

**KONTROLMATİK TEKNOLOJİ ENERJİ
VE MÜHENDİSLİK ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH****INDEPENDENT AUDITOR'S REPORT****To the General Assembly of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi****Report on the audit of the consolidated financial statements****Opinion**

We have audited the consolidated financial statements of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi (the "Company" or "Kontrolmatik") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TASS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

| Property, plant and equipment | |
|---|---|
| Please refer to note 17 in the consolidated financial statements. | |
| Key audit matter | How the matter was addressed in our audit |
| <p>The consolidated financial statements as of 31 December 2023 include property, plant and equipment which constitutes 38% of total assets. The Group has been calculated certain estimations and recognized its property, plant and equipment at fair value in the accompanying consolidated financial statements.</p> <p>Due to the aforementioned disclosures, the Group has property, plant and equipment evaluated by an independent appraisal firm and the determined amounts are recognised in the consolidated financial statements accordingly. The independent appraisal firm has been used certain estimates and assumptions during implementation of their studies. Therefore, determination of the fair value of property, plant and equipment and recognition of these amounts in a correct manner in the consolidated financial statements are considered as a key audit matter for our audit of the consolidated financial statements.</p> | <p>We performed the following procedures in relation to the fair value of property, plant and equipment:</p> <p>As a part of our audit procedures;</p> <ul style="list-style-type: none">- Evaluating the determination of fair value used by the Group for its for property, plant and equipment, <p>We performed the following procedures in relation to the independent appraisal firm regarding property, plant and equipment:</p> <ul style="list-style-type: none">-Assessing the competency, abilities and objectivity of the independent appraisal firm,-Testing the inputs included in the appraisal report, which have a significant material influence on the determined property, plant and equipment, were compared with observable market prices whether the amounts considered within determined range,-Testing the disclosures in the consolidated financial statements in relation to the property, plant and equipment and relevant fair value and evaluating the adequacy of such disclosures for TFRS' requirements, <p>We had no material findings related to fair value of property, plant and equipment as a result of these procedures.</p> |



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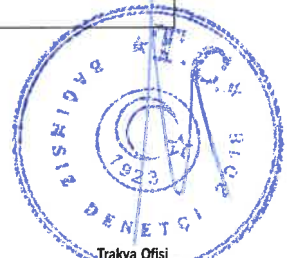
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| Revenue recognition | |
|---|--|
| Please refer to note 27 in the consolidated financial statements. | |
| Key audit matter | How the matter was addressed in our audit |
| <p>The has consolidated revenue amounting to TL 3.965.843.464, which constitutes 29% of the consolidated revenue has been recognized in accordance with the percentage of completion method under TFRS 15 “Revenue from Contracts with Customers”. The abovementioned method indicates the amounts recognized as revenue and costs of ongoing projects are based on the accounting estimates and assumptions included in the budgets of the projects.</p> <p>Recognition of revenue and determination of the results of construction projects that include specific conditions regarding the relevant projects are based on the Group management's estimates and assumptions, especially the estimation of the cost to be incurred to complete the projects, the material influence of the contract revenue on uncertainties related to the results of future events, and the recognition of the amounts related to changes in the projects.</p> <p>Furthermore, the relevant estimates and assumptions includes the compliance with the conditions specified in TFRS 15, costs expected to be incurred for the completion of the project, conclusion of contracts and estimation of the completion rate.</p> | <p>We performed the following procedures in relation to the recognition of revenue from construction contracts:</p> <ul style="list-style-type: none"> -Assessing the processes for determining the accuracy and timing of the revenue recognition in the consolidated financial statements and controls designed by the Group management, -Reviewing and understanding the methodologies used by the Group management when using the estimates and assumptions regarding construction projects and the estimates used regarding the amount of revenue recognized as a result of project calculations. -Evaluating the project documents including contracts, budgets and project-related calculations approved by the Group management, - Controlling the percentage of completion method calculated by the Group management, and accordingly, the existence and accuracy of the costs incurred, the additional cost that required to be incurred to complete the project, the accuracy of the percentage of completion calculation and the total calculations, -Assessing and understanding the terms and conditions of the material construction contracts for the estimates used by the Group management and to determine whether revenue is recognized in the correct periods, <p>Testing the disclosures in the consolidated financial statements in relation to the revenue recognition and relevant contracts including terms and conditions and evaluating the adequacy of such disclosures for TFRS 15 requirements,</p> <p>We had no material findings related to revenue recognition as a result of these procedures.</p> |



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| Key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>Application of TAS 29 – “Financial Reporting in Hyperinflationary Economies”</p> <p>The Group applied TAS 29 “Financial reporting in hyperinflationary economies (“TAS 29”) in the consolidated financial statements as of and for the year ended 31 December 2023.</p> <p>TAS 29 requires consolidated financial statements to be restated into the current purchasing power at the end of the reporting period.</p> <p>Applying TAS 29 results in significant changes to the consolidated financial statement items included in the Group’s consolidated financial statements as of and for the year ending 31 December 2023, which have been restated for comparative purposes as of and for the year ending 31 December 2022, including consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flow. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The explanations regarding the application of TAS 29 are disclosed in Note 2.02.</p> | <p>We performed the following audit procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"> - Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by the Group management, - Verifying whether the Group management’s determination of monetary and non-monetary items is in compliance with TAS 29, - Obtaining detailed lists of non-monetary items and testing original entry dates and amounts with supporting documentation on a sample basis whether they are correctly included in the calculation, - Verifying the general price index rates and methodologies used in calculations correspond with the coefficients in the “Consumer Price Index in Turkey”, - Testing the mathematical accuracy of non-monetary items, consolidated statement of profit or loss, and statement of cash flow adjusted for inflation effects, - Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS. |

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.



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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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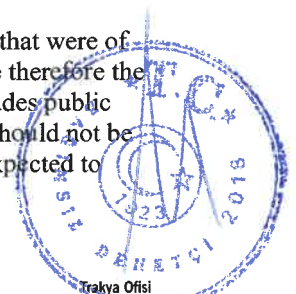
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Report on Other Legal and Regulatory Requirements

1) According to the Turkish Commercial Code (“TCC”) No. 6102 and pursuant to the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the Group established the Early Risk Identification System and Committee. The independent auditors report on the Early Risk Identification System and Committee was presented to the Group's Board of Directors on 3 May 2024.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Group’s bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Group’s articles of association related to financial reporting.

3) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner who supervised and concluded this independent auditor’s report is Metin ETKİN.

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.
An Independent Member of BAKER TILLY INTERNATIONAL

İstanbul, 3 May 2024



METİN ETKİN
Partner

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KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR 1 JANUARY- 31 DECEMBER 2023

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KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022**

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| | Notes | Audited 31.12.2023 | Audited 31.12.2022 |
|--|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 6 | 689.364.296 | 1.947.776.100 |
| Financial Investments | 7 | 42.053.470 | 222.275.721 |
| Trade Receivables | 10 | 1.319.328.123 | 1.376.446.069 |
| <i>Trade receivables from third parties</i> | 10 | 1.259.985.999 | 1.355.167.380 |
| <i>Trade receivables from related parties</i> | 10,37 | 59.342.124 | 21.278.689 |
| Customer Contracts | 14 | 756.302.084 | 54.751.414 |
| <i>Contract Assets</i> | | 756.302.084 | 54.751.414 |
| Other Receivables | 11 | 181.317.836 | 132.920.058 |
| <i>Other receivables from third parties</i> | 11 | 158.620.437 | 84.101.958 |
| <i>Other receivables from related parties</i> | 11,37 | 22.697.399 | 48.818.100 |
| Inventories | 13 | 940.624.126 | 754.085.792 |
| Prepaid Expenses | 23 | 1.177.918.716 | 667.602.352 |
| <i>Prepaid Expenses from third parties</i> | 23 | 947.095.010 | 660.370.100 |
| <i>Prepaid Expenses from related parties</i> | 23,37 | 230.823.706 | 7.232.252 |
| Current Income Tax Assets | 24 | 299.330 | 12.231 |
| Other Current Assets | 25 | 227.764.970 | 34.834.061 |
| Total | | 5.334.972.951 | 5.190.703.798 |
| Non-Current Assets | | | |
| Financial Investments | 7 | 575.552 | - |
| Other Receivables | 11 | 7.637.628 | - |
| <i>Other receivables from third parties</i> | 11 | 7.637.628 | - |
| <i>Other receivables from related parties</i> | 11,37 | - | - |
| Investments Accounted by Using the Equity Method | 15 | 137.261.709 | 78.141.985 |
| Right of Use Assets | 9 | 110.606.513 | 3.608.739 |
| Investment Properties | 16 | 141.870.000 | 146.850.568 |
| Property, Plant and Equipment | 17 | 4.404.229.777 | 1.059.590.587 |
| Intangible Assets | 18 | 808.555.723 | 83.189.787 |
| <i>Other intangible assets</i> | 18 | 270.303.461 | 83.189.787 |
| <i>Goodwill</i> | 3,18 | 538.252.262 | - |
| Prepaid Expenses | 23 | 135.961.681 | 481.671.625 |
| <i>Prepaid Expenses from third parties</i> | 23 | 135.956.742 | 481.671.625 |
| <i>Prepaid Expenses from related parties</i> | 23,37 | 4.939 | - |
| Deferred Tax Assets | 35 | 515.523.846 | 281.238.286 |
| Current Income Tax Assets | 25 | 24.969.067 | 11.768.242 |
| Total | | 6.287.191.496 | 2.146.059.819 |
| TOTAL ASSETS | | 11.622.164.447 | 7.336.763.617 |

The accompanying notes form an integral part of these consolidated financial statements.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 AND 2022**

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| | Notes | Audited 31.12.2023 | Audited 31.12.2022 |
|---|-------|-----------------------|-----------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Short-Term Borrowings | 8 | 584.635.855 | 642.727.649 |
| Short-Term Portion of Long-Term Borrowings | 8 | 1.450.305.669 | 166.335.900 |
| Trade Payables | 10 | 1.289.046.972 | 780.182.269 |
| <i>Trade payables to third parties</i> | 10 | 1.157.861.637 | 770.244.663 |
| <i>Trade payables to related parties</i> | 10,37 | 131.185.335 | 9.937.606 |
| Employee Benefits | 21 | 93.942.563 | 22.734.258 |
| Other Payables | 11 | 75.072.169 | 24.327.301 |
| <i>Other payables to third parties</i> | 11 | 64.164.768 | 24.327.301 |
| <i>Other payables to related parties</i> | 11,37 | 10.907.401 | - |
| Customer Contracts | 14 | 21.223.359 | 63.745.622 |
| <i>Contract Liabilities</i> | | 21.223.359 | 63.745.622 |
| Deferred Income | 23 | 538.895.328 | 135.668.630 |
| <i>Deferred Income to third parties</i> | 23 | 474.861.954 | 119.603.292 |
| <i>Deferred Income to related parties</i> | 23,37 | 64.033.374 | 16.065.338 |
| Current Income Tax Liabilities | 35 | 30.637.729 | 59.914.135 |
| Short-Term Provisions | 20 | 15.061.805 | 4.458.039 |
| <i>Other short-term provisions</i> | 20 | 2.466.405 | 45.148 |
| <i>Provisions for employee benefits</i> | 20 | 12.595.400 | 4.412.891 |
| Other Current Liabilities | 25 | 43.632 | - |
| Derivative Financial Instruments | 12 | 2.673.788 | - |
| Total | | 4.101.538.869 | 1.900.093.803 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 8 | 1.550.270.939 | 1.135.090.793 |
| Other Payables | 11 | 2.048.573.716 | 1.980.330.838 |
| <i>Other payables to third parties</i> | 11 | 32.132.715 | - |
| <i>Other payables to related parties</i> | 11,37 | 2.016.441.001 | 1.980.330.838 |
| Long-Term Provisions | 20 | 29.149.559 | 4.404.210 |
| <i>Other long-term provisions</i> | | - | - |
| <i>Provisions for employee benefits</i> | 20 | 29.149.559 | 4.404.210 |
| Deferred Tax Liabilities | 35 | 204.172.469 | 65.863.224 |
| TOTAL LIABILITIES | | 7.933.705.552 | 5.085.782.868 |
| EQUITY | | | |
| Equity Holders of the Parent | | | |
| Paid-in share capital | 26 | 200.000.000 | 200.000.000 |
| Adjustment to share capital | | 263.906.480 | 263.906.480 |
| Share on capital stock | 26 | 920.543.583 | 764.946.103 |
| Treasury shares | 26 | - | (23.315.368) |
| Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss | 26 | 226.366.234 | 136.461.864 |
| Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss | 26 | (23.887.857) | - |
| Restricted Profit Reserves | 26 | 39.936.591 | 20.406.961 |
| Retained Earnings | 26 | 649.404.969 | 117.489.716 |
| Profit for the Period | 36 | 431.000.170 | 655.971.510 |
| Non-Controlling Interests | 26 | 981.188.725 | 115.113.483 |
| TOTAL LIABILITIES AND EQUITY | | 11.622.164.447 | 7.336.763.617 |

The accompanying notes form an integral part of these consolidated financial statements.



CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

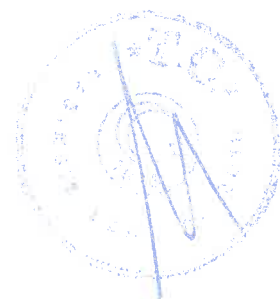
KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| | Notes | Audited 01.01.2023 31.12.2023 | Audited 01.01.2022 31.12.2022 |
|--|--------|-------------------------------------|-------------------------------------|
| Revenue | 27 | 3.965.843.464 | 3.279.440.049 |
| Cost of Sales (-) | 27 | (3.468.792.358) | (2.501.477.956) |
| Gross Profit | | 497.051.106 | 777.962.093 |
| General Administrative Expenses (-) | 28, 29 | (358.334.995) | (114.653.453) |
| Marketing, Sales and Distribution Expenses (-) | 28, 29 | (114.207.493) | (81.166.084) |
| Research and Development Expenses (-) | 28, 29 | (123.653.057) | (26.663.888) |
| Other Operating Income | 30 | 1.106.489.947 | 652.939.147 |
| Other Operating Expenses (-) | 30 | (572.388.390) | (392.483.371) |
| OPERATING PROFIT | | 434.957.118 | 815.934.444 |
| Share of Investments' Profit/(Loss) Accounted by Using the Equity Method | 15 | (28.226.275) | 2.026.093 |
| Income from Investment Activities | 31 | 421.999.749 | 183.969.016 |
| Expenses from Investment Activities (-) | 31 | (210.898.129) | (17.134.602) |
| OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE | | 617.832.463 | 984.794.951 |
| Financial Income | 33 | 302.983.826 | 68.814.795 |
| Financial Expenses (-) | 32 | (840.235.018) | (440.256.849) |
| Net Monetary gains/(losses) | | 305.073.485 | 3.669.328 |
| PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | | 385.654.756 | 617.022.225 |
| Tax income/(expense) | 35 | 44.882.337 | 59.251.602 |
| Current period tax expense (-) | 35 | (142.111.550) | (159.989.946) |
| Deferred tax income / (expense) | 35 | 186.993.887 | 219.241.548 |
| PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 36 | 430.537.093 | 676.273.827 |
| DISCONTINUED OPERATIONS | | - | - |
| PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | | - | - |
| NET PROFIT/(LOSS) FOR THE PERIOD | 36 | 430.537.093 | 676.273.827 |
| Attributable to | | 430.537.093 | 676.273.827 |
| Non-Controlling Interests | | (463.077) | 20.302.317 |
| Equity Holders of the Parent | | 431.000.170 | 655.971.510 |
| Earnings per share | 36 | 2.16 | 3.28 |
| Earnings per share continuing operations | 36 | 2.16 | 3.28 |

The accompanying notes form an integral part of these consolidated financial statements.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

| | | Audited | Audited |
|--|----|--------------|--------------|
| | | 01.01.2023 | 01.01.2022 |
| | | 31.12.2023 | 31.12.2022 |
| OTHER COMPREHENSIVE INCOME | | | |
| PROFIT FOR THE PERIOD | 36 | 430.537.093 | 676.273.827 |
| Items not to be reclassified to profit or loss | | 110.171.678 | 151.433.694 |
| Property, plant and equipment revaluation surplus | | 116.409.793 | 152.577.290 |
| Gains/(losses) on remeasurements of defined benefit plans, tax effect | | (6.238.115) | (1.143.596) |
| Taxes relating to other comprehensive income not to be reclassified to profit or loss | | (20.267.307) | (14.971.830) |
| Gains/(losses) on remeasurements of defined benefit plans, tax effect | | 1.559.529 | 285.899 |
| Property, plant and equipment revaluation surplus, tax effect | | (21.826.836) | (15.257.729) |
| Items to be reclassified to profit or loss | | (23.887.858) | - |
| Currency translation differences | | (23.887.858) | - |
| OTHER COMPREHENSIVE INCOME | | 66.016.513 | 136.461.864 |
| TOTAL COMPREHENSIVE INCOME | | 496.553.606 | 812.735.691 |
| Attributable to | | | |
| Non-controlling interests | | (463.077) | 20.302.317 |
| Equity holders of the parent | | 497.016.683 | 792.433.374 |

The accompanying notes form an integral part of these consolidated financial statements.

