Per Contract	Less than 3 months	3-12 months	1-5 years
<b>Non-Derivative Financial Liabilities</b>	<b>2.859.236.889</b>	<b>2.871.127.749</b>	<b>532.914.438</b>	<b>431.603.662</b>	<b>1.906.609.649</b>
Bank credits	1.175.236.873	1.175.236.873	102.265.734	386.440.649	686.530.490
Financial leasing debts	3.244.620	3.244.620	422.888	1.323.704	1.498.028
Trade payables	473.489.379	485.380.239	430.225.816	38.427.853	16.726.570
Other debts	1.207.266.017	1.207.266.017	-	5.411.456	1.201.854.561

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**Note 39 – Nature and Level of Risks Arising from Financial Instruments(Cont'd)**

Maturities as per the Contract	31.12.2021				
	Book Value	Total Cash Outs Per Contract	Less than 3 months	3-12 months	1-5 years
<b>Non-Derivative Financial Liabilities</b>	<b>451.062.090</b>	<b>454.285.732</b>	<b>198.924.058</b>	<b>182.411.301</b>	<b>72.950.373</b>
Bank credits	285.797.738	285.797.738	55.909.391	164.372.471	65.515.876
Financial leasing debts	2.996.584	2.996.584	271.961	839.760	1.884.863
Trade payables	157.818.504	161.042.146	142.742.706	12.749.806	5.549.634
Other debts	4.449.264	4.449.264	-	4.449.264	-

**G) Hedging Accounting**

The Group does not engage in forward, future, option and swap transactions in order to hedge the foreign exchange and/or interest rate (fixed and variable) risk by buying and selling derivative products

**Not 40 – Financial Instruments (Fair Value Disclosures and Disclosures Under Hedging Accounting)**

TAS 39 “Financial According to TAS 39 “Financial Instruments: Recognition and Measurement” standard, financial assets are classified as four groups and financial liabilities are classified as two groups. Financial assets; includes loans and receivables and available-for-sale values held-to-maturity, the fair value difference of which is recognized in the income statement. Financial liabilities, on the other hand, are classified into two groups, the fair value difference reflected in the income statement and other financial liabilities.

As of 31.12.2022, the values and classification of financial assets and liabilities are as follows:

31.12.2022	Financial Assets and Liabilities at Fair Value at Income Statement	Financial Assets Held to Maturity	Credits and Receivables	Financial Assets Available for Sale	Other/Debts Measured at Amortized Cost	Notes
<b>Financial Assets</b>						
Cash and cash equivalents	980.865.121	201.232.105	-	-	-	6
Financial investments	70.214.592	-	-	7.113.162	-	7
Currency-protected/priceprotected TRY deposit accounts with FX/gold conversions	64.683.620	-	-	-	-	
Trade receivables	-	-	835.359.403	-	-	10
Other receivables	-	-	80.668.631	-	-	11
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	1.178.481.493	8
Trade payables	-	-	-	-	473.489.379	10
Other payables	-	-	-	-	1.207.266.017	11

As of 31.12.2021, the values and classification of financial assets and liabilities are as follows:

31.12.2021	Financial Assets and Liabilities at Fair Value at Income Statement	Financial Assets Held to Maturity	Credits and Receivables	Financial Assets Available for Sale	Other/Debts Measured at Amortized Cost	Notes
<b>Financial Assets</b>						
Cash and cash equivalents	60.590.767	16.558.229	-	-	-	6
Financial investments	40.979.100	-	-	2.109.175	-	7
Trade receivables	-	-	393.794.155	-	-	10
Other receivables	-	-	36.307.948	-	-	11
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	288.794.322	8
Trade payables	-	-	-	-	157.818.504	10
Other payables	-	-	-	-	4.449.264	11

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**Note 40 –Financial Instruments (Fair Value Disclosures and Disclosures Under Hedging Accounting)(Cont'd)**

Fair value measurements are disclosed in the accounting policies for each financial asset and liability, and there are no other events that require any valuation. It is accepted that the book values of cash and banks are close to their fair values. The Group classifies the fair value measurements of financial instruments reflected at fair value in the consolidated financial statements according to the source of the inputs of each financial instrument class, using a two-level hierarchy as follows.

Level 1: Valuation techniques using active market (unadjusted) market price for specified financial instruments

Level 2: Other valuation techniques with direct and indirect observable input

Level 3: Valuation techniques that do not include observable market inputs

The hierarchy table of fair value measurements as of 31 December 2022 is as follows:

**31.12.2022**

<b>Financial assets carried at fair value to the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash and Cash Equivalents	-	-	1.182.097.226
Financial Investments	70.214.592	-	-
Currency-protected/price-protected TRY deposit accounts with FX/gold conversions	64.683.620	-	-

The hierarchy table of fair value measurements as of 31 December 2021 is as follows:

**31.12.2021**

<b>Financial assets carried at fair value to the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 1</b>
Cash and Cash Equivalents	-	-	77.148.996
Financial Investments	40.979.100	-	-

**Note 41 - Subsequent Events**

**Kahramanmaraş Earthquake**

On 6 February 2023, the earthquakes, which were centred in Kahramanmaraş, affected many provinces and shook our entire country

It was decided to declare a state of emergency for three months in Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Adana, Adıyaman, Diyarbakır and Şanlıurfa provinces in accordance with the Official Gazette dated Wednesday, 8 February 2023 and numbered 32098, . Developments related to the natural disaster are closely monitored and studies are ongoing to determine the situation.

**About the repurchased Company shares**

Within the scope of the share buy-back transactions initiated with the decision of the Company's Board of Directors dated 06.12.2022; after 31.12.2022, KONTR shares with a nominal value of TRY 376,281 (376,281 pieces) representing 0.18814% of the company's capital as of the report date were bought back for a total price of TRY 53,076,603.

**About establishing a company in the USA**

On 28.11.2022, it was announced that it was decided to establish a company with an initial capital of USD 40,000,000 in order to establish a battery cell, battery pack and energy storage systems production facility with a capacity of 3GWh / year in the United States of America. In the material event disclosure dated 21.02.2023, the Company announced that the said company was established under the title of POMECA ENERGY STORAGE TECHNOLOGIES INC. and that Kontrolmatik Teknoloji has 50%, Pomeca Enerji has 10% and Kontrolmatik Technologies Inc. has 7,5% shares in the established company.

**About the purchase of Emek Elektrik Endüstrisi A.Ş. shares**

In the material event disclosure dated 01.03.2023, the Company announced that its share in Emek Elektrik Endüstrisi A.Ş. shares exceeded the 5% limit and became 5,57% as a result of the purchase transactions made on 01.03.2023 and that it acted together with the Company partner Sami Aslanhan.

**About Approval of Financial Statements**

The consolidated financial statements of the Group as of 31.12.2022 have been approved by the Board of Directors of the Company on 4 March 2023. Only the General Assembly of the Company is authorised to amend the consolidated financial statements approved by the Board of Directors.



**Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**  
**Notes To The Consolidated Financial Statements As At 31 December 2022**  
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

**Not 42 – Significantly Affecting the Financial Statements or Open Financial Statements, Other Matters Required to Be Interpreted and Understandable**

None.