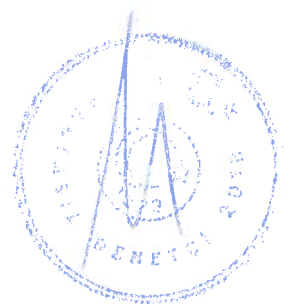


KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| Audited Current Period | Retained earnings | | | | | | | | | | Total equity | | |
|---|-----------------------|-----------------------------|-----------------|---------------|---|---|--|----------------------------------|---------------------|---------------------|---------------|-----------------------|------------------------------|
| | Paid-in share capital | Adjustment to share capital | Treasury shares | Share premium | Gains/(losses) on remeasurements of defined benefit plans | Property, plant and equipment revaluation surplus | Items to be reclassified to profit or loss | Currency translation differences | Restricted reserves | Prior years' income | | Profit for the period | Equity holders of the parent |
| Balances at 1 January 2023 (Beginning of the period) | 200.000.000 | 263.906.480 | (23.315.368) | 764.946.103 | (857.697) | 137.319.561 | - | 20.406.961 | 117.489.716 | 655.971.510 | 2.135.867.266 | 115.113.483 | 2.250.980.749 |
| Gains/(losses) on acquisition or disposal of a subsidiary | - | - | - | - | - | - | - | - | (51.207.997) | - | (51.207.997) | 850.913.900 | 799.705.903 |
| Gains/(losses) on treasury shares | - | - | 23.315.368 | - | - | - | - | - | (37.694.211) | - | 23.315.368 | - | 23.315.368 |
| Dividends paid | - | - | - | - | - | - | - | 19.529.630 | 636.441.880 | (655.971.510) | - | - | (37.694.211) |
| Transfers | - | - | - | 155.597.480 | - | - | - | - | - | - | 155.597.480 | - | - |
| Capital increases | - | - | - | - | - | - | - | - | (15.624.419) | - | (15.624.419) | 15.624.419 | 155.597.480 |
| Changes in ownership interest with subsidiaries without loss of control | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | (4.678.587) | 94.582.957 | (23.887.857) | - | - | 431.000.170 | 497.016.683 | (463.077) | 496.553.606 |
| - Profit for the period | - | - | - | - | (4.678.587) | 94.582.957 | (23.887.857) | - | - | 431.000.170 | 431.000.170 | (463.077) | 430.537.093 |
| - Other comprehensive income | - | - | - | - | - | - | - | - | - | - | 66.016.513 | - | 66.016.513 |
| Balances at 31 December 2023 (End of the period) (Note 26) | 200.000.000 | 263.906.480 | - | 920.543.583 | (5.536.284) | 231.902.518 | (23.887.857) | 39.936.591 | 649.404.969 | 431.000.170 | 2.707.270.170 | 981.188.725 | 3.688.458.895 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

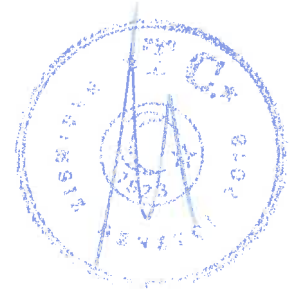
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| Audited Prior Period | Items not to be reclassified to profit or loss | | | | Retained earnings | | | | Equity holders of the parent | Non-controlling interests | Total equity |
|---|---|---------------|-----------------|---------------|---------------------|---------------------|-----------------------|------------------------------|------------------------------|---------------------------|--------------|
| | Gains/(losses) on remeasurements of defined benefit plans | Share premium | Treasury shares | Share premium | Restricted reserves | Prior years' income | Profit for the period | Equity holders of the parent | | | |
| Balances at 1 January 2022 (Beginning of the period) | - | 851,974,941 | - | - | 5,343,259 | 357,945,595 | - | 1,391,553,287 | (307,571) | 1,391,245,716 | |
| Gains/(losses) on treasury shares | - | - | (23,315,368) | - | - | - | - | (23,315,368) | - | (23,315,368) | |
| Dividends paid | - | - | - | - | - | (24,804,027) | - | (24,804,027) | - | (24,804,027) | |
| Transfers | - | - | - | - | 15,063,702 | (15,063,702) | - | - | - | - | |
| Capital increases | 161,937,500 | (87,028,838) | - | - | - | (200,588,150) | - | - | - | - | |
| Gains/(losses) on share-based transactions | - | - | - | - | - | - | - | - | 81,810,805 | 81,810,805 | |
| Gains/(losses) on acquisition or disposal of a subsidiary | - | - | - | - | - | - | - | - | 3,876,240 | 3,876,240 | |
| Changes in ownership interest with subsidiaries | - | - | - | - | - | - | - | - | 9,431,692 | 9,431,692 | |
| without loss of control | - | - | - | - | - | - | - | - | - | - | |
| Total comprehensive income | - | - | - | - | (857,697) | 137,319,561 | - | 655,971,510 | 20,302,317 | 812,735,691 | |
| - Profit for the period | - | - | - | - | (857,697) | 137,319,561 | - | 655,971,510 | 20,302,317 | 676,273,827 | |
| - Other comprehensive income | - | - | - | - | - | - | - | 136,461,864 | - | - | |
| Balances at 31 December 2022 (End of the period) (Note 26) | 200,000,000 | 764,946,103 | -23,315,368 | 263,906,480 | 20,406,961 | 117,489,716 | 655,971,510 | 2,135,867,266 | 115,113,483 | 2,250,980,749 | |

The accompanying notes form an integral part of these consolidated financial statements.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022**

(Amounts on tables expressed in Turkish Lira ("TL") unless otherwise indicated.)

| | Notes | Audited 01.01.2023 31.12.2023 | Audited 01.01.2022 31.12.2022 |
|--|---------|-------------------------------------|-------------------------------------|
| A) CASH FLOWS FROM OPERATING ACTIVITIES | | 1.515.634.033 | 1.137.288.223 |
| PROFIT FOR THE PERIOD | | 430.537.093 | 676.273.827 |
| Adjustments to reconcile profit for the period to cash generated from operating activities | | 1.289.485.785 | 315.974.266 |
| Depreciation and amortisation | 9,17,18 | 417.463.515 | 48.767.714 |
| Adjustments for impairment loss/(reversal of impairment loss) | | 10.904.420 | 29.751.683 |
| Adjustments for impairment loss of receivables | 10, 11 | 25.491.705 | 20.112.679 |
| Other adjustments for impairment loss (reversal of impairment loss) | 13 | (14.587.285) | 9.639.004 |
| Adjustments for provisions | 20 | 35.349.115 | 2.170.381 |
| Adjustments for interest income/expense | 30, 33 | 277.573.759 | 78.794.169 |
| Adjustments for fair value gains/(losses) | 31 | 17.852.219 | 20.832.039 |
| Adjustments for undistributed profits of investments accounted for using the equity method | 15 | 28.226.275 | (2.026.093) |
| Adjustments for tax income/expense | 35 | (44.882.337) | (59.251.602) |
| Adjustments for unrealised currency translation differences | | 247.349.753 | (10.353.330) |
| Adjustments for losses/(gains) on disposal of non-current assets | 31 | (3.569.667) | (10.273.350) |
| Adjustments for monetary gains/(losses) | | 303.218.733 | 217.562.655 |
| Changes in Working Capital | | (1.315.160) | 281.600.384 |
| Adjustments for gains/(losses) on Financial Investments | | 179.646.699 | (104.963.559) |
| Adjustments for gains/(losses) on Trade Receivables | | 57.117.946 | (310.556.301) |
| Adjustments for gains/(losses) on Other Receivables Related to Operations | | (56.035.406) | (34.644.678) |
| Adjustments for gains/(losses) on Contract Assets | | (701.550.670) | (43.661.957) |
| Changes in Inventories | | (171.951.049) | (321.671.951) |
| Adjustments for gains/(losses) on Trade Payables | | 508.864.703 | 353.012.067 |
| Adjustments for losses/(gains) on Other Payables Related to Operations | | 118.987.695 | 1.992.615.287 |
| Changes in Prepaid Expenses | | (164.606.420) | (923.099.202) |
| Changes in Deferred Income | | 403.226.697 | (394.991.321) |
| Adjustments for gains/(losses) on payables due to employee benefits | | 71.208.305 | 14.805.956 |
| Adjustments for gains/(losses) on Contract Liabilities | | (42.522.263) | 57.453.417 |
| Changes in Derivative Liabilities | | 2.673.803 | - |
| Adjustments for gains/(losses) on other changes in working capital | | (206.375.200) | (2.697.374) |
| Cash Flows from Operating Activities | | 1.718.707.717 | 1.273.848.477 |
| Income tax refund/paid | | (145.717.444) | (111.300.448) |
| Dividends paid | 26 | (37.694.210) | (24.804.027) |
| Payments within provisions for employee benefits | 21 | (19.662.030) | (455.778) |
| B) CASH FLOWS FROM INVESTING ACTIVITIES | | (3.416.153.774) | (92.305.747) |
| Cash inflows from disposal of subsidiaries without loss of control | 26 | 180.619.490 | 705.649.460 |
| Cash outflows from acquisition of interests in subsidiaries | 3 | (81.869.963) | (11.450.759) |
| Cash outflows from acquisition of interests or capital increases in associates and joint ventures | 15 | (38.367.072) | (60.065.714) |
| Cash outflows from capital advances of associates and joint ventures | 15 | (71.420.830) | - |
| Cash inflows from sale of property, plant and equipment and intangible assets | 17, 18 | 6.038.072 | 4.643.755 |
| Cash outflows from purchase of property, plant and equipment and intangible assets | 17, 18 | (3.411.420.267) | (730.668.654) |
| Cash inflows from sale of investment properties | 16 | 266.796 | 12.838.169 |
| Cash outflows from purchase of investment properties | 16 | - | (13.252.004) |
| C) CASH FLOWS FROM FINANCING ACTIVITIES | | 1.334.384.793 | 1.078.088.352 |
| Cash inflows from borrowings | 8 | 1.641.058.121 | 1.160.519.422 |
| Interest paid | | (410.452.677) | (154.454.779) |
| Interest received | | 103.779.349 | 95.339.077 |
| Cash outflows from acquisition of treasury shares and other equity instruments | 26 | - | (23.315.368) |
| Inflation effect on cash and cash equivalents | | (692.276.856) | (384.115.312) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | (1.258.411.804) | 1.738.955.516 |
| D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | - | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | (1.258.411.804) | 1.738.955.516 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 1.947.776.100 | 208.820.584 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 689.364.296 | 1.947.776.100 |

The accompanying notes form an integral part of these consolidated financial statements.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi (the "Company" or "Kontrolmatik") was established in 2008 with the title of "Kontrolmatik Bina Yönetim Sistemleri Sanayi ve Dış Ticaret Limited Şirketi". The title of Kontrolmatik Bina Yönetim Sistemleri was changed to "Kontrolmatik Enerji Yönetim Sistemleri Sanayi ve Dış Ticaret Limited Şirketi" on 30 May 2012. Accordingly, the Company was changed its nature of business and the title of Kontrolmatik Enerji Yönetim Sistemleri was changed to "Kontrolmatik Enerji ve Mühendislik Anonim Şirketi" on 9 September 2014.

In addition, the Company was changed its nature of business and the title of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi was changed to "Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi" on 24 February 2020.

Kontrolmatik's initial public offering was approved by the Capital Markets Board on 24 September 2020. The Group started to be quoted on Borsa Istanbul on 19 October 2020.

For the purpose of the consolidated financial statements and notes to the consolidated financial statements, Kontrolmatik and its consolidated subsidiaries are hereinafter together referred to as the "Group". Kontrolmatik's nature of businesses are mainly as follows:

Kontrolmatik provides and establishes electronic, communication, computer and computer hardware and systems in order to meet the needs of all private and public legal person institutions and organizations. Kontrolmatik realises services with all kinds of software and hardware activities and to develop and integrate software, hardware and systems for all kinds of engineering solutions, creation of data processing systems, data transfer, data security, data analysis and data mining operations, production of information technology business intelligence solutions, establishment, purchase, sale, maintenance, service, warranty and repair services and produces all kinds of electronic information system tools and equipment. In addition, Kontrolmatik trades aforementioned products, services and devices and participating in domestic and international tenders, making commitments, being a partner in entities established or to be established for this purpose, acquiring, transferring or taking over these entities.

Kontrolmatik provides research and development activities both in its nature of business and in the production of other goods and services. In this context, Kontrolmatik provides engineering and consultancy services, conducts research and development activities in its nature of business, works on increasing the quality and efficiency in production and carries out studies that will help to solve the problems that may arise in its nature of business by carrying out educational activities, working in both technical and technological fields.

Kontrolmatik is responsible for all kinds of conventional and renewable energy production facilities, energy and electricity transmission and distribution facilities, oil refineries, natural gas terminals, mining facilities, all kinds of industrial facilities, underground and surface rail and transportation facilities in the public or private sector in Turkey and abroad. Kontrolmatik carries out the electrical, electromechanical, mechanical, constructional and construction works of the highway transportation system, air and sea ports, land and railway tunnels, canals, bridges, hospitals, factories and shipyards on a turnkey or piece basis. Kontrolmatik ensuring the activities of designing projects, to make architectural design, to manage projects administratively, professionally and technically, to establish facilities, to provide engineering and consultancy services, to commission the facilities, to maintain, to design and design all kinds of electronic measurement, test, monitoring, protection, control systems of the facilities. manufacturing, installation and maintenance, ensuring the integration of systems with each other and making them ready for operation.

Kontrolmatik develops energy and industrial management systems software in Turkey and abroad, installs these systems end-to-end turnkey, operates, provides maintenance and repair services, manufactures, trades, imports and exports software and systems.

Kontrolmatik develops new generation rechargeable flow batteries, fuel cells, thermal energy storage systems, innovative energy storage and transmission systems to store electrical and thermal energy. Kontrolmatik performs and provides domestic and foreign trade, service and maintenance of all products, systems, materials, mechanical and chemical components, electronic cards, software and systems resulting from research and development activities related to all kinds of electrical, electronic, mechanical, chemical products.

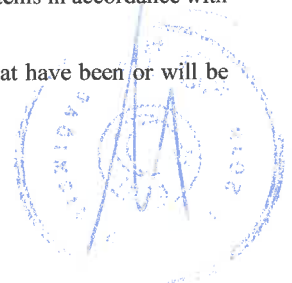
Kontrolmatik provides the acquisition, issuance, leasing, transfer and takeover of assets and all kinds of licenses related to power plants, refineries and all kinds of industrial facilities.

Kontrolmatik designs, manufactures, installs, maintains and operates turnkey mobile power plants, mobile energy and electricity distribution centers, mobile substations, mobile industrial facilities, mobile health centres, and conducts domestic and international trade.

Kontrolmatik manufactures, trades, imports and exports all kinds of electrical and electronic automation panels, distribution panels, medium voltage and weak current systems and panels.

Kontrolmatik performs tests of all kinds of electrical (high and low voltage), instruments, mechanical materials or systems in accordance with standards, and manufactures, sells, rents or leases the test equipment.

Kontrolmatik enters into a subsidiary relationship with distribution companies and energy generation companies that have been or will be established without establishing a control.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

The Group obtained the ISO 9001:2000 - Quality Management Systems certificate on 10 November 2008.

The total end-of period and average number of personnel employed by Kontrolmatik is 625 (31 December 2022: 496).

The registered address of Kontrolmatik is as follows:

Huzur Mahallesi, Ahmet Bayman Cad. No:2 Sarıyer/İstanbul

In addition, the Group has 3 (“three”) branches in Kahramankazan/Ankara, Esenyurt/İstanbul, and Melikgazi/Kayseri.

As of 31 December 2023 and 2022, the principal shareholders and their respective shareholding rates in Kontrolmatik are as follows:

| Shareholders | 31.12.2023 | | 31.12.2022 | |
|------------------------------------|----------------|-----------------------|----------------|-----------------------|
| | Share (%) | Amount (TL) | Share (%) | Amount (TL) |
| Sami Aslanhan | 28.34 | 56.681.444,30 | 29.09 | 56.681.444,30 |
| Ömer Ünsalan | 28.48 | 56.953.773,30 | 29.09 | 56.953.773,30 |
| Other | 43.18 | 86.364.782,40 | 41.82 | 86.364.782,40 |
| Total paid-in share capital | 100.00% | 200.000.000,00 | 100.00% | 200.000.000,00 |

The Group has no preferred shares at the end of the annual reporting periods.

As of 31 December 2023, the Group has paid-in share capital amounting to TL 200.000.000 (31 December 2022: TL 200.000.000). Kontrolmatik adopted the registered share capital system at the general assembly meeting on 21 May 2020.

Under the authorisation of the Capital Markets Board on 3 April 2020 and numbered 29833736-110.03.03-E.3913 and the Directorate General for Domestic Trade of Ministry of Trade on 21 April 2020 and numbered 50035491-431.02, the Group adopted share capital system. The registered capital ceiling of the Group has been determined as amounting to TL 150.000.000. Accordingly, the Group had an extraordinary general assembly meeting for the decision of the necessary amendments to the Articles of Association to amend the Articles of Association into compliance with the Capital Markets Board regulations and the purposes and principles of the Capital Market Law. The registered capital ceiling was completed on 29 May 2020 and published in Official Gazette on 3 June 2020 numbered 10089 on page numbered 196.

In accordance with the authorisation of the Capital Markets Board on 31 March 2022 and numbered E-29833736-110.04.04-19367, the Directorate General for Domestic Trade of Ministry of Trade on 11 April 2022 and numbered E-50035491-431.02-00073658384 and decision of the General Assembly on 28 April 2022, within the framework of the Capital Markets Board's II-18.1 Communiqué on “Registered Capital System”, the Company's Articles of Association regarding the increase of the registered share capital ceiling in Article 6 of the Company's Articles of Association to TL 750.000.000 and the extension of the registered capital ceiling period for 5 years for the years 2022-2026 was realised. Accordingly, the decision of the general assembly regarding the adoption of the draft amendment of Article 6 titled “Capital and Shares” was registered by the Istanbul Trade Registry Directorate on 24 May 2022 and the amount was increased to TL 750.000.000.

The Group has 200,000,000 outstanding shares each with a nominal value of TL 1 (31 December 2022: 200,000,000).

The Group increased its current share capital from its own internal funds and resources on 24 February 2020. Accordingly, the Group has current share capital amounting to TL 30 million.

Kontrolmatik's initial public offering was approved by the Capital Markets Board on 24 September 2020. The Group started to be quoted on Borsa Istanbul on 19 October 2020. Accordingly, after the initial public offering, Kontrolmatik has increased its share capital to TL 36.250.000. Afterwards, the shares with a nominal value of TL 1.812.500, which were considered as ready for sale sales, were sold on the stock exchange, and the share capital of Kontrolmatik is amounting to TL 38.062.500 after the relevant sales realised on 27 October 2020. In addition, the Group increased its current share capital from TL 38.062.500 to TL 200.000.000 from its own funds and resources on 8 June 2022. The Group realised a share capital increase from its funds and internal resources on 25 August 2022 following the approval of the Capital Markets Board. The Group's share capital increased to TL 200.000.000 by the decision of the Board of Directors on 18 July 2022. Therefore, the current issued share capital registered as amounting to TL 200.000.000 on 6 September 2022.

Subsidiaries

As of 31 December 2023, the subsidiaries (“Subsidiaries”), included in the consolidation scope of Kontrolmatik, their nature of business and their effective interests are as follows:



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

31.12.2023

| Subsidiaries | Direct ownership interest held by Kontrolmatik (%) | Effective ownership interest (%) | Non-controlling |
|---|--|----------------------------------|--------------------|
| | | | No Cointerests (%) |
| Kontrolmatik Toshkent LLC (Kontr Taşkent) | 100.00 | 100.00 | - |
| Kontrolmatik Technologies Inc. (Kontrolmatik USA) | 100.00 | 100.00 | - |
| Llc Controlmaticrus | 100.00 | 100.00 | - |
| Kontrolmatik Libya branch | 100.00 | 100.00 | - |
| Nextopia Enerji Üretim A.Ş.(Nextopia) | 100.00 | 100.00 | - |
| Prolectric Enerji Üretim A.Ş.(Prolectric) | 100.00 | 100.00 | - |
| Kontrolmatik Cameroun Sarl | 100.00 | 100.00 | - |
| Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva) | 95.00 | 95.00 | 5.00 |
| Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega) | 88.10 | 88.10 | 11.90 |
| Mcfly Robot Teknolojileri A.Ş. (Mcfly) | 75.00 | 75.00 | 25.00 |
| Enwair Enerji Teknolojileri Anonim Şirketi | 50.10 | 50.10 | 49.90 |
| Üç Yıldız Antimon Madencilik A.Ş. (Üç Yıldız) | 50.10 | 50.10 | 49.90 |
| Pomega Energy Storage Technologies Inc. (Pomega USA) | 50.00 | 66.40 | 33.60 |
| Emek Elektrik Endüstrisi A.Ş. | 19.42 | 19.42 | 80.58 |

Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega): Pomega Enerji was established on 8 December 2021. Pomega Enerji's business activities include ensuring operating in the field of battery technologies, and engaged in operating an electrochemical energy storage cell production facility, energy storage cell production, battery pack production, energy storage system design and turnkey solution activities using lithium ion and other advanced technologies.

Total end-of period, personnel employed by Pomega Enerji is 159.

The subsidiary of the Group with 100% effective ownership interest, Pomega Enerji Depolama Teknolojileri Anonim Şirketi (Pomega) has increased its current share capital amounting to USD 210.000.000 following the relevant decisions are as follows:

- İş Portföy Yönetimi A.Ş. - Renewable Energy Technologies Venture Capital Fund ("İş Portföy") has an effective ownership interest at the rate of 10% through paid-in share capital increase amounting to USD 21.000.000 which is considered as a transfer of fund under "emission premium",

- Rubellius Nucleus Investments SARL ("Rubellius") has an effective ownership interest at the rate of 1% through a paid-in share capital increase amounting to USD 2.100.000 which is considered as transfer of fund under "emission premium". Accordingly, the relevant capital increase was made in accordance with the signed "Shareholders Agreement".

After the registration of the aforementioned paid-in share capital increase on 9 December 2022, Kontrolmatik's effective ownership interest rate has increased to 89% following the capital increase in Pomega Enerji.

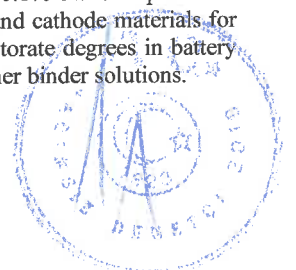
The subsidiary of the Group, Pomega Enerji (Pomega) registered its share capital by increasing from TL 20.000.000 to TL 505.102.100 through a capital increase from emission premium.

The amount of TL 427.200.000 due from Pomega was paid and accordingly, after capital increase was registered, the Group's ownership interest in Pomega has been increased to 88.10%.

Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva): Progresiva was established on 17 December 2021. Progresiva's business activities include ensuring the purpose of wholesale and retail sales activities and the establishment and operation of a separate electricity storage facility in Turkey and abroad; establishing related facilities, operating and leasing the established facilities, and engaging in the trade of electrical energy. In addition, Progresiva is operating in wholesale, retail sales, import and export activities within the framework of the legislation related to trading electrical energy and/or capacity in accordance with the relevant legislation regarding the electricity market. Progresiva operates under the provisions of other legislation related to the electricity market, including the "Electricity Market Licensing Regulation".

Total end-of period, personnel employed by Progresiva is 3.

Enwair Enerji Teknolojileri Anonim Şirketi (Enwair): The Group acquired the shares of Enwair constituting 50.1% ownership interest amounting to TL 6.164.718 on 1 July 2022. Enwair is a research and development company that develops anode and cathode materials for battery technologies. The team of Enwair consists of materials engineers and chemists who have master's and doctorate degrees in battery technologies. Enwair works on flexible silicon anodes, self-healing anodes, lithium-rich cathodes, and various polymer binder solutions.



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Enwair completed 1 “Kosgeb”, 1 “Tubitak 1501” and 1 “Era-Net project of the European Union and Works on 1 “Tubitak 1501” and 1 “Era-Net Horizon project of the European Union. Furthermore, 1 PCT and 1 TR patents have been registered, and there exist 3 ongoing studies in the patent process.

Total end-of period, personnel employed by Enwair is 9.

Prolectric Enerji Üretim A.Ş. (Prolectric): Prolectric was established on 9 December 2022. Progresiva is the ultimate controlling party of Prolectric with 100% effective ownership interest as of 14 August 2023 and its business activities include operating in the development of solar and wind power plant projects.

Prolectric has no personnel employed at the end of the reporting period.

Nextopia Enerji Üretim A.Ş.(Nextopia): Nextopia was established on 1 December 2022. Progresiva is the ultimate controlling party of Nextopia with 100% effective ownership interest on 2 August 2023 and Nextopia’s business activities include operating in the development of solar and wind power plant projects.

Nextopia has no personnel employed at the end of the reporting period.

Mcfly Robot Teknolojileri A.Ş. (Mcfly): Mcfly was established on 17 October 2022. The Group has a 75% effective ownership interest in Mcfly and the current issued share capital of Mcfly amounts to TL 10.000.000. Mcfly’s business activities include operating in the production and integration of all kinds of robots, robot grippers, robot end elements.

Total end-of period, personnel employed by Mcfly is 62.

Fc Kontrolmatik Toshkent Llc(Kontr. Taşkent): Fc Kontrolmatik Toshkent was established in Uzbekistan in 2021. Kontrolmatik is the ultimate controlling party of Fc Kontrolmatik Toshkent with 100% effective ownership interest. Fc Kontrolmatik Toshkent’s business activities include providing engineering activities and services 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 transformer centers required for electricity transmission and distribution, open switchgear substations. In addition, Fc Kontrolmatik Toshkent provides project design, technological designs, research and development activities, installation, and relevant services.

Llc Controlmaticrus: The Company was established in 2021 in Russia. Kontrolmatik is the ultimate controlling party of the company with 100% effective ownership interest. The Company’s business activities include ensuring business development activities in the Russian Federation.

Kontrolmatik Libya branch: The branch was established in 2021 in Libya.

Kontrolmatik Technologies Inc: The branch was established in 2022 in the United States.

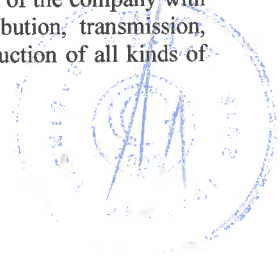
Pomega Energy Storage Technologies Inc.: Pomega Energy was established in February 2023 in the United States. Pomega Energy’s business activities include ensuring the establishment of a 3GWh/Year capacity battery cell, battery pack and energy storage systems production facility in the United States. Pomega Energy has a current share capital amounting to USD 40.000.000. Kontrolmatik Teknoloji, Pomega Enerji and Kontrolmatik Technologies Inc. have 50%, 10% and 7.5% effective ownership interest, respectively in Pomega Energy.

Üç Yıldız Antimon Madencilik A.Ş. (“Üç Yıldız”): The Group acquired Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret Anonim Şirketi with 50.1% effective ownership interest according to the horizontal and vertical integration investment strategy implemented by the Group. Üç Yıldız Antimon Madencilik’s business activities include ensuring the production of Antimony, Lead, Zinc and Copper and mine ore production used in various industrial production, mainly energy storage. The acquired Üç Yıldız Antimon Madencilik owns 783 hectares of antimony field and flotation facility located in Gediz, Kütahya. The relevant facility has an annual antimony ore processing capacity of 75,000 tons with its 250 tons/hour Antimony Flotation production line. In addition, Üç Yıldız Antimon Madencilik has its smelting facility with an annual production capacity of 1,500 tons of antimony trioxide and 1,000 tons of antimony metal annually. Furthermore, Üç Yıldız Antimon Madencilik is in the process of establishing a lead-zinc-copper flotation facility with an annual operating capacity of 200,000 tons of lead-zinc-copper with a daily capacity of 500 tons/hour.

Total end-of period, personnel employed by Üç Yıldız is 65.

Kolezin Metal ve Madencilik A.Ş.: Üç Yıldız acquired Kolezin Metal ve Madencilik Anonim Şirketi with 75% effective ownership interest amounting to TL 11.250.000 on 22 November 2023. As of 31 December 2023, Kolezin Metal included in the scope of consolidation of Üç Yıldız.

Kontrolmatik Cameroun Sarl: The Company was established in 2021. Kontrolmatik is the ultimate controlling party of the company with 100% effective ownership interest. The Company’s business activities include ensuring energy generation, distribution, transmission, consultancy and electromechanical works, instrumentation, assembly, system engineering and commissioning, construction of all kinds of power plants and industrial facilities, IoT and IT systems.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

Emek Elektrik Endüstrisi A.Ş.: The Group announced that it has signed a contract with Özar Elektrik İnşaat to acquire the shares of Emek Elektrik Endüstrisi (“Emek Elektrik”) constituting 12.87% effective ownership interest in exchange for 385,000 “KONTR” shares according to the horizontal and vertical integration investment strategy implemented by the Group. Accordingly, Kontrolmatik’s effective ownership interest rate in Emek Elektrik has increased to 18.74%. The effective ownership interest of Kontrolmatik has been changed to 19.41% at the end of 31 December 2023.

Emek Elektrik’s business activities include ensuring production of medium, high and very high voltage silicone composite insulators in transformer centers, bushing capacitors, surge arresters, brackets, hangers and bushing types. In addition, Emek Elektrik manufactures LV, MV, HV and very high voltage measurement and protection current and voltage transformers, capacitive voltage divider and coupling capacitors, power capacitors, voltage breakers and separators, switchgear equipment, gas insulated transformers for the necessities in the sectors of industrial facilities and electricity generation, transmission and distribution.

Total end of period and average number of personnel employed by Emek Elektrik is 189. The total number of employees represents 95 Direct and 15 Indirect employees in the Production Department, 5 Direct and 10 Indirect employees in the Quality Department, 8 employees in the R&D Department, 6 employees in the Marketing and Sales Department, and 50 employees in the General Management Department.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying consolidated financial statements for the year ended 31 December 2023 have been prepared following Turkish Financial Reporting Standards (“TFRS/TAS”) with additions and interpretations as issued by POA.

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

Group accounting and basis of consolidation

The accompanying consolidated financial statements include financial statements of a subsidiary with 95% effective ownership interest, 6 subsidiaries with 100% effective ownership interest, a subsidiary with 88.10% effective ownership interest, a subsidiary with 75% effective ownership interest and a subsidiary with 50% effective ownership interest and a subsidiary with 19.42% effective ownership interest, a subsidiary with 66.40% effective ownership interest, and 2 subsidiaries with 55.10% effective ownership interest including the financial statements of the parent company “Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi”. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation following “TFRS” and the application of uniform accounting policies and presentation.

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

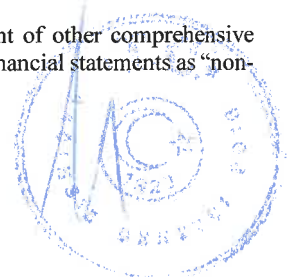
Consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are prepared by the following principles:

Entities that have control over the Group are subsidiaries of the Group. The Group controls the entity if it is exposed to variable interest due to its relationship with the entity or if it has the right to influence the entity at the same time. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

The statement of financial position and statement of profit or loss/other comprehensive income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Kontrolmatik and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Kontrolmatik and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Kontrolmatik in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.

Subsidiaries

Non-controlling shares in the net assets, other comprehensive income and expense items, consolidated statement of other comprehensive income and changes in equity and operating results of the subsidiaries are separately classified in the consolidated financial statements as “non-controlling interests”.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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If the Group loses control of a subsidiary, it recognizes any investment retained in the former subsidiary at its fair value when control is lost, and any difference between the fair value and net book value of investment is accounted for as gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Additionally, assets and liabilities that were previously recognized as other comprehensive income attributable to that subsidiary are accounted for as if those were disposed the Group. This may result in the fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss. The fair value is the initial acquisition amount for the purpose of subsequent accounting of the interests in associates, joint ventures and financial assets.

As of 31 December 2023 and 2022, subsidiaries included in the scope of the consolidation, their effective interests, direct and indirect ownership interests are as follows:

| 31.12.2023 | Direct ownership interest held by Kontrolmatik (%) | Effective ownership interest (%) | Non-controlling interests (%) |
|---|---|---|--------------------------------------|
| Subsidiaries | | | |
| Kontrolmatik Toshkent LLC (Kontr Taşkent) | 100.00 | 100.00 | - |
| Kontrolmatik Technologies Inc. (Kontrolmatik USA) | 100.00 | 100.00 | - |
| Llc Controlmaticurus | 100.00 | 100.00 | - |
| Kontrolmatik Libya Şubesi | 100.00 | 100.00 | - |
| Nextopia Enerji Üretim A.Ş.(Nextopia) | 100.00 | 100.00 | - |
| Prolectric Enerji Üretim A.Ş.(Prolectric) | 100.00 | 100.00 | - |
| Kontrolmatik Cameroun Sarl | 100.00 | 100.00 | - |
| Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva) | 95.00 | 95.00 | 5.00 |
| Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega) | 89.00 | 88.10 | 11.00 |
| Mcfly Robot Teknolojileri A.Ş. (Mcfly) | 75.00 | 75.00 | 25.00 |
| Enwair Enerji Teknolojileri Anonim Şirketi | 50.10 | 50.10 | 49.90 |
| Üç Yıldız Antimon Madencilik A.Ş. (Üç Yıldız) | 50.10 | 50.10 | 49.90 |
| Pomega Energy Storage Technologies Inc. (Pomega USA) | 50.00 | 66.40 | 33.60 |
| Emek Elektrik Endüstrisi A.Ş. | 19.42 | 19.42 | 80.58 |

| 31.12.2022 | Direct ownership interest held by Kontrolmatik (%) | Effective ownership interest (%) | Non-controlling interests (%) |
|---|---|---|--------------------------------------|
| Ticari Ünvanı | | | |
| Kontrolmatik Toshkent LLC(Kontr Taşkent) | 100.00 | 100.00 | - |
| Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva) | 95.00 | 95.00 | 5.00 |
| Nextopia Enerji Üretim A.Ş.(Nextopia) | - | 95.00 | 5.00 |
| Prolectric Enerji Üretim A.Ş.(Prolectric) | - | 95.00 | 5.00 |
| Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega) | 89.00 | 89.00 | 11.00 |
| Mcfly Robot Teknolojileri A.Ş. (Mcfly) | 75.00 | 75.00 | 25.00 |
| Enwair Enerji Teknolojileri Anonim Şirketi | 50.10 | 50.10 | 49.90 |

Equity method

Associates are companies in which the Group has voting power between 20% and 50% or the Group has the power to participate in the financial and operating policy decisions but not control them. Unrealised gains or losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Associates are accounted for using the equity method. Under the equity method, on initial recognition, the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. On acquisition, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities in case of goodwill is included in the carrying amount of the investment and any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

As of 31 December 2023 and 2022, associates and joint ventures accounted for using the equity method and their effective interests are as follows:

| <u>Associates and joint ventures</u> | <u>31.12.2023</u> <u>Effective ownership interest held by</u> <u>Kontrolmatik %</u> | <u>31.12.2022</u> <u>Effective ownership interest held by</u> <u>Kontrolmatik %</u> |
|---|---|---|
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint Venture (IOT) | 50.00 | 50.00 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint Venture (SAY) | 50.00 | 50.00 |
| Plan S Uydu ve Uzay Teknolojileri A.Ş. (Plan S) | 25.00 | 25.00 |
| Mint Elektrikli Araç Teknolojileri A.Ş. | 40.00 | 40.00 |
| Kontrolmatik Tek.Ene. ve Müh. A.Ş. Ve Siterm Isı San. A.Ş. Joint Venture (Siterm) | 50.00 | 50.00 |
| Teknovus Şarj Teknolojileri A.Ş. | 40.00 | 40.00 |
| Signum Teknoloji Tanıtım ve Eğitim A.Ş. | 49.00 | 49.00 |

Plan S Uydu ve Uzay Teknolojileri A.Ş.: Plan S was established on 6 July 2021. Plan S's business activities include ensuring the manufacturing of spacecraft, spacecraft launch vehicles and mechanisms, satellites, space rockets, orbital stations and space shuttles.

Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (IOT): Kontrolmatik and Skysens (IOT) joint venture was established on 4 September 2018. Kontrolmatik and Skysens joint venture's ("IOT") business activities include carrying out the "Wireless Meter Reading System" and "IOT Infrastructure" with the contract signed with İGA Airports Construction Partnership.

Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (SAY): Kontrolmatik and Skysens ("SAY") joint venture was established on 10 October 2018. Kontrolmatik and Skysens joint venture's ("SAY") business activities include ensuring the service of reading the information in the meters, storing the data, and transferring the relevant data to the relevant units of İGA within the scope of the "Wireless Meter Reading System", with the contract signed with İGA Airports Construction Partnership.

MİNT Elektrikli Araç Teknolojileri A.Ş.(MİNT): MİNT was established on 22 June 2022. MİNT's business activities include operating in the field of electric vehicle rental and sharing technologies with the cooperation of Escar Turizm Taşımacılık. To operate all kinds of activities related to the technologies of providing electrical energy to electric vehicles, Teknovus Şarj Teknolojileri A.Ş has been established, as a subsidiary of MİNT with 100% effective ownership interest. Teknovus has current share capital amounting to TL 10.000.000. The establishment of Teknovus was published in Official Gazette on 12 December 2022. Teknovus is included in the scope of consolidation of MİNT.

Kontrolmatik Teknoloji Enerji ve Müh. A.Ş. ve Siterm Isı Sanayi A.Ş. Joint venture: Kontrolmatik Teknoloji and Siterm joint venture was established to ensure the production service of 100 t/h Capacity High-Pressure Water Tube Steam Boiler, which was tendered by "Eti Maden Operations General Directorate".

Signum Teknoloji Tanıtım ve Eğitim A.Ş. : Signum Teknoloji's business activities include ensuring data processing (big data), digital twin, internet of things (IoT), embedded business intelligence, used in the management and operational processes of campuses such as facilities, campuses, health institutions, public buildings, ports, airports, logistics centers in all sectors (embedded bi), ontology, building information systems (bim, cobie, ifc) models using its own software platform and facility management system (facility management system) software and Signum Teknoloji has strategic business partnership vision to expand its use in industrial facilities. Kontrolmatik acquired the shares of Signum Teknoloji with the expectation that the integration capability with the IoT devices in all these facilities would increase both in domestic and abroad, primarily in the foreign market, and in sales revenues.

Related parties

Under the TAS 24 "Related Party Disclosures", a related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel including shareholders and Group management. A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

For the purpose of these consolidated financial statements, shareholders, parents of Kontrolmatik Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence are considered and expressed as "related parties". Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity (Note 38).

The detailed analysis of related parties including balances and transactions has been disclosed under Note 38.



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Comparatives and adjustments of prior period's financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

If the Group retrospectively applies an accounting policy or retrospectively restates an entity's financial statements or reclassifies items in its financial statements; the notes related to the 3-period table are presented for each of the following three tables of the consolidated statement of financial position (balance sheet), and the 2-period table are presented for each other statements (statement of profit or loss and other comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity)

The Group realises its statement of financial position as of the following periods:

- as of the end of the current period
- as of the end of the prior period, and
- by the beginning of the earliest comparative period.

Reporting currency

The consolidated financial statements are presented in TL, which is Kontrolmatik's functional and presentation currency. As of 31 December 2023, the accompanying consolidated financial statements, including the consolidated financial statements and prior period financial information for ensuring comparability, are presented in Turkish Lira TL.

The functional currency of "Kontrolmatik Taşkent" is Uzbekistani Sum ("UZS"). Regarding the translation of the financial statements of Kontrolmatik Taşkent into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 0.00238 is considered as the exchange rate as of the balance sheet date, and TL 0.00202 is considered as the average exchange rate for the year 2023.

The functional currency of "Llc Controlmaticrus" is Russian Ruble ("RUB"). Regarding the translation of the financial statements of Llc Controlmaticrus into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 0.326110 is considered as the exchange rate as of the balance sheet date, and TL 0.326110 is considered as the average exchange rate for the year 2023.

The functional currency of "Kontrolmatik Cameroun Sarl" is Central African Franc ("CFA"). Regarding the translation of the financial statements of Kontrolmatik Cameroun Sarl into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 0.049 is considered as the exchange rate as of the balance sheet date, and TL 0.049 is considered as the average exchange rate for the year 2023.

The functional currency of "Kontrolmatik Technologies Inc." is US Dollars ("USD"). Regarding the translation of the financial statements of Kontrolmatik Technologies Inc. into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 29.4382 is considered as the exchange rate as of the balance sheet date, and TL 23.7395 is considered as the average exchange rate for the year 2023.

The functional currency of "Pomega Energy Storage Technologies Inc." is US Dollars ("USD"). Regarding the translation of the financial statements of Pomega Energy Storage Technologies Inc. into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 29.4382 is considered as the exchange rate as of the balance sheet date, and TL 23.7395 is considered as the average exchange rate for the year 2023.

The functional currency of "Kontrolmatik Libya branch" is US Dollars ("USD"). Regarding the translation of the financial statements of the Kontrolmatik Libya branch into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under "currency translation differences". As of 31 December 2023, TL 29.4382 is considered as the exchange rate as of the balance sheet date, and TL 23.7395 is considered as the average exchange rate for the year 2023.



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As of 31 December 2023 and 2022, spot exchange buying and selling rates published by the Central Bank of Turkey (“CBRT”) are as follows:

| Currency | Foreign exchange rate -buying (TL/Foreign currency) | |
|----------|---|------------|
| | 31.12.2023 | 31.12.2022 |
| USD | 29.4382 | 18.6983 |
| RUB | 0.32611 | 0.33038 |
| CFA | 0.049 | - |
| SOM | 0.00238 | 0.00166 |

Going concern

As of 31 December 2023, the Group has prepared its consolidated financial statements with the assumption of the Group’s ability to continue its operations in the foreseeable future as a going concern basis of accounting.

Offsetting

Financial assets, financial liabilities and income expenses are not offset unless the standard or interpretations require or allow for offsetting. Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Offsetting does not pertain to showing assets after deducting regulatory accounts, such as inventory impairment provisions and provisions for doubtful receivables.

Adjustments of financial statements in hyperinflationary periods

Financial reporting in hyperinflationary economies

In accordance with TAS 29 “Financial Reporting in Hyperinflation Economies” which requires entities whose functional currency is that of a hyperinflationary economy to prepare their consolidated financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to:

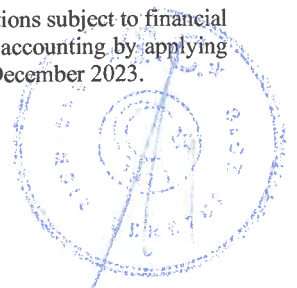
- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power.
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency.
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short.
- Interest rates, wages, and prices are linked to a “Price index”; and
- The cumulative inflation rate over three years approaches, or exceeds, 100%.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TURKSTAT”). As of 31 December 2023, the indices and adjustment factors used in the restatement of the financial statements are as follows:

| Date | Index | Adjustment coefficient | Three-year cumulative inflation rates |
|------------|----------|------------------------|---------------------------------------|
| 31.12.2023 | 1.859,38 | 1.00000 | 268% |
| 31.12.2022 | 1.128,45 | 1.64773 | 156% |
| 31.12.2021 | 686,95 | 2.70672 | 74% |

Entities applying TFRSs have started to apply inflation accounting under TAS 29 “Financial Reporting in Hyperinflation Economies” as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the CMB's resolution number 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.



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Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (“POA”) on 23 November 2023, entities applying Turkish Financial Reporting Standards (“TFRSs”) are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2022 and opening balances starting from 1 January 2022, in accordance with the accounting principles specified in TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

The main components of the Company’s restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising from restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 December 2023. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.



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New and Revised Turkish Financial Reporting Standards

The new standards, amendments, and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements as of 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TFRS/TAS”) and interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 31 December 2023 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

On 15 January 2021, the POA issued amendments to TAS 1 “Presentation of Financial Statements”. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Early application is permitted.

The Group is in the process of assessing the material influence of the amendments on the financial position or performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduced a new definition of “accounting estimates”. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the commencement of the effective date. Earlier application is permitted. The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrows the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, the POA issued amendments to TAS 12, which introduced a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. This amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar Two income taxes. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant material influence on the financial position or performance of the Group.

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will affect the consolidated financial statements and disclosures, when the new standards and interpretations become effective.



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Amendment to TAS 1 – Non-current liabilities with covenants

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's ("International Accounting Standards Board") response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to TFRS 16 – Leases on sale and leaseback

The standard is effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

TFRS S1, 'General requirements for disclosure of sustainability-related financial information

TSRS 1 sets out overall requirements for sustainability-related financial disclosures to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

B. Changes in accounting policies, estimates and errors

Any change in accounting policies resulting from the first-time adoption of a new TFRS is made either retrospectively or prospectively in accordance with the transition requirements of TFRS. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively.

C. Summary of significant accounting policies

Financial instruments

The Group recognizes for financial assets in two classes: financial assets at amortized cost and financial assets at fair value through profit or loss. The classification is made based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets on the date they are acquired.

Financial assets at amortized cost are financial assets that are held within the scope of a business model that aims to collect contractual cash flows and whose cash flows include only principal and interest payments arising from the principal balance on certain dates under the contractual terms, are not quoted in an active market and are not derivative instruments. The financial assets are carried at amortized cost include cash and cash equivalents, trade receivables and other receivables.

These assets are carried at their fair values when they are initial recognized in the consolidated financial statements. Subsequently, they are carried at discounted cost using the effective interest rate method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the statement of profit or loss.

Financial assets at fair value through profit or loss consist of financial assets other than financial assets measured at amortized cost and at fair value through other comprehensive income. Gains and losses arising from the valuation of assets are recognized in the statement of profit or loss.



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Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Bank deposits include time and demand deposits and accrued interest arising from the deposits. Deposits denominated in TL are carried at cost, and foreign currency denominated deposits are carried at their values translated to Turkish Lira using the Central Bank's (the "CBRT") foreign exchange buying rate on the balance sheet date. Time deposits also include accrued interest as of the balance sheet date.

Trade receivables

Trade receivables and notes and post-dated checks providing goods or services by the Group directly to a debtor classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

Notes and post-dated checks classified within trade receivables are carried at their discounted cost by discounting with the effective interest method on the balance sheet date. Provision for doubtful receivables is recognised as an expense in the period which they incurred. Provision is the amount estimated by the Group management to cover the possible losses that may arise from economic benefit or the risk in the account and the losses estimated to realise in the subsequent periods.

If the matter realized indicates that the Group will not be able to collect the amounts due, a provision for trade receivables is established. The amount of the provision is the difference between the book value of the receivable and the collectible amount. The collectible amount is the discounted cost of cash flows, including amounts from guarantees, based on the original effective interest rate of the trade receivable. Among the cheques received, those whose maturity exceeds the balance sheet date are presented in trade receivables and are subject to discount using Libor rates.

Uncollectible amounts are written-off from the statutory records in the period which they determined. The provision for doubtful receivables is recognized as an expense in the period in which they incurred.

Following the provision for the doubtful receivable, if all or a significant portion of the amount is collected, the collected amount is deducted from the doubtful receivable provision and recognised as income in the statement of comprehensive income. A simplified approach is applied within the scope of impairment of trade receivables that are carried at amortized cost in the consolidated financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses), provisions for trade receivables are measured at an amount equal to lifetime expected credit losses.

The Group uses a provision matrix for the calculation of the expected credit losses on trade receivables which is based on past experience and future expectations. The provision matrix calculates fixed provision rates depending on the number of days that a trade receivable is past due and those provision rates are reviewed and, revised, if necessary, in every reporting period.

Financial liabilities

Financial liabilities are classified as those carried at amortized cost or at fair value through profit or loss. Financial liabilities classified as held for trading are carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses are recognized in profit or loss along with interest expenses. The Group has no financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized.

The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net present value of the financial liability.

Trade payables

Trade payables represents to payments that should be realized for goods and services provided by suppliers in the ordinary course of business. Trade payables are carried at their fair values and subsequently recognized at discounted cost using the effective interest rate method.

Revenue recognition

Following "IFRS 15 Revenue from Contracts with Customers" is that the entity reflects the proceeds to the consolidated financial statements from an amount that reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers.



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Revenue is accounted for in the consolidated financial statements within the scope of the five-step model below under the TFRS 15 effective from 1 January 2018.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied

If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted.

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation.

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) Presence of Group's collection right of the consideration for the goods or services,
- b) Customer's ownership of the legal title on goods or services,
- c) Physical transfer of the goods or services,
- d) Customer's ownership of significant risks and rewards related to the goods or services,
- e) Customer's acceptance of goods or services

At the inception of the contract, the Group estimates that the period between the transfer of the goods or services promised to the customer and the date on which the customer realised the payment will be one year or less, it does not make adjustments for the effect of a significant financing component. On the other hand, if there is a significant financing component in the revenue, the revenue is determined by discounting the future cash flows with the interest rate included in the financing component. The difference is recognised in the relevant periods as other operating income on an accrual basis.

The Group recognizes revenues and expenses related to contracts as revenue and cost items when the return on projects can be measured reliably. Contract revenues are recognised in the consolidated financial statements according to the completion rate method. The ratio of the total contract expenses incurred as of the period to the total estimated cost of the contract indicates the completion percentage of the contract, and the ratio is used to reflect the part of the total revenue arising from the contract corresponding to the current period in the consolidated financial statements.

Income arising from cost-plus-profit contracts is recognized in the statutory records with the profit margin calculated on the cost incurred.

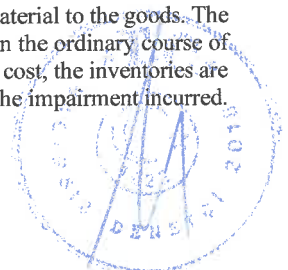
Costs for contracts include all raw materials and direct labor costs, including indirect costs related to contract performance obligations, such as indirect labor, materials, repairs and depreciation expenses. Expenses for estimated losses in incomplete contracts are allocated in the periods in which these losses are determined. Changes in business performance, conditions, and estimated profitability due to contractual penalty provisions and final agreement arrangements may result in cost and revenue revisions. These revisions are recognised in the consolidated financial statements in the period in which they are incurred. Incentives are included in revenue since they are reasonably guaranteed to be realized.

Contract assets indicate how much the income recognised in the consolidated financial statements exceeds the invoice amount, while contract liabilities indicate how much the invoice amount issued exceeds the income recognised in the consolidated financial statements.

The Group presents the gross receivables from customers regarding ongoing contractual obligations as a liability, if the progress payment amount exceeds the amount obtained by adding the profit (deducting the loss) reflected in the relevant accounts to the costs incurred.

Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory is below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred.



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The distribution of fixed general production costs into transformation costs is based on the assumption that production activities will be carried out at normal capacity. "Normal capacity" is the expected average level of production for one or more periods or seasons under normal conditions, also taking into account low-capacity utilization that may arise due to planned repair-maintenance activities. If the real production level is close to the normal capacity this capacity may be accepted as normal capacity. The net realisable value is the amount that is found by subtracting the sum of estimated completion costs and estimated sales costs necessary for the completion of the sale from the estimated sale price within the normal course of business. The renewal cost of starting material and supplies can be the best measure to reflect the net realisable value.

Inventory acquisition costs are reduced to their net realisable values on the basis of each inventory item. Such reduction is carried out by allocating provisions for low inventory value. In other words, if the cost value of inventories exceeds the net realisable value, the cost value is reduced to the net realisable value by allocating provisions for the low inventory value. Otherwise, no transaction is performed. In the event that the inventories were acquired with a deferred payment option, or if the difference between the advance purchase price and the paid amount includes sources of finance, such sources are accounted for as interest costs in the period when they were provided.

Investment Properties

Investment property comprises freehold and leasehold properties (land or building -or a part of building- or both) that are held to earn rental income or for capital appreciation or both, rather than for any of the following purposes:

- a) To use in the manufacture or the supply of goods and services or for administrative purposes, or
- b) To sell within the framework of ordinary business flow.

Investment properties are held to earn rental income or for capital appreciation or both. An investment property is accounted by the Group as an asset, provided that it meets the following criteria:

- a) Inflow of property-related future benefits to the entity is likely; and
- b) The cost of the investment property may be measured reliably.

An investment property is initially at cost. Transaction costs are also included in the initial measurement. However, investment properties acquired through leases are carried their fair value or the current value of the minimum lower value of lease income.

Investment properties are evaluated by choosing either one of fair value or cost method.

Fair value of an investment property is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during a current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined the fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

In determining the fair value, factors such as the specific risks of the asset, market conditions and depreciation are considered, depending on the reports of the independent appraisal experts. Accordingly, gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they incurred and are recognized in gains/losses from investment activities in the consolidated financial statements.

The Group has prepared an appraisal report at the end of the year for its properties included in the investment properties account, and these properties are included in the consolidated financial statements per the amount determined by independent appraisal experts.

Property, plant and equipment and intangible assets

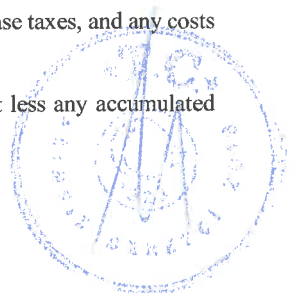
The cost of a property, plant and equipment and intangible asset item is included in the financial statements, if the following conditions are met:

- a) It is likely that future economic benefits related to these items will be transferred to the entity; and
- b) The cost of the related item may be reliably measured.

An item of property, plant or equipment that is recognised as a tangible or intangible asset shall be measured initially at its cost, and subsequently by applying the "Cost Model" or "Revaluation Model".

The initial cost of the non-current assets includes the purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Cost Model; After initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.



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Revaluation Model; After initial recognition as an asset, an item of property, plant and equipment, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The appreciations occurring as a result of the valuation are associated with the growth fund in the equity. If there are previously occurred appreciations, the impairments are deducted from these appreciations. Otherwise, they are expensed by being recorded under expenses from investing activities. The Group goes to revaluation in the event that signs of significant changes are observed for the properties for which it uses the revaluation method. The Group uses the cost method for intangible assets and property, plant and equipment other than its properties, since there is no active market for them. The Group indicated that there has been an appreciation in the current period as a result of the studies conducted on whether there has been impairment or appreciation in relation to its properties.

When an asset is revalued, the accumulated depreciation as of the date of the revaluation is corrected in proportion with the change in the gross book value of the asset, and therefore the book value of the asset after the revaluation is equalised with the revalued value.

The provisions of the standards TAS 2 "Inventory" and TAS 16 "Property, Plant and Equipment" are applied in the transfers of the Group from its inventories to property, plant and equipment to be used in operational activities. Accordingly, the fair value as of the date of the transfer is taken into consideration.

Depreciation is provided on the straight-line basis based on a pro-rata basis according to the useful lives and methods indicated as follows:

| | Economic useful lives (year) |
|--------------------------------|------------------------------|
| Buildings | 50 |
| Plant, machinery and equipment | 4-15 |
| Motor vehicles | 4-5 |
| Furniture and fixtures | 2-50 |
| Leasehold improvements | 5 |
| Rights | 3-15 |
| Other intangible assets | 1-5 |

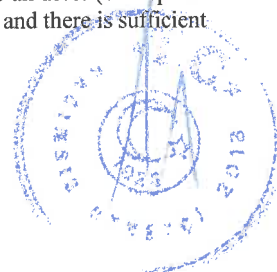
The useful life and amortisation method is reviewed regularly whether the method and the period of amortisation comply with the economic benefit to be derived from the respective asset.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event that such indications are found, or the carrying amount exceeds the realisable value, such assets are discounted to their realisable values. The realisable value is the higher of the asset's net selling price or its value in use. During the calculation of the asset value in use, estimated cash flows in the future are discounted to their current value at the discount rate before tax, which reflects the risks particular to the asset in question. The realisable value of assets which do not solely and independently require a substantial volume of cash inflow is calculated for the portion of such assets leading to cash inflow. Related property, plant and equipment are depreciated over their remaining useful economic lives. Depreciation amounts and impairment losses of intangible assets are recognised under operating expenses under the consolidated statement of profit or loss.

As impairment tests carried out by the Group for assets; "second-hand market values" of some assets, and "depreciated renovation costs" of the assets which do not have a second-hand market are taken into consideration when their net selling prices are determined. It hasn't been considered necessary to calculate the values of use of these assets, and no provision of impairment has been allocated for them since their net selling prices are equal to or greater than their net book values. However, for some other assets (i.e., goodwill), the impairment test is carried out by taking their values of use as a basis in the event that it's impossible to determine their net selling prices. Intangible assets represent rights and software. Intangible assets which were acquired before January 1, 2005 are recorded at their restated cost as of December 31, 2004. Intangible assets which were acquired after January 1, 2005 are recorded at their cost, less accumulated amortisation and impairment. Intangible fixed assets are amortised principally on a straight-line basis considering expected useful lives from the date of purchase, provided that such periods do not exceed their useful economic lives. The depreciation provided for intangible assets is recognised under operating expenses under the consolidated statement of profit or loss. Gains or losses on disposals of property, plant and equipment and intangible assets are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period.

Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount is aimed to be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group, or a separate asset. The disposal of non-current assets held for sale is expected to be realized within twelve months following the balance sheet date. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).



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A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations,
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- (c) is a subsidiary acquired exclusively with a view to resale.

A non-current asset held for sale is measured at the lower of its residual cost and fair value. The impairment occurring in the event that the fair value is lower than the residual cost is recorded under the consolidated statement of the profit loss of the relevant period.

Impairment of assets

Assets that are subject to amortisation are subjected to impairment tests whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell and value in use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Taxation and deferred tax

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

The current year's tax liability shall be calculated over the part of the profit period subject to taxation. Profit subject to taxation differs from the profit stated in the income statement as it excludes taxable or deductible income and expense items in previous years as well as the non-taxable or non-deductible items. The Group's current tax liability was calculated at the substantive tax rate, or the rate that shall, with certainty, be valid as of the balance sheet date.

Current tax payables are settled with taxes paid in advance in the event that they were paid or will be paid to the same tax authority. Deferred tax assets and liabilities are settled in the same manner.

Deferred tax is calculated using the unit credit method based on temporary differences between the recognised values of deferred tax assets and liabilities stated in consolidated financial statements and their tax values (Balance Sheet method / Balance Sheet liability method). Such differences may be classified into two groups, reducible and taxable. They are recognised as deferred tax assets for all temporary differences in the form of taxable expenses, provided that there is sufficient taxable income to deduct these expenses in future periods. Deferred tax is recorded if the related transaction is not a-part of a business combination or the debt does not originate from its initial accounting.

All temporary differences subject to taxation are accounted for as a deferred tax debt. However, no deferred tax debt is accounted for on temporary differences appearing in the initial accounting of goodwill, or appearing in the initial accounting of any asset or debt, or originating from transactions other than business combinations. According to tax legislation, the previous year's financial losses and tax advantages which were not yet used are accounted for as deferred tax if it is likely to generate taxable income of an amount sufficient to be recorded in subsequent periods. As per tax legislation, the tax rates in effect as of the balance sheet date will be used in the calculation of deferred tax. While the deferred tax liability is calculated for all temporary differences, deferred tax assets arising from deductible temporary differences are calculated, provided that the Group is highly likely to benefit from such differences by generating profit subject to taxation in the future (please refer to Note 36).

Deferred tax assets and liabilities are mutually set off, provided that they are both subject to the tax legislation of the same country, in the event that there is a legally applicable right concerning the setting off of current tax assets from current tax liabilities. A total of 75% of the properties recognised in a corporation's assets for at least two full years, and the revenues it generates from the sale of its shares in its associates, founder's shares, dividend shares and preferential rights, are exempt from corporate tax. To benefit from the tax exemption, such earnings must be held in a fund account under liabilities and not withdrawn for at least 5 years, as well as the fact that the selling price must be collected by the end of the second calendar year following the year in which the sale transaction was completed. Therefore, 25% of the difference related to these assets is considered as temporary difference.

Goodwill

The purchasing method is used for the recognition of all business combinations. The implementation of the purchase method is applied by adhering to the following steps:

- a) Identifying the entity that conducts the acquisition,
- b) Identifying the cost of the business combination, and
- c) Allocating the cost of the business combination among the acquired assets, liabilities and the contingent liabilities on the date of the business combination.



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Goodwill is the difference between the cost of the acquired partnership, or the acquired assets as of the date of the acquisition, and the fair value of their net assets (or just the asset, for acquired assets). If the price of the acquisition is more than the fair value of the acquired net assets, then the difference between these is reflected in the statement of financial position as goodwill. If the price of the acquisition is less than the fair value of the acquired net assets, then the difference is reflected in the statement of profit or loss as profit derived from business combination.

According to TFRS 3 “Business Combination”, a provision of impairment concerning goodwill is allocated if the goodwill’s recoverable amount is less than its book value, and if there are matters that can be considered as an indication of impairment in an identifiable asset. Conditions that are considered as an indication of impairment in the value of an asset include, the presence of major changes like business of the acquired entity, the presence of major changes between the estimates made on the acquisition date and the actual results, if the product, service or technology belonging to the acquired entity is outdated or out of use, and the presence of other similar issues indicating that the book value of the asset is no longer recoverable.

Leases

Group - as a lessee

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from the use of the asset, then the asset is not an identified asset),
- The group has the right to obtain substantially all the economic benefits from the use of the identified asset,
- The group has the right to direct the use of an identified asset. The Group has the right to direct the use of the asset throughout the period of use only if either:
 - a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
 - b) Relevant decisions about how and for what purpose the asset is used are predetermined:
 - i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii. The group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

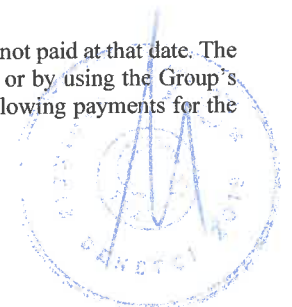
- a) The amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received
- c) Any initial direct costs incurred by the Group, and
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, the Group measures the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any remeasurement of the lease liability.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group’s incremental borrowing rate. The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that is not paid at the commencement date:



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- a) Fixed payments, less any lease incentives receivable,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the carrying amount to reflect the lease payments made, and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Options to extend and terminate

The group assesses the contractual options to extend or terminate the lease when determining the lease liability. The majority of the options to extend and terminate are exercisable both by the Group and the respective lessor. The group determines the lease term of a lease considering the periods covered by options to extend and terminate the lease if the options are exercisable by the Group and the Group is reasonably certain to exercise those options. If a significant change in circumstances takes place, related lease term assessment is revisited by the Group.

Variable lease payments

Some lease contracts of the Group contain variable payment terms. Variable lease payments are not in the scope of TFRS 16 Standard and are recognised in the statement of income in the related period.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements that are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 "Leases" standard and related lease payments are recognised as an expense in the period in which they are incurred.

Group - as a lessor

All the leases that the Group is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties, property, plant and equipment or other current assets in the consolidated balance sheet. Rent income is recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term.

Provisions for employee benefits

Under Turkish Labour Law, Kontrolmatik and its subsidiaries and associates are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). The provision has been calculated by estimating the present value of the future probable obligation of Kontrolmatik and its subsidiaries registered in Turkey arising from the retirement of employees.

TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate) to estimate the entity's obligation for employment termination benefits.

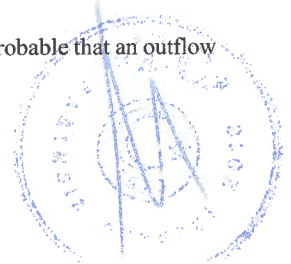
The rate to be used to discount defined benefit obligations (provisions for employee benefits) after leaving the office is determined by looking at the market returns for high-quality corporate bonds at the balance sheet date. Because of the lack of a deep market for such securities, the real interest rate has been used, taking into account the market returns (compound interest rates) of government bonds (on the balance sheet date). In other words, an inflation-adjusted interest rate (real interest rate) is used (Note 22).

In this context, financial institutions subject to labour law have accounted for the provision for employment termination benefits at the actuarial method in the financial statements for the retirement of retirement benefits for all personnel or for the termination of the business relationship by calling for military service or the future probable liability amounts in case of death following TAS 19.

The assumptions used in calculating the provision for employment termination benefits are disclosed in Note 22.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



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If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognised as a separate asset, and not as a reduction of the required provision, when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The amount recognised should not exceed the amount of the provision.

One of three methods is used to allocate provisions in the accompanying consolidated financial statements. The first method is applied when the time value of money is material. When the depreciation of money over time becomes significant, provisions are recognised with the discounted amount of possible future expenditures at the balance sheet date. When the discount is used, any increase in provisions due to time value, is recognized as interest expense.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

The expected value method is the second method which estimates variable consideration based on the range of possible outcomes and the probabilities of each outcome. The estimate is the probability-weighted amount based on those ranges. The expected value method might be most appropriate where a reporting entity has a large number of contracts that have similar characteristics. This is because a reporting entity will likely have better information about the probabilities of various outcomes where there are a large number of similar transactions.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and are treated as contingent assets or liabilities and disclosed in the notes to the consolidated financial statements (Note 21).

Non-accrued financial income/expenses

Non-accrued financial income/expenses represent financial income and expenses on credit sales and purchases. These income and expenses are calculated using the effective interest method throughout the period of credit sales and purchases and are presented under “other operating income and expenses” in the consolidated financial statements.

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted with respect to bonus share issues without a corresponding change in resources, by giving them a retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Financial risk management

Collection risk

The Group’s collection risk mainly arises from its trade receivables. Trade receivables are evaluated by taking into consideration the Group’s accounting policies and procedures and accordingly, trade receivables are allocated in the consolidated statement of financial position less provision for doubtful receivables in the consolidated statement of financial position (Note 39).

Foreign exchange risk

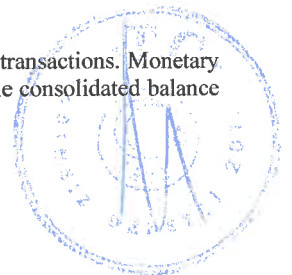
Foreign exchange rate risk arises from the change in the value of any financial instrument due to fluctuations in exchange rates. The balances denominated in foreign currencies arising from its operating, investment and financial activities as of the reporting date are disclosed in Note 39.

Liquidity risk

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Liquidity risk management is to provide sufficient cash and cash equivalents, by balancing the maturity of assets and liabilities to enable funding with the support of credit limits provided by reliable credit institutions and to close the funding deficit (Note 39).

Foreign currency translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the consolidated balance sheet date.



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Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group operating in the non-finance sectors, have been accounted for under "other operating income/(expenses)".

The consolidated financial statements are presented in TL, which is Kontrolmatik's functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency-indexed monetary assets and liabilities are recorded at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Dividends

Dividend income is recognised by the Group at the date the right to collect the dividend is realised. Dividend payables are recognised as a liability in the consolidated financial statements following the approval of the general assembly.

Paid-in share capital

Common shares are classified as equity. Dividends on common shares are recognized in equity less retained earnings in the period in which they are approved and declared.

Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Under TAS 10, the two types of events are those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and those that are indicative of conditions that arose after the reporting period (non-adjusting events). The Group adjusts the amounts recognised in its consolidated financial statements to reflect adjusting events, but it does not adjust those amounts to reflect non-adjusting events (Note 41).

Government grants

Government grants are accounted for on accrual basis with their fair values when the application of grants is approved. Costs arising from government grants are recognized as revenue on a consistent basis throughout the relevant periods in the period which they incurred along with the application of grants is approved.

Segment reporting of financial information

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decisionmaker for internal reporting and strategic decisions. The chief operating decision-maker is considered as the key management personnel of Kontrolmatik and they are responsible for allocating resources and assessing performance of the operating segments.

Considering that the legislation and laws affecting the Group's operating activities are in the same manner, the Group has a single reportable operating segment. Accordingly, financial information is not reported in accordance with the operating segments in the accompanying consolidated financial statements.

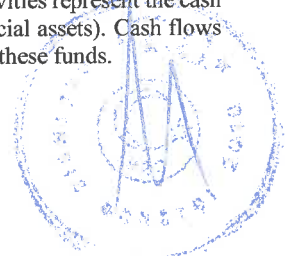
Statement of cash flow

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.

When used in conjunction with the rest of the financial statements, the statement of cash flows provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows to adapt to changing circumstances and opportunities.

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets). Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

D. Significant accounting judgements, estimates and assumptions and the basis of uncertainties

Preparation of the consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed continuously considering past experiences, other factors and the reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, reflected in the profit or loss and they may differ from the actual results.

The significant accounting estimates and assumptions used by the Group in the preparation of the consolidated financial statements are as follows:

| | |
|-------------------|---|
| Note 2/D | Fair value |
| Note 36/B | Deferred tax assets and liabilities |
| Note 22 | Provision for employment termination benefits |
| Note 2/D,17,18,19 | Economic useful lives of investment properties, property, plant and equipment and intangible assets |
| Note 10 and 39/E | Provision for impairment on trade receivables |
| Note 13 | Provision for impairment on inventories |
| Note 7 | Financial investments revaluation surplus/provision for impairment |

Estimates and assumptions that may cause significant adjustments in the book value of assets and liabilities in the next financial reporting period and the nature of the uncertainties are as follows:

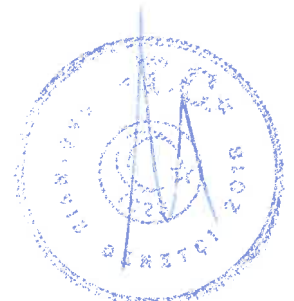
- Deferred tax is recognised if it is determined that taxable income is likely to incur in subsequent periods. In cases where it is probable that taxable income will incur, deferred tax assets are calculated on the carried and unused accumulated losses and any deductible temporary differences (**Note 35**).
- Estimates and assumptions were used by the Group management during the determination of the economic useful lives, determination of the provision for doubtful trade receivables (**Note 10 and 39**) and calculation of the provision for employment termination benefits (**Note 21**).

NOTE 3 – BUSINESS COMBINATIONS

Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret A.Ş:

In accordance with the growth strategy within the target of horizontal and vertical integration, the Group acquired the effective ownership interest of Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret Anonim Şirketi (the "Company") constituting 50.1% on 1 August 2023. Üç Yıldız Antimon Madencilik's business activities include ensuring the production of Antimony, Lead, Zinc and Copper and mine ore production used in various industrial production, mainly energy storage. Üç Yıldız Antimon Madencilik owns 783 hectares of antimony field and a flotation facility located in Gediz, Kütahya. The relevant facility has an annual antimony ore processing capacity of 75,000 tons with its 250 tons/hour Antimony Flotation production line. In addition, Üç Yıldız Antimon Madencilik has its own smelting facility has an annual production capacity of 1,500 tons of antimony trioxide and 1,000 tons of antimony metal annually. Furthermore, Üç Yıldız Antimon Madencilik is in the process of establishing a lead-zinc-copper flotation facility with an annual operating capacity of 200,000 tons of lead-zinc-copper with a daily capacity of 500 tons/hour.

Considering the aforementioned acquisition of Üç Yıldız Antimon Madencilik, the Company, as a subsidiary, has recognised in accordance with the "acquisition method" within the provisions of TFRS 3 "Business Combinations". As of 31 December 2023, the fair values of the net identifiable assets and identifiable liabilities assumed within the scope of the business combination have not yet been determined. The relevant items are reported at their provisional amounts in the consolidated financial statements. The period for realising additional adjustments regarding the fair values of net identifiable assets, liabilities and contingent liabilities is up to 12 months from the date of the acquisition.



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

The identifiable assets and liabilities acquired following the relevant business combination on 1 August 2023 are carried at the acquisition cost in the notes to the consolidated financial statements.

| | Acquisition cost | Adjustments for provisional fair value | Provisional fair value |
|---|--------------------|--|------------------------|
| Cash and cash equivalents | 1.237.597 | - | 1.237.597 |
| Trade receivables | 6.244.951 | - | 6.244.951 |
| Other receivables | 1.230.580 | - | 1.230.580 |
| Inventories | 106.255.893 | - | 106.255.893 |
| Prepaid expenses | 8.822.712 | - | 8.822.712 |
| Other current assets | 28.709.414 | - | 28.709.414 |
| Other receivables | 876.926 | - | 876.926 |
| Right of use assets | 6.973.267 | - | 6.973.267 |
| Property, plant and equipment | 488.344.819 | - | 488.344.819 |
| Intangible assets | 27.434.215 | - | 27.434.215 |
| Prepaid expenses | 1.238.907 | - | 1.238.907 |
| Deferred tax assets | 39.665.525 | - | 39.665.525 |
| Financial liabilities | (48.987.868) | - | (48.987.868) |
| Trade payables | (58.826.416) | - | (58.826.416) |
| Employee benefits | (3.385.359) | - | (3.385.359) |
| Other payables | (8.729.372) | - | (8.729.372) |
| Deferred income | (27.442.302) | - | (27.442.302) |
| Current income tax liabilities | (255.976) | - | (255.976) |
| Provisions for employee benefits | (119.690) | - | (119.690) |
| Other current liabilities | (17.751) | - | (17.751) |
| Financial liabilities | (50.583.700) | - | (50.583.700) |
| Other payables | (106.800.351) | - | (106.800.351) |
| Long-term provisions for employee benefits | (992.655) | - | (992.655) |
| Deferred tax liabilities | (5.600.861) | - | (5.600.861) |
| Net assets (1) | 405.292.505 | | 405.292.505 |
| Profit for the period (2) | 38.706.355 | | 38.706.355 |
| Non-controlling interests (3) | 10.896.732 | | 10.896.732 |
| Net assets (1-2-3) | 355.689.418 | | 355.689.418 |
| Net identifiable assets recognised (A) | | | 178.200.398 |
| Non-controlling interests based on net assets | | | 177.489.021 |
| Consideration transferred in cash (B) | | | (632.909.050) |
| Consideration transferred (B) | | | (632.909.050) |
| Goodwill (A+B), (Note 18) | | | 454.708.651 |

Emek Elektrik Endüstrisi A.S.:

The Group announced that it has signed a contract with Özar Elektrik İnşaat to acquire the shares of Emek Elektrik Endüstrisi ("Emek Elektrik") constituting 12.87% effective ownership interest in exchange for 385,000 "KONTR" shares according to the horizontal and vertical integration investment strategy implemented by the Group. The effective ownership interest of Kontrolmatik has been changed to 19.41% at the end of 31 December 2023.

Emek Elektrik's business activities include ensuring production of medium, high and very high voltage silicone composite insulators in transformer centers, bushing capacitors, surge arresters, brackets, hangers and bushing types. In addition, Emek Elektrik manufactures LV, MV, HV and very high voltage measurement and protection current and voltage transformers, capacitive voltage divider and coupling capacitors, power capacitors, voltage breakers and separators, switchgear equipment, gas insulated transformers for the necessities in the sectors of industrial facilities and electricity generation, transmission and distribution.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

The identifiable assets and liabilities acquired following the relevant business combination on 27 July 2023 are carried at the acquisition cost in the notes to the consolidated financial statements.

| | Acquisition cost | Adjustments for provisional fair value | Provisional fair value |
|---|--------------------|--|------------------------|
| Cash and cash equivalents | 53.324.119 | - | 53.324.119 |
| Trade receivables | 165.559.435 | - | 165.559.435 |
| Other receivables | 18.876.933 | - | 18.876.933 |
| Inventories | 204.435.599 | - | 204.435.599 |
| Prepaid expenses | 181.674.836 | - | 181.674.836 |
| Current income tax assets | 12.650 | - | 12.650 |
| Other current assets | 2.209.900 | - | 2.209.900 |
| Other receivables | 6.623.502 | - | 6.623.502 |
| Financial investments | 575.550 | - | 575.550 |
| Property, plant and equipment | 467.884.332 | - | 467.884.332 |
| Intangible assets | 44.602.220 | - | 44.602.220 |
| Deferred tax assets | 28.747.075 | - | 28.747.075 |
| Financial liabilities | (31.303.613) | - | (31.303.613) |
| Trade payables | (224.843.869) | - | (224.843.869) |
| Employee benefits | (21.023.994) | - | (21.023.994) |
| Other payables | (7.489.802) | - | (7.489.802) |
| Deferred income | (141.568.350) | - | (141.568.350) |
| Provisions for employee benefits | (4.048.104) | - | (4.048.104) |
| Other current liabilities | (1.990.881) | - | (1.990.881) |
| Financial liabilities | (23.243.600) | - | (23.243.600) |
| Other payables | (21.320.583) | - | (21.320.583) |
| Long-term provisions for employee benefits | (17.060.842) | - | (17.060.842) |
| Deferred tax liabilities | (83.100.184) | - | (83.100.184) |
| Net assets (1) | 597.532.329 | | 597.532.329 |
| Profit for the period (2) | (13.704.247) | | (13.704.247) |
| Non-controlling interests (3) | (1.752.569) | | (1.752.569) |
| Net assets (1-2-3) | 612.989.145 | | 612.989.145 |
| Net identifiable assets recognised (A) | | | 119.042.491 |
| Non-controlling interests based on net assets | | | 493.946.654 |
| Consideration transferred in cash (B) | | | (202.586.103) |
| Consideration transferred (B) | | | (202.586.103) |
| Goodwill (A+B), (Note 18) | | | 83.543.611 |

The Group's ownership interest in Emek Elektrik shares exceeded 5% and was recognised as 5.57% as a result of the acquisition of 598,832 outstanding shares at a price of TL 7.16 on 1 March 2023 (current date).

The Group's ownership interest in Emek Elektrik shares exceeded 10% and recognized as 13.30% as a result of the acquisition of 5,800,000 outstanding shares at a price between TL 8.39-TL 9.50 on 13 March 2023 (current date).

The Group's ownership interest in Emek Elektrik shares reduced the limit of 10% and recognised as 8.22% as a result of the sale of 2,334,247 outstanding shares at a price between TL 11.00-TL 12.50 on 24 March 2023 (current date).

The Group announced that it has signed a contract with Özar Elektrik İnşaat to acquire the shares of Emek Elektrik Endüstrisi ("Emek Elektrik") constituting 12.87% effective ownership interest in exchange for 385,000 "KONTR" shares according to the horizontal and vertical integration investment strategy implemented by the Group on 27 July 2023.

The effective ownership interest/voting right in the share capital of Emek Elektrik Endüstrisi Anonim Şirketi has exceeded the 10% limit as a result of the transfer of "KONTR" shares with a nominal value of TL 385.000 (385,000 outstanding shares) to the Özar Elektrik and the acquisition of Emek Elektrik shares with a total nominal value of TL 9.652.175. Accordingly, Kontrolmatik's effective ownership interest rate in Emek Elektrik has increased to 18.74%.

As of 1 January and 31 December 2023, shareholders own more than 5% of the Company's share capital, principal shareholders, their amounts, and shareholding rates within the share capital of Kontrolmatik are as follows:

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

| | 31.12.2023 | | 31.12.2022 | |
|--|------------|-------------|------------|-------------|
| | Share (%) | Amount (TL) | Share (%) | Amount (TL) |
| Shareholders | | | | |
| Özar Elektrik İnş. Tur. Tic. A.Ş. | - | - | 22,87 | 17.152.175 |
| Kontrolmatik Teknoloji Enerji ve Müh. A.Ş. | 19,42 | 29.110.350 | - | - |
| Sami Aslanhan | 6,22 | 9.329.476 | - | - |
| Other | 74,36 | 111.560.174 | 77,13 | 57.847.825 |
| Total paid-in share capital | 100 | 150.000.000 | 100 | 75.000.000 |

Total period and average number of personnel employed by Emek Elektrik is 189. The total number of employees represents 95 Direct and 15 Indirect employees in the Production Department, 5 Direct and 10 Indirect employees in the Quality Department, 8 employees in the R&D Department, 6 employees in the Marketing and Sales Department, and 50 employees in the General Management Department.

NOTE 4 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The Group acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Skysens Teknoloji Anonim Şirketi joint venture (“IOT”) on 4 September 2018 (during its establishment).

In addition, the Group acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Skysens Teknoloji Anonim Şirketi joint venture (“SAY”) on 10 October 2018 (during its establishment).

Furthermore, the Group acquired effective ownership interest of 25% belonging to shares of Plan S Uydu ve Uzay Teknolojileri Anonim Şirketi on 6 July 2021 (during its establishment).

The Group acquired effective ownership interest of 40% belonging to shares of MİNT Elektrikli Araç Teknolojileri Anonim Şirketi on 22 June 2022 (during its establishment).

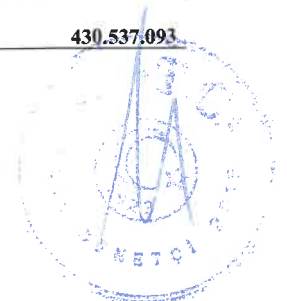
The Group has acquired indirect ownership interest of 40% belonging to shares of Teknovus Şarj Teknolojileri Anonim Şirketi the subsidiary of MİNT Elektrikli Araç Teknolojileri Anonim Şirketi with 100% effective ownership interest.

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Sitem Isı Sanayi Anonim Şirketi joint venture.

The Group acquired effective ownership interest of 49% belonging to shares of Signum Teknoloji Tasarım ve Eğitim Anonim Şirketi on 31 May 2023.

NOTE 5 – SEGMENT REPORTING

| | 01.01.2023 - 31.12.2023 | | | |
|--|-------------------------|--------------------|---------------------|--------------------|
| | Energy | Mining | Robotics Technology | Total |
| Revenue | 3.848.315.659 | 73.270.989 | 44.256.815 | 3.965.843.464 |
| Cost of Sales (-) | (3.387.473.684) | (81.318.674) | - | (3.468.792.358) |
| Gross Profit | 460.841.976 | (8.047.685) | 44.256.815 | 497.051.106 |
| Marketing, Sales and Distribution Expenses (-) | (113.155.868) | - | (1.051.625) | (114.207.493) |
| General Administrative Expenses (-) | (341.235.562) | (1.681.107) | (15.418.326) | (358.334.995) |
| Research and Development Expenses (-) | (94.249.983) | - | (29.403.074) | (123.653.057) |
| Other Operating Income | 1.083.044.945 | 6.936.821 | 16.508.182 | 1.106.489.947 |
| Other Operating Expenses (-) | (552.348.549) | (6.836.484) | (13.203.357) | (572.388.390) |
| OPERATING PROFIT | 442.896.957 | (9.628.455) | 1.688.616 | 434.957.118 |
| Share of Investments' Profit/(Loss) Accounted by Using the Equity Method | (28.226.275) | - | - | (28.226.275) |
| Income from Investment Activities | 421.999.749 | - | - | 421.999.749 |
| Expenses from Investment Activities (-) | (210.898.129) | - | - | (210.898.129) |
| OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE | 625.772.302 | (9.628.455) | 1.688.616 | 617.832.463 |
| Financial Income | 302.775.529 | 316 | 207.980 | 302.983.826 |
| Financial Expenses (-) | (826.697.714) | (4.495.746) | (9.041.558) | (840.235.018) |
| Net Monetary gains/(losses) | 293.932.109 | 9.476.873 | 1.664.502 | 305.073.485 |
| PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 395.782.228 | (4.647.012) | (5.480.461) | 385.654.756 |
| Tax income/(expense) | (22.265.553) | 42.582.841 | 24.565.049 | 44.882.337 |
| -Current period tax expense (-) | (141.399.350) | - | (712.200) | (142.111.550) |
| -Deferred tax income / (expense) | 119.133.797 | 42.582.841 | 25.277.249 | 186.993.887 |
| PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 373.516.675 | 37.935.829 | 19.084.588 | 430.537.093 |



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

| | 01.01.2022 - 31.12.2022 | | |
|--|-------------------------|------------------|---------------------|
| | Energy | Mining | Robotics Technology |
| Revenue | 3.275.073.567 | 4.366.482 | 3.279.440.049 |
| Cost of Sales (-) | (2.497.837.259) | (3.640.697) | (2.501.477.956) |
| Gross Profit | 777.236.308 | 725.785 | 777.962.093 |
| Marketing, Sales and Distribution Expenses (-) | (80.849.295) | (316.789) | (81.166.084) |
| General Administrative Expenses (-) | (113.735.045) | (918.408) | (114.653.453) |
| Research and Development Expenses (-) | (26.663.888) | - | (26.663.888) |
| Other Operating Income | 652.604.174 | 334.973 | 652.939.147 |
| Other Operating Expenses (-) | (392.322.019) | (161.352) | (392.483.371) |
| OPERATING PROFIT | 816.270.235 | (335.791) | 815.934.444 |
| Share of Investments' Profit/(Loss) Accounted by Using the Equity Method | 2.026.093 | - | 2.026.093 |
| Income from Investment Activities | 183.969.016 | - | 183.969.016 |
| Expenses from Investment Activities (-) | (17.134.602) | - | (17.134.602) |
| OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE | 985.130.742 | (335.791) | 984.794.951 |
| Financial Income | 68.814.795 | - | 68.814.795 |
| Financial Expenses (-) | (440.019.909) | (236.940) | (440.256.849) |
| Net Monetary gains/(losses) | 3.810.424 | (141.096) | 3.669.328 |
| PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 617.736.051 | (713.827) | 617.022.225 |
| Tax income/(expense) | 59.168.570 | 83.032 | 59.251.602 |
| -Current period tax expense (-) | (159.989.946) | - | (159.989.946) |
| -Deferred tax income / (expense) | 219.158.516 | 83.032 | 219.241.548 |
| PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 676.904.621 | (630.795) | 676.273.827 |

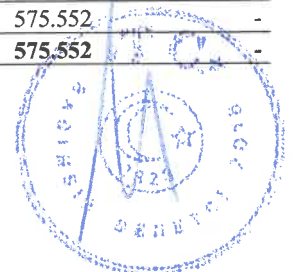
NOTE 6 – CASH AND CASH EQUIVALENTS

| | 31.12.2023 | 31.12.2022 |
|---------------------------------------|--------------------|----------------------|
| Cash on hand | 453.323 | 1.180.659 |
| Banks | 726.036.185 | 1.417.681.731 |
| Demand deposits | 624.877.012 | 1.086.105.719 |
| - Unblocked deposits | 616.570.667 | 1.085.583.054 |
| - Turkish lira | 90.976.011 | 42.844.073 |
| - Foreign currency | 525.594.656 | 1.042.738.981 |
| - Blocked deposits | 8.306.345 | 522.665 |
| - Turkish lira | - | 522.665 |
| - Foreign currency | 8.306.345 | - |
| Time deposits | 61.763.562 | 331.576.012 |
| - Unblocked deposits | 59.690.199 | 312.200.365 |
| - Turkish lira | 38.857.929 | 312.200.365 |
| - Foreign currency | 20.832.270 | - |
| - Blocked deposits | 2.073.363 | 19.375.647 |
| - Turkish lira | 2.073.363 | 19.375.647 |
| - Foreign currency | - | - |
| Other cash and cash equivalents | 2.270.399 | 528.913.710 |
| Cash and cash equivalents, net | 689.364.296 | 1.947.776.100 |

The Group has blocked deposits under time deposits arising from its borrowings and letter of guarantee obtained. As of 31 December 2023, annual interest rates of time deposits denominated in TL are between 2.75%-41% (31 December 2022: 5.75%-22% for time deposits denominated in TL. The Group has no time deposits denominated in USD).

NOTE 7 – FINANCIAL INVESTMENTS

| | 31.12.2023 | 31.12.2022 |
|---|-------------------|--------------------|
| Financial assets at fair value through profit or loss | 42.053.470 | 222.275.721 |
| - Equity securities (*) | 21 | 42.676.507 |
| - Equity securities appreciation / impairment (*) | - | 73.018.125 |
| - Foreign currency (3 months and over)/Gold/Currency-protected TL time deposit accounts | 39.395.611 | 106.581.089 |
| - Private sector bonds and bills (Funds) | 2.657.838 | - |
| Total short-term financial investments, net | 42.053.470 | 222.275.721 |
| - Pomega Energy Storage Tech | 575.552 | - |
| Total long-term financial investments, net | 575.552 | - |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

(*) The investments regarding equity securities include securities quoted on Borsa İstanbul, except for the Group's own shares. Financial assets at fair value through other comprehensive income quoted on Borsa İstanbul are the financial assets and their fair value was determined by valuing the BIST with the best pending purchase price on the balance sheet date.

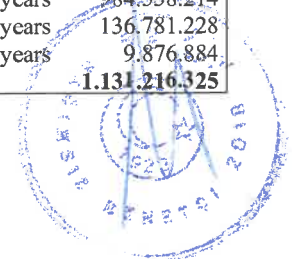
NOTE 8 – BORROWINGS

| | 31.12.2023 | 31.12.2022 |
|---|----------------------|----------------------|
| Short-term borrowings | 584.635.855 | 642.727.649 |
| Bank borrowings | 564.675.676 | 641.797.781 |
| Other | 3.422.328 | - |
| Lease liabilities | 16.537.851 | 929.868 |
| Short-term portion of long-term borrowings | 1.450.305.669 | 166.335.900 |
| Bank borrowings | 1.421.405.835 | 163.457.990 |
| Finance lease liabilities | 28.899.834 | 2.877.910 |
| Long-term borrowings | 1.550.270.939 | 1.135.090.793 |
| Bank borrowings | 1.457.636.788 | 1.131.216.325 |
| Finance lease liabilities | 25.178.206 | 2.468.345 |
| Lease liabilities | 67.455.945 | 1.406.123 |

The breakdown and detailed analysis of bank borrowings are as follows:

| 31.12.2023 | Curren cy | Weighted average interest rate (%) | | Maturity | TL equivalent |
|--|--------------|---------------------------------------|-------------|-------------------------------------|--------------------------|
| | | Minimum (%) | Maximum (%) | | |
| Short-term borrowings | TL | 9.00% | 52.00% | Revolving credits Up to 3 months | 561.472.856 3.059.052 |
| | TL | 7.00% | 67.00% | 3-12 months | 143.768 |
| | | | | | 564.675.676 |
| Short-term portion of long-term borrowings | TL | 9.00% | 66.00% | Up to 3 months | 270.829.503 |
| | TL | 9.00% | 66.00% | 3-12 months | 393.356.321 |
| | EUR | 6.00% | 13.00% | Up to 3 months | 193.852.197 |
| | EUR | 6.00% | 13.00% | 3-12 months | 417.643.151 |
| | USD | 6.00% | 13.00% | Up to 3 months | 20.610.986 |
| | USD | 6.00% | 13.00% | 3-12 months | 125.113.677 |
| | | | | 1.421.405.835 | |
| Long-term borrowings | TL | 9.00% | 66.00% | 1-10 years | 766.938.759 |
| | EUR | 6.00% | 13.00% | 1-10 years | 661.631.182 |
| | USD | 6.00% | 13.00% | 1-10 years | 29.066.848 |
| | | | | 1.457.636.788 | |

| 31.12.2022 | Curren cy | Weighted average interest rate (%) | | Maturity | TL equivalent |
|--|--------------|---------------------------------------|-------------|-------------------------------------|---------------------------|
| | | Minimum (%) | Maximum (%) | | |
| Short-term borrowings | TL | 18.43% | 21.95% | Revolving credits Up to 3 months | 286.231.660 24.449.368 |
| | TL | 18.43% | 21.95% | 3-12 months | 68.740.625 |
| | EUR | 2.82% | 8.66% | Up to 3 months | 87.750.073 |
| | EUR | 2.82% | 8.66% | 3-12 months | 152.118.589 |
| | USD | 3.18% | 8.71% | Up to 3 months | 12.305.479 |
| | USD | 3.18% | 8.71% | 3-12 months | 10.201.986 |
| | | | | 641.797.781 | |
| Short-term portion of long-term borrowings | TL | 7.61% | 29.82% | Up to 3 months | 10.450.393 |
| | TL | 7.61% | 29.82% | 3-12 months | 38.625.588 |
| | EUR | 2.57% | 8.58% | Up to 3 months | 33.417.479 |
| | EUR | 2.57% | 8.58% | 3-12 months | 80.831.087 |
| | USD | 6.66% | 6.66% | Up to 3 months | 133.443 |
| | USD | 6.66% | 6.66% | 3-12 months | - |
| | | | | 163.457.990 | |
| Long-term borrowings | TL | 7.61% | 29.82% | 1-10 years | 984.558.214 |
| | EUR | 2.57% | 8.58% | 1-10 years | 136.781.228 |
| | USD | 6.66% | 6.66% | 1-10 years | 9.876.884 |
| | | | | 1.131.216.325 | |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

As of 31 December 2023 and 2022, the redemption schedule and maturity analysis of bank borrowings are as follows:

| | 31.12.2023 | 31.12.2022 |
|-------------------|----------------------|----------------------|
| Revolving credits | 561.472.856 | 286.231.660 |
| Up to 3 months | 488.404.912 | 168.506.235 |
| 3-12 months | 936.256.917 | 350.517.876 |
| 1-10 years | 1.457.583.614 | 1.131.216.325 |
| TOTAL | 3.443.718.299 | 1.936.472.096 |

As of 31 December 2023 and 2022, the repayment schedule of long-term bank borrowings is as follows:

| Year | 31.12.2023 | 31.12.2022 |
|---------------------------|----------------------|----------------------|
| 2023 | - | 805.255.771 |
| 2024 | 1.954.831.071 | 267.190.378 |
| 2025 | 594.714.176 | 138.508.837 |
| 2026 | 267.019.118 | 133.882.610 |
| 2027 | 181.427.454 | 126.044.193 |
| 2028 | 131.340.952 | 100.241.146 |
| 2029 and subsequent years | 314.385.527 | 365.349.161 |
| TOTAL | 3.443.718.299 | 1.936.472.096 |

The breakdown and detailed analysis of finance lease liabilities are as follows:

| 31.12.2023 | Currency | Maturity | TL equivalent |
|---|----------|----------------|-------------------|
| Short-term portion of long-term finance lease liabilities | | | |
| | TL | Up to 3 months | 7.469.845 |
| | TL | 3-12 months | 17.923.332 |
| | EUR | Up to 3 months | 1.154.903 |
| | EUR | 3-12 months | 2.351.753 |
| | | | 28.899.834 |
| Long-term finance lease liabilities | | | |
| | TL | 1-5 years | 20.913.922 |
| | EUR | 1-5 years | 4.264.284 |
| | | | 25.178.206 |

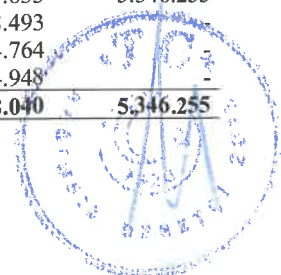
| 31.12.2022 | Currency | Maturity | TL equivalent |
|---|----------|----------------|------------------|
| Short-term portion of long-term finance lease liabilities | | | |
| | TL | Up to 3 months | 52.325 |
| | TL | 3-12 months | 191.070 |
| | EUR | Up to 3 months | 644.480 |
| | EUR | 3-12 months | 1.990.035 |
| | | | 2.877.910 |
| Long-term finance lease liabilities | | | |
| | TL | 1-5 years | 886.035 |
| | EUR | 1-5 years | 1.582.310 |
| | | | 2.468.345 |

As of 31 December 2023 and 2022, the redemption schedule and maturity analysis of finance lease liabilities are as follows:

| | 31.12.2023 | 31.12.2022 |
|----------------|-------------------|------------------|
| Up to 3 months | 19.065.731 | 696.805 |
| 3-12 months | 9.834.103 | 2.181.106 |
| 1-5 years | 25.178.206 | 2.468.344 |
| TOTAL | 54.078.040 | 5.346.255 |

As of 31 December 2023 and 2022, the repayment schedule of long-term finance lease liabilities is as follows:

| Year | 31.12.2023 | 31.12.2022 |
|--------------|-------------------|------------------|
| 2024 | 28.899.835 | 5.346.255 |
| 2025 | 16.308.493 | - |
| 2026 | 6.724.764 | - |
| 2027 | 2.144.948 | - |
| TOTAL | 54.078.040 | 5.346.255 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 9 – RIGHT OF USE ASSETS

| Right of use assets | 31.12.2023 | 31.12.2022 |
|--|--------------------|------------------|
| Beginning of the period – 1 January | 3.608.739 | 3.149.120 |
| Additions/disposals, net | 129.094.172 | 2.000.138 |
| Current period depreciation | (22.096.398) | (1.540.519) |
| End of the period – 31 December | 110.606.513 | 3.608.739 |

NOTE 10 – TRADE RECEIVABLES AND PAYABLES

| | 31.12.2023 | 31.12.2022 |
|---|----------------------|----------------------|
| Trade receivables due from related parties (*) | 59.342.124 | 21.278.689 |
| - Customers | 59.342.124 | 21.278.689 |
| Trade receivables due from third parties | 1.259.985.999 | 1.355.167.380 |
| - Customers | 1.154.138.371 | 1.368.490.330 |
| - Post-dated cheques and notes receivables | 117.082.771 | 20.474.963 |
| Discount on receivables (-) | (11.516.876) | (33.797.913) |
| - Doubtful trade receivables | 72.734.523 | 51.456.239 |
| - Provision for doubtful trade receivables (-) | (72.734.523) | (51.456.239) |
| -Other | 281.733 | - |
| Total short-term trade receivables, net | 1.319.328.123 | 1.376.446.069 |
| Total long-term trade receivables, net | - | - |

(*) The detailed analysis is disclosed in Note 37.

As of 31 December 2023, average turnover period in days for trade receivables is between 120-150 days (31 December 2022: 120-150 days).

The aging analysis and provision for doubtful receivables for past due but not impaired trade receivables and past due but impaired trade receivables are disclosed in Note 38-E.

The net maturity analysis of not past due trade receivables is disclosed in Note 37.

The movement of provision for doubtful trade receivables is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|----------------------|---------------------|
| Beginning of the period – 1 January | (51.456.239) | (32.459.013) |
| Acquisition of a subsidiary | (48.240.590) | - |
| Additions during the period (Note 30) | (457.403) | (31.696.699) |
| Collections / reversals | 5.976.873 | - |
| Monetary gains /losses | 21.442.836 | 12.699.473 |
| End of the period – 31 December | (72.734.523) | (51.456.239) |
| | 31.12.2023 | 31.12.2022 |
| Trade payables due to related parties (*) | 131.185.335 | 9.937.606 |
| - Suppliers | 131.185.335 | 10.477.444 |
| - Discount on notes payable (-) | - | (539.837) |
| Trade payables due to third parties | 1.157.861.637 | 770.244.663 |
| - Suppliers | 506.787.546 | 465.110.385 |
| - Post-dated cheques and notes payable | 374.590.920 | 324.187.358 |
| - Discount on notes payable (-) | (26.411.449) | (19.053.080) |
| -Other | 302.894.620 | - |
| Total short-term trade payables, net | 1.289.046.972 | 780.182.269 |
| Total long-term trade payables, net | - | - |

(*) The detailed analysis is disclosed in Note 37.

As of 31 December 2023, average turnover period in days for trade payables is between 90-120 days (31 December 2022: 60-90 days).



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

NOTE 11 – OTHER RECEIVABLES AND PAYABLES

| | 31.12.2023 | 31.12.2022 |
|---|--------------------|--------------------|
| Other receivables due from related parties (*) | 22.697.399 | 48.818.100 |
| - Related parties | 22.697.399 | 48.818.100 |
| Short-term other receivables due from third parties | 158.620.437 | 84.101.958 |
| - Deposits and guarantees given | 125.281.392 | 66.374.124 |
| - Receivables from tax office | 29.031.726 | 15.751.892 |
| - Due from employees | 86.247 | 24.246 |
| - Other | 4.221.072 | 1.951.696 |
| - Doubtful other receivables | 4.213.421 | - |
| - Provision for doubtful other receivables (-) | (4.213.421) | - |
| Total short-term other receivables, net | 181.317.836 | 132.920.058 |
| Long-term other receivables due from related parties (*) | - | - |
| - Related parties | - | - |
| Other receivables due from third parties | 7.637.628 | - |
| - Deposits and guarantees given | 7.633.313 | - |
| - Other | 4.315 | - |
| Total long-term other receivables, net | 7.637.628 | - |

(*) The detailed analysis is disclosed in Note 37.

| | 31.12.2023 | 31.12.2022 |
|---|----------------------|----------------------|
| Short-term other payables due to related parties (*) | 10.907.401 | - |
| Short-term other payables due to third parties | 64.164.768 | 24.327.301 |
| - Deposits and guarantees received | 13.629.165 | 8.537.888 |
| - Deferred liabilities | 4.865.720 | 10.514 |
| - Taxes payable | 28.614.308 | 15.400.173 |
| - Other | 17.055.575 | 378.726 |
| Total short-term other payables, net | 75.072.169 | 24.327.301 |
| Long-term other payables due to related parties (*) | 2.016.441.001 | 1.980.330.838 |
| Long-term other payables due to third parties (*) | 32.132.715 | - |
| - Deferred liabilities | 32.132.715 | - |
| - Other | - | - |
| Total long-term other payables, net | 2.048.573.716 | 1.980.330.838 |

(*) The detailed analysis is disclosed in Note 37.

NOTE 12 – DERIVATIVE INSTRUMENTS

| | 31.12.2023 | 31.12.2022 |
|------------------------|------------------|------------|
| Derivative assets | - | - |
| Total | - | - |
| Derivative liabilities | 2.673.788 | - |
| Total | 2.673.788 | - |

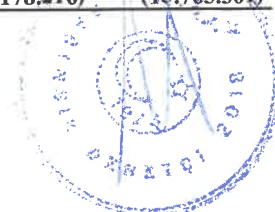
(*) Includes forward contracts, options and transactions

NOTE 13 – INVENTORIES

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Raw materials and supplies | 110.348.194 | 14.379.056 |
| Semi-finished goods | 148.951.266 | 35.696.218 |
| Finished goods | 238.958.789 | - |
| Merchandise | 434.407.023 | 718.728.064 |
| Less: Provision for inventory impairment (-) | (1.178.216) | (15.765.501) |
| Other inventories | 9.137.070 | 1.047.955 |
| TOTAL | 940.624.126 | 754.085.792 |

The movement of provision for impairment on inventories is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|---------------------|---------------------|
| Beginning of the period – 1 January | (15.765.501) | (2.758.820) |
| Additions/reversals, net | 14.587.285 | (13.006.681) |
| End of the period – 31 December | (1.178.216) | (15.765.501) |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 14 – CUSTOMER CONTRACTS

| | 31.12.2023 | 31.12.2022 |
|---|--------------------|--------------------|
| Contract assets | 756.302.084 | 54.751.414 |
| Contract liabilities | (21.223.359) | (63.745.622) |
| Total assets/liabilities | 735.078.725 | (8.994.208) |
| | 31.12.2023 | 31.12.2022 |
| Realised | | |
| Cost | 982.627.417 | 182.819.389 |
| Progress payment | 399.848.152 | 244.694.434 |
| Estimated revenue recognition, net | | |
| Cost | 1.651.366.694 | 676.423.785 |
| Progress payment | 1.950.421.285 | 811.282.839 |
| | 31.12.2023 | 31.12.2022 |
| Revenue under TFRS (A) | 1.134.926.877 | 235.700.226 |
| Contract cost (B) | (982.627.417) | (182.819.389) |
| Profit/loss in accordance with TFRS 15 (C=A+B) | 152.299.460 | 52.880.837 |
| Progress payment received (D) | 399.848.152 | 244.694.434 |
| Total contract assets / liabilities, net (E=A-D) | 735.078.725 | (8.994.208) |

NOTE 15 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Skysens Teknoloji Anonim Şirketi joint venture (“IOT”) on 4 September 2018 (during its establishment).

In addition, the Group acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Skysens Teknoloji Anonim Şirketi joint venture (“SAY”) on 10 October 2018 (during its establishment).

Furthermore, the Group acquired effective ownership interest of 25% belonging to shares of Plan S Uydu ve Uzay Teknolojileri Anonim Şirketi on 6 July 2021 (during its establishment).

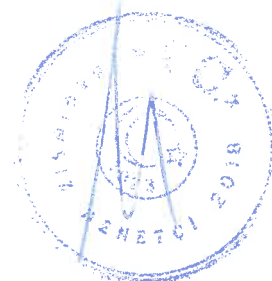
The Group acquired effective ownership interest of 40% belonging to shares of MİNT Elektrikli Araç Teknolojileri Anonim Şirketi on 22 June 2022 (during its establishment).

The Group has acquired indirect ownership interest of 40% belonging to shares of Teknovus Şarj Teknolojileri Anonim Şirketi the subsidiary of MİNT Elektrikli Araç Teknolojileri Anonim Şirketi with 100% effective ownership interest.

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Mühendislik Anonim Şirketi and Siterm Isı Sanayi Anonim Şirketi joint venture.

The Group acquired effective ownership interest of 49% belonging to shares of Signum Teknoloji Tasarım ve Eğitim Anonim Şirketi on 31 May 2023.

| | | | 31.12.2023 |
|---|----------------------------------|--------------------|--------------------|
| Associates and joint ventures (Accounted for using the equity method) | Effective ownership interest (%) | Amount | Net carrying value |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (IOT) | 50 | 5.000 | - |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (SAY) | 50 | 5.000 | 295.731 |
| Plan S Uydu ve Uzay Teknolojileri A.Ş. | 25 | 68.750.000 | 94.701.125 |
| Mint Elektrikli Araç Teknolojileri A.Ş. | 40 | 20.000.000 | 11.777.955 |
| Kontrolmatik Tek. Ene. Ve Müh. A.S. Ve Siterm Isı San. A.Ş. Joint venture | 50 | 25.000 | 2.453.206 |
| Signum Teknoloji Tanıtım ve Eğitim A.Ş. | 49 | 26.810.000 | 28.033.692 |
| TOTAL | | 115.595.000 | 137.261.709 |
| | | | 31.12.2022 |
| Associates and joint ventures (Accounted for using the equity method) | Effective ownership interest (%) | Amount | Net carrying value |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (IOT) | 50 | 5.000 | - |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (SAY) | 50 | 5.000 | - |
| Plan S Uydu ve Uzay Teknolojileri A.Ş. | 25 | 37.500.000 | 64.345.497 |
| MİNT Elektrikli Araç Teknolojileri A.Ş. | 40 | 8.000.000 | 13.796.488 |
| Kontrolmatik Tek. Ene. Ve Müh. A.S. Ve Siterm Isı San. A.Ş. Joint venture | 50 | - | - |
| TOTAL | | 45.510.000 | 78.141.985 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|-------------------|
| Associates and joint ventures | | |
| Beginning of the period – 1 January | 78.141.985 | 16.050.178 |
| Additions/Disposals | 38.367.072 | 60.065.714 |
| Capital increases/reduction | 71.420.830 | - |
| Increases/decreases during the period | (22.441.903) | - |
| Share of profit for the period | (28.226.275) | 2.026.093 |
| End of the period – 31 December | 137.261.709 | 78.141.985 |

NOTE 16 – INVESTMENT PROPERTIES

01.01.2023 - 31.12.2023

| | Opening balance – 1 January 2023 | Additions | Capital appreciation | Disposals | Transfers | Closing balance – 31 December 2023 |
|---------------------------------------|-------------------------------------|-----------|-------------------------|------------------|---------------------|---------------------------------------|
| Cost | | | | | | |
| Land | 132.854.348 | - | 16.700.223 | - | (22.667.470) | 126.887.100 |
| Buildings | 14.046.960 | - | 1.151.996 | (216.057) | - | 14.982.900 |
| Total | 146.901.308 | - | 17.852.219 | (216.057) | (22.667.470) | 141.870.000 |
| Less: Accumulated depreciation | | | | | | |
| Buildings | (50.740) | - | - | 50.740 | - | - |
| Total | - | - | - | - | - | - |
| Investment properties, net | 146.850.568 | - | 17.852.219 | (165.317) | (22.667.470) | 141.870.000 |

01.01.2022 - 31.12.2022

| | Opening balance – 1 January 2022 | Additions | Capital appreciation | Disposals | Transfers | Closing balance – 31 December 2022 |
|---------------------------------------|-------------------------------------|-------------------|-------------------------|---------------------|-----------|---------------------------------------|
| Maliyet | | | | | | |
| Land | 112.934.781 | 13.252.004 | 17.976.346 | (11.308.783) | - | 132.854.348 |
| Buildings | 12.669.915 | - | 2.855.692 | (1.478.647) | - | 14.046.960 |
| Total | 125.604.696 | 13.252.004 | 20.832.038 | (12.787.430) | - | 146.901.308 |
| Less: Accumulated depreciation | | | | | | |
| Buildings | (50.740) | - | - | - | - | (50.740) |
| Total | - | - | - | - | - | - |
| Investment properties, net | 125.553.956 | 13.252.004 | 20.832.038 | (9.807.610) | - | 146.850.568 |

The fair value of investment properties has been determined by independent appraisal firm Emek Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi and the detailed list of investment properties is as follows. The independent appraisal firm determined the fair value of investment properties in the appraisal reports on 29 December 2023 following the “Peer comparison” method.

| Investment properties | Date of acquisition | 31 December 2023 | | | 31 December 2022 | | | |
|--|---------------------|--------------------|-------------------|--------------------|--------------------|-------------------|--------------------|------------|
| | | Net book value | Land | Building | TOTAL | Net book value | Land | Building |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 369.000 | - | - | 369.000 | 191.137 | - | 191.137 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 214.000 | - | - | 214.000 | 93.921 | - | 93.921 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 217.000 | - | - | 217.000 | 112.046 | - | 112.046 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 632.000 | - | - | 632.000 | 339.432 | - | 339.432 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 1.457.000 | - | - | 1.457.000 | 705.228 | - | 705.228 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 39.000 | - | - | 39.000 | 16.477 | - | 16.477 |
| Kırklareli ili Kofçaz ilçesi - Land | 28 December 2016 | 173.000 | - | - | 173.000 | 70.852 | - | 70.852 |
| İstanbul ili Amavutköy ilçesi - Land | 11 September 2017 | 2.838.000 | - | - | 2.838.000 | 1.784.491 | - | 1.784.491 |
| İstanbul ili Amavutköy ilçesi - Land | 11 September 2017 | 724.000 | - | - | 724.000 | 454.773 | - | 454.773 |
| İstanbul ili Amavutköy ilçesi - Land (*) | 29 January 2018 | 10.912.000 | - | - | 10.912.000 | 6.861.144 | - | 6.861.144 |
| Kocaeli ili Çayırözü ilçesi - Land | 17 January 2019 | 67.200.000 | - | - | 67.200.000 | 62.284.163 | - | 62.284.163 |
| İstanbul ili Silivri İlçesi- Land | 15 June 2022 | - | - | - | - | 4.252.789 | - | 4.252.789 |
| İstanbul ili Silivri İlçesi- Land | 15 June 2022 | - | - | - | - | 5.997.734 | - | 5.997.734 |
| İstanbul ili Silivri İlçesi- Land | 15 June 2022 | - | - | - | - | 12.366.208 | - | 12.366.208 |
| İstanbul ili Beşiktaş ilçesi - Apartment | 17 July 2019 | 6.047.800 | 952.200 | - | 7.000.000 | 5.252.137 | 926.848 | 6.178.984 |
| İstanbul ili Beşiktaş ilçesi - Apartment | 17 July 2019 | 6.047.800 | 952.200 | - | 7.000.000 | 5.252.137 | 926.848 | 6.178.984 |
| Sakarya ili Serdivan ilçesi - Store | 16 August 2019 | 5.859.000 | 2.241.000 | - | 8.100.000 | 5.136.555 | 2.278.226 | 7.414.781 |
| Sakarya ili Serdivan ilçesi - Store | 2 August 2019 | 6.965.700 | 2.664.300 | - | 9.630.000 | 6.105.316 | 2.710.035 | 8.815.351 |
| Sakarya ili Serdivan ilçesi - Store | 16 August 2019 | 5.948.800 | 2.191.200 | - | 8.140.000 | 5.271.712 | 2.250.172 | 7.521.884 |
| Sakarya ili Serdivan ilçesi - Store | 17 September 2019 | 7.436.000 | 2.739.000 | - | 10.175.000 | 6.588.819 | 2.813.124 | 9.401.943 |
| Ankara ili Etimesgut ilçesi - Land | 26 September 2019 | 3.807.000 | 3.243.000 | - | 7.050.000 | 3.717.277 | 2.090.968 | 5.808.245 |
| TOTAL | | 126.887.100 | 14.982.900 | 141.870.000 | 132.854.348 | 13.996.220 | 146.850.568 | |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

(*) In accordance with the appraisal report in the current period regarding the aforementioned land, the statement that it is the “defendant” in the land registry creates a risk of loss of ownership for the potential buyers of the land. As of 31 December 2023, the Group has mortgage risk on its investment properties amounting to TL 63.895.139 (31 December 2022: TL 63.895.139). The relevant mortgages are also on the properties and classified under property, plant and equipment.

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT

| | Opening balance – 1 January 2023 | Revaluation surplus | Additions | Transfers | Disposals | Closing balance – 31 December 2023 |
|---|---|------------------------|----------------------|-----------------|--------------------|---|
| Cost | | | | | | |
| Land | 368.529.174 | 61.941.744 | 465.034.147 | 22.616.732 | - | 911.420.981 |
| Land improvements | - | 10.717.721 | 23.337.997 | (17.735.718) | - | 16.320.000 |
| Buildings | 570.872.541 | 43.750.328 | 126.671.206 | 788.017.580 | - | 1.536.012.471 |
| Plant, machinery and equipment | 50.292.475 | - | 641.630.518 | 889.950.507 | - | 1.581.873.500 |
| Motor vehicles | 65.083.380 | - | 214.092.244 | 1.372.301 | (7.622.938) | 272.924.987 |
| Furniture and fixtures | 50.925.307 | - | 116.908.255 | 59.333.215 | (111.704) | 227.055.073 |
| Constructions in progress | - | - | 1.932.613.690 | (1.743.481.424) | - | 189.132.266 |
| Leasehold improvements | 2.132.987 | - | 1.600.440 | - | (481.817) | 3.251.610 |
| Other property, plant and equipment | - | - | 21.837.471 | - | - | 21.837.471 |
| Total | 1.107.835.864 | 116.409.793 | 3.543.725.968 | 73.193 | (8.216.459) | 4.759.828.359 |
| Less: Accumulated depreciation | | | | | | |
| Land improvements | - | - | - | - | - | - |
| Buildings | - | - | (2.126.887) | - | - | (2.126.887) |
| Plant, machinery and equipment | (22.997.408) | - | (219.090.253) | - | - | (242.087.661) |
| Motor vehicles | (9.737.857) | - | (45.957.478) | - | 1.941.933 | (53.753.402) |
| Furniture and fixtures | (13.927.403) | - | (42.052.059) | - | - | (55.979.462) |
| Leasehold improvements | (1.582.609) | - | (86.663) | - | 18.102 | (1.651.170) |
| Other property, plant and equipment | - | - | - | - | - | - |
| Total | (48.245.277) | - | (309.313.340) | - | 1.960.035 | (355.598.582) |
| Property, plant and equipment, net | 1.059.590.587 | 123.110.609 | 3.227.711.812 | 73.193 | (6.256.424) | 4.404.229.777 |

(*) Although the most of constructions in progress are classified within buildings, it includes investments located in Polatlı, where factory construction has not been completed yet.

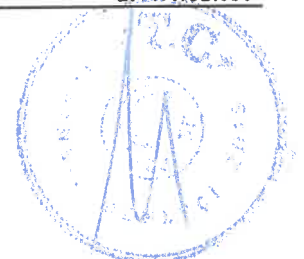
The fair value of property, plant and equipment has been determined as of 29 December 2023 by independent appraisal firm Emek Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi and the detailed list of property, plant and equipment which includes two offices in Esenler, İstanbul and a factory in Polatlı Ankara, land in İstanbul, Silivri, an office in Gölbaşı Ankara and land and buildings in Akyurt, Ankara are as follows. The independent appraisal firm determined the fair value of property, plant and equipment in the appraisal reports on 29 December 2023 in accordance with the “Peer comparison” method.

31.12.2023

31.12.2023

Net book value

| Property, plant and equipment | Date of acquisition | Land | Building | TOTAL |
|--------------------------------------|-----------------------|--------------------|----------------------|----------------------|
| İstanbul ili Sarıyer İlçesi – Office | 08.04.2022 | 402.403.500 | 108.871.500 | 511.275.000 |
| İstanbul ili Esenler ilçesi – Office | 09.09.2013 | 13.489.500 | 4.615.500 | 18.105.000 |
| İstanbul ili Esenler ilçesi – Office | 27.09.2016 | 13.489.500 | 4.615.500 | 18.105.000 |
| Ankara ili Polatlı ilçesi – Factory | 18.08.2021 | 53.647.161 | 1.242.249.839 | 1.295.897.000 |
| İstanbul ili Sarıyer İlçesi – Office | 07.02.2023 | 51.868.750 | 15.681.250 | 67.550.000 |
| Ankara ili Çankaya İlçesi – Office | 31.03.2023 | 15.553.750 | 8.791.250 | 24.345.000 |
| Ankara ili Çankaya İlçesi – Office | 19.01.2023 | 48.127.500 | 23.172.500 | 71.300.000 |
| İstanbul ili Silivri İlçesi – Land | 15.06.2022 | 7.169.000 | - | 7.169.000 |
| İstanbul ili Silivri İlçesi – Land | 15.06.2022 | 10.112.000 | - | 10.112.000 |
| İstanbul ili Silivri İlçesi – Land | 15.06.2022 | 20.847.000 | - | 20.847.000 |
| Kütahya ili Gediz İlçesi – Land | 13.06.2023 | 627.500 | 56.187.500 | 56.815.000 |
| Kütahya ili Gediz İlçesi – Land | 10/11/2020 | 714.000 | - | 714.000 |
| Kütahya ili Gediz İlçesi – Land | 24/06/2021-08/07/2021 | 318.000 | - | 318.000 |
| Ankara ili Akyurt ilçesi | 23/12/2009-13/01/2009 | 270.110.000 | 77.070.050 | 347.180.050 |
| TOTAL | | 908.477.161 | 1.541.254.889 | 2.449.732.050 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

| | Opening balance – 1 January 2022 | Revaluation surplus | Impairment (-) | Additions | Transfers | Disposals | Closing balance – 31 December 2022 |
|---|----------------------------------|---------------------|----------------|---------------------|---------------|---------------------|------------------------------------|
| Cost | | | | | | | |
| Land | 48.285.631 | 137.918.834 | - | 183.113.544 | - | (788.834) | 368.529.174 |
| Land improvements | - | - | - | - | - | - | - |
| Buildings | 100.369.197 | 14.658.456 | - | 45.778.242 | 410.895.440 | (828.795) | 570.872.541 |
| Plant, machinery and equipment | 32.854.902 | - | - | 17.437.573 | - | - | 50.292.475 |
| Motor vehicles | 18.138.300 | - | - | 53.820.802 | - | (6.875.889) | 65.083.380 |
| Furniture and fixtures | 26.399.454 | - | - | 29.407.769 | - | (4.881.917) | 50.925.307 |
| Constructions in progress | - | - | - | 410.895.840 | (410.895.440) | - | - |
| Leasehold improvements | 1.651.170 | - | - | 481.817 | - | - | 2.132.987 |
| Other property, plant and equipment | - | - | - | - | - | - | - |
| Total | 227.698.654 | 152.577.290 | - | 740.935.188 | - | (13.375.268) | 1.107.835.864 |
| Less: Accumulated depreciation | | | | | | | |
| Land improvements | - | - | - | - | - | - | - |
| Buildings | (354.315) | - | - | - | - | 354.315 | - |
| Plant, machinery and equipment | (17.647.495) | - | - | (5.349.913) | - | - | (22.997.408) |
| Motor vehicles | (6.493.785) | - | - | (6.739.354) | - | 3.495.281 | (9.737.857) |
| Furniture and fixtures | (12.574.141) | - | - | (6.235.178) | - | 4.881.917 | (13.927.403) |
| Leasehold improvements | (1.443.101) | - | - | (139.508) | - | - | (1.582.609) |
| Other property, plant and equipment | - | - | - | - | - | - | - |
| Total | (38.512.838) | - | - | (18.463.953) | - | 8.731.513 | (48.245.277) |
| Property, plant and equipment, net | 189.185.816 | 152.577.290 | - | 722.471.235 | - | (4.643.755) | 1.059.590.587 |

31.12.2022
Net book value

| Property, plant and equipment | Date of acquisition | Land | Building | TOTAL |
|--------------------------------------|---------------------|--------------------|--------------------|--------------------|
| İstanbul ili Sarıyer İlçesi – Office | 8.04.2022 | 41.242.208 | 340.335.624 | 381.577.833 |
| İstanbul ili Esenler ilçesi – Office | 9.09.2013 | 18.776.143 | 3.492.917 | 22.269.060 |
| İstanbul ili Esenler ilçesi – Office | 27.09.2016 | 18.776.143 | 3.492.917 | 22.269.060 |
| Ankara ili Polatlı ilçesi – Factory | 18.08.2021 | 25.714.462 | 487.571.305 | 513.285.766 |
| TOTAL | | 104.508.955 | 834.892.764 | 939.401.719 |

As of 31 December 2023, the Group has mortgage risk on its buildings classified under property, plant and equipment amounting to TL 369.754.000 (31 December 2022: TL 757.498.000). In addition, the Group has risk of pledge on its motor vehicles amounting to TL 1.957.000 (31 December 2022: TL 2.072.477).

Property, plant and equipment is not within the scope of “qualifying assets” defined in TAS 23 “Borrowing Costs”, financing costs related to property, plant and equipment are associated with the statement of profit or loss and are not capitalised in the accompanying consolidated financial statements.

The Group has no property, plant and equipment that is temporarily idle.

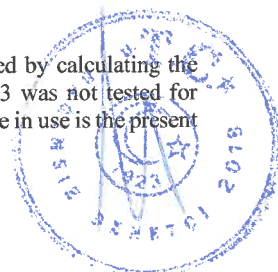
NOTE 18 – INTANGIBLE ASSETS

A-) Goodwill

| Opening balance – 1 January 2023 | Additions | Disposals | Impairment | Closing balance – 31 December 2023 |
|----------------------------------|----------------------|-----------|------------|------------------------------------|
| Cost | | | | |
| Goodwill | - 538.252.262 | - | - | 538.252.262 |
| Total | - 538.252.262 | - | - | 538.252.262 |

The impairment test of goodwill

Goodwill recognised is tested for impairment annually. The recoverable amount of a cash-generating unit is determined by calculating the value in use or fair value less costs to sell. Goodwill arising during the acquisition of “Üç Yıldız” on 1 August 2023 was not tested for impairment due to the acquisition date and the reporting date are close to each other for the consideration transferred. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

The following assumptions will be used when calculating value in use for the subsequent years: Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. It is defined as fair value less costs to sell.

The recoverable amount is considered as the higher of the market values calculated according to the net asset value method or the Discounted Cash Flow ("DNA") method.

B-) Other intangible assets

| | Opening balance – 1 January 2023 | Additions | Transfers | Disposals | Closing balance – 31 December 2023 |
|---------------------------------------|-------------------------------------|---------------------|------------------|---------------------|---------------------------------------|
| Cost | | | | | |
| Rights | 4.030.526 | 111.582.711 | (1.372.410) | - | 114.240.827 |
| Research and development costs | 48.488.183 | 88.378.371 | - | - | 136.866.554 |
| Other intangible assets | 77.541.727 | 69.801.092 | 4.807.651 | (42.034.165) | 110.116.305 |
| | 130.060.436 | 269.762.174 | 3.435.241 | (42.034.165) | 361.223.686 |
| Less: Accumulated depreciation | | | | | |
| Rights | (165.020) | (48.348.406) | 37.174 | 41.967.030 | (6.509.222) |
| Research and development costs | (5.163.295) | (350.216) | - | - | (5.513.511) |
| Other intangible assets | (41.542.334) | (37.355.158) | - | - | (78.897.492) |
| | (46.870.649) | (86.053.780) | 37.174 | 41.967.030 | (90.920.225) |
| Net book value | 83.189.787 | 183.708.394 | 3.472.415 | (67.135) | 270.303.461 |

| | Opening balance – 1 January 2022 | Additions | Transfers | Disposals | Closing balance – 31 December 2022 |
|---------------------------------------|-------------------------------------|---------------------|-----------|-----------|--|
| Cost | | | | | |
| Rights | 98.709 | 3.931.817 | - | - | 4.030.526 |
| Research and development costs | 19.874.246 | 28.613.937 | - | - | 48.488.183 |
| Other intangible assets | 73.126.819 | 4.414.908 | - | - | 77.541.727 |
| | 93.099.774 | 36.960.662 | - | - | 130.060.436 |
| Less: Accumulated depreciation | | | | | |
| Rights | (26.941) | (138.079) | - | - | (165.020) |
| Research and development costs | - | (5.163.295) | - | - | (5.163.295) |
| Other intangible assets | (18.079.866) | (23.462.468) | - | - | (41.542.334) |
| | (18.106.807) | (28.763.842) | - | - | (46.870.649) |
| Net book value | 74.992.967 | 8.196.820 | - | - | 83.189.787 |

The abovementioned table includes research and development costs incurred by the Group. Research and development projects completed are subject to amortisation and development costs are not capitalised only after the technical and commercial feasibility of the asset for sale or use have been established and not subject to amortisation.

NOTE 19 – GOVERNMENT GRANTS

As of 31 December 2023, Mcfly Robot Teknolojileri Anonim Şirketi benefited from a government grant arising from an investment certificate authorised on 29 December 2022 and numbered 552495. The investment amount arising from the government grant amounts to TL 184.693.234.

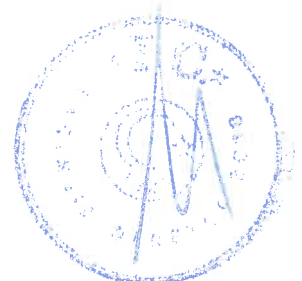
Mcfly Robot is entitled to the following incentives and rights:

- Employer's share of insurance premium: 6 years
- Tax reduction rate 70% Investment contribution rate: 30%
- Customs duty exemption
- Interest grants and incentives

As of 31 December 2023, Pomega Enerji Depolama Teknolojileri Anonim Şirketi benefited from government grant arising from manufacturing investment incentive certificate from manufacturing authorised on 7 July 2022 and numbered 538629. The investment amount arising from the government grant amounts to TL 2.583.262.117.

Pomega Enerji is entitled to the following incentives and rights:

- Employer's share of insurance premium: 7 years
- Tax reduction rate 80% Investment contribution rate: 40%



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023
(Amounts are expressed in Turkish Lira unless otherwise indicated.)

- Customs duty exemption
- VAT exemption
- Interest grants and incentives

(31 December 2022: None).

NOTE 20 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Commitments, collaterals, pledges and mortgages given by the Group

As of 31 December 2023 and 2022, the Group's collaterals/pledge/mortgage ("C&P&M") position is as follows:

31.12.2023

| Collaterals, pledges and mortgages given by the Group | USD | EUR | TL | Other | TOTAL (TL equivalent) |
|---|-------------------|--------------------|----------------------|----------------|--------------------------|
| A. Total amount of CPM's given in the name of its own legal personality | 13.181.707 | 125.695.311 | 1.547.127.140 | 500.000 | 6.030.059.341 |
| B. i. Total amount of CPM's given on behalf of the fully consolidated subsidiaries | - | - | - | - | - |
| B. ii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of each other | - | - | - | - | - |
| B. iii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of parent company | - | - | - | - | - |
| C. Total amount of CPM's given on behalf of third parties for ordinary course of business | - | - | - | - | - |
| D. Total amount of other CPM's given | - | - | - | - | - |
| i. Total amount of CPM's given on behalf of the majority shareholder | - | - | - | - | - |
| ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C | - | - | - | - | - |
| iii. Total amount of CPM's given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total | 13.181.707 | 125.695.311 | 1.547.127.140 | 500.000 | 6.030.059.341 |
| Total equity | | | | | 3.688.458.895 |
| The ratio of other CPM's to equity given by the Group | | | | | - |

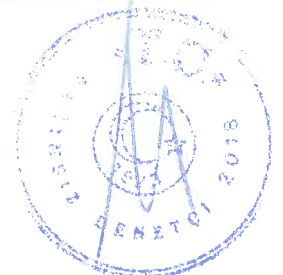
31.12.2022

| Collaterals, pledges and mortgages given by the Group | USD | EUR | TL | Other | TOTAL (TL equivalent) |
|---|------------------|-------------------|----------------------|-------|--------------------------|
| A. Total amount of CPM's given in the name of its own legal personality | 9.282.719 | 25.055.040 | 951.841.607 | - | 2.060.830.527 |
| B. i. Total amount of CPM's given on behalf of the fully consolidated subsidiaries | - | - | 822.035.614 | - | 822.035.614 |
| B. ii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of each other | - | 100.000 | 822.541.837 | - | 822.541.837 |
| B. iii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favor of parent company | - | - | - | - | - |
| C. Total amount of CPM's given on behalf of third parties for ordinary course of business | - | - | - | - | - |
| D. Total amount of other CPM's given | - | - | - | - | - |
| i. Total amount of CPM's given on behalf of the majority shareholder | - | - | - | - | - |
| ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C | - | - | - | - | - |
| iii. Total amount of CPM's given on behalf of third parties which are not in scope of C | - | - | - | - | - |
| Total | 9.282.719 | 25.155.040 | 2.596.419.058 | - | 3.705.407.978 |
| Total equity | | | | | 2.259.529.494 |
| The ratio of other CPM's to equity given by the Group | | | | | - |

As of 31 December 2023 and 2022, the details of contingent liabilities, contingent assets and commitments' ("CPM") risk presented in the abovementioned statements are as follows:

31.12.2023

| Type | TL | USD | EUR | Other |
|---------------------------|----------------------|-------------------|--------------------|----------------|
| Mortgages given | 977.254.000 | 645.000 | 89.040.000 | - |
| Letter of guarantee given | 521.844.217 | 12.076.871 | 36.467.811 | - |
| Bill of guarantees given | 10.000.000 | - | - | 500.000 |
| Blocked deposits | 36.071.923 | 459.836 | 187.500 | - |
| Vehicle pledges given | 1.957.000 | - | - | - |
| Total CPM's, net | 1.547.127.140 | 13.181.707 | 125.695.311 | 500.000 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

31.12.2022

| Type | TL | USD | EUR | Other |
|---------------------------|----------------------|------------------|-------------------|----------|
| Mortgages given | 1.353.433.448 | - | - | - |
| Letter of guarantee given | 363.358.560 | 9.142.719 | 25.155.040 | - |
| Letter of credit | - | 140.000 | - | - |
| Bill of guarantees given | 822.035.614 | - | - | - |
| Blocked deposits | 54.176.555 | - | - | - |
| Vehicle pledges given | 3.414.881 | - | - | - |
| Total CPM's, net | 2.596.419.057 | 9.282.719 | 25.155.040 | - |

Short-term provisions

| Account Name | 31.12.2023 | 31.12.2022 |
|--|-------------------|------------------|
| Short-term provisions for employee benefits | 12.595.400 | 4.412.891 |
| Provision for unused vacation | 12.595.400 | 4.412.891 |
| Other short-term provisions | 2.466.405 | 45.148 |
| Provision for lawsuits | 2.266.405 | 45.148 |
| Provision for warranties | 200.000 | - |
| Short-term provisions, net | 15.061.805 | 4.458.038 |

The movement of provision for lawsuits is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|------------------|----------------|
| Beginning of the period – 1 January | 45.148 | 124.558 |
| Acquisition of a subsidiary | 1.790.881 | - |
| Additions (Note 30) | 475.524 | - |
| Provisions no longer required (Note 30) | - | (30.677) |
| Monetary gains /losses | (45.148) | (48.733) |
| End of the period – 31 December | 2.266.405 | 45.148 |

Contingent events (Lawsuits and execution proceedings in favor/against the Group)

As of 31 December 2023, the Group has allocated provision for lawsuits amounting to TL 2.266.405 in the accompanying consolidated financial statements for the lawsuits and execution proceedings filed against the Group for the possible cash outflows (31 December 2022: TL 45.148).

The movement of provision for unused vacation is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|-------------------|------------------|
| Beginning of the period – 1 January | 4.412.891 | 3.313.133 |
| Acquisition of a subsidiary | 3.032.257 | - |
| Additions | 6.884.977 | 2.396.009 |
| Monetary gains /losses | (1.734.725) | (1.579.821) |
| End of the period – 31 December | 12.595.400 | 4.412.891 |

Long-term provisions

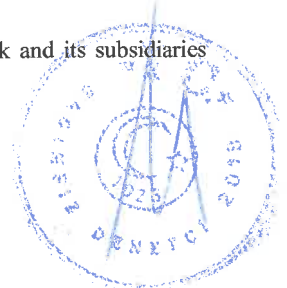
| | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Provision for employment termination benefits | 29.149.559 | 4.404.210 |

Under Turkish Labour Law, Kontrolmatik and its subsidiaries, associates and joint ventures incorporated in Turkey are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

As of 31 December 2023, the amount payable consists of one month's salary limited to a maximum of TL 35.058 (31 December 2022: TL 23.490) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of Kontrolmatik and its subsidiaries registered in Turkey arising from the retirement of employees.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability. Related rates have been presented by considering the weighted average of actuarial assumptions of the subsidiaries within the scope of consolidation.

| | 31.12.2023 | 31.12.2022 |
|---|------------|------------|
| Net discount rate | 2.48% | 2.55% |
| Employment termination benefit non-payment rate | 5% | 5% |

Movements in the provision for employment termination benefits are as follows:

| | 31.12.2023 | 31.12.2022 |
|--|-------------------|------------------|
| Beginning of the Period – 1 January | 4.404.210 | 3.378.755 |
| Acquisition of a subsidiary | 23.424.116 | - |
| Additions during the period | 14.771.990 | 2.514.469 |
| Payments during the period and provisions no longer required | (7.182.554) | (686.609) |
| Gains/(losses) on remeasurements of defined benefit plans | (4.536.889) | 519.521 |
| Monetary gains /losses | (1.731.314) | (1.321.926) |
| End of the period – 31 December | 29.149.559 | 4.404.210 |

NOTE 21 – EMPLOYEE BENEFITS

| | 31.12.2023 | 31.12.2022 |
|----------------------------------|-------------------|-------------------|
| Due to employee | 56.655.711 | 12.955.193 |
| Social security premiums payable | 29.229.531 | 9.779.065 |
| Taxes payable | 8.057.321 | - |
| Employee benefits, net | 93.942.563 | 22.734.258 |

NOTE 22 – RETIREMENT BENEFIT PLANS

Except for the legal regulations and legislations disclosed in Note 21, there is no regulation for retirement benefit plans.

NOTE 23 – PREPAID EXPENSES AND DEFERRED INCOME

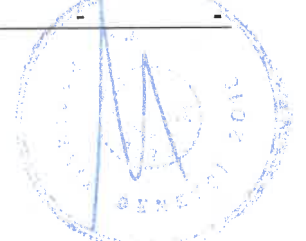
| | 31.12.2023 | 31.12.2022 |
|--|----------------------|--------------------|
| Prepaid expenses due to related parties (*) | 230.823.706 | 7.232.252 |
| Prepaid expenses due to third parties | 947.095.010 | 660.370.100 |
| - Advances given | 916.384.871 | 659.416.345 |
| - Short-term prepaid expenses | 30.710.139 | 953.755 |
| Prepaid expenses, net (Classified under current assets) | 1.177.918.716 | 667.602.352 |

(*) The detailed analysis is disclosed in Note 37.

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Prepaid expenses due to related parties | 4.939 | - |
| Prepaid expenses due to third parties | 135.956.742 | 481.671.625 |
| - Long-term prepaid expenses | 7.136.337 | 9.037.501 |
| - Advances given | 128.820.405 | 472.634.124 |
| - Prepaid taxes | - | - |
| Prepaid expenses, net (Classified under non-current assets) | 135.961.681 | 481.671.625 |

| | 31.12.2023 | 31.12.2022 |
|---|--------------------|--------------------|
| Deferred income due from related parties | 64.033.374 | 16.065.338 |
| - Advances received (*) | 64.033.374 | 16.065.338 |
| Deferred income due from third parties | 474.861.954 | 119.603.292 |
| - Short-term deferred income | 9.804.289 | - |
| - Advances received | 465.057.665 | 119.603.292 |
| Deferred income except for contract liabilities (Short-term) | 538.895.328 | 135.668.630 |
| Deferred income except for contract liabilities (Long-term) | - | - |

(*) The detailed analysis is disclosed in Note 37.



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NOTE 24 – CURRENT INCOME TAX ASSETS

Current income tax assets

| Account Name | 31.12.2023 | 31.12.2022 |
|----------------------------|-------------------|-------------------|
| Prepaid taxes (Short-term) | 299.330 | 12.231 |
| Prepaid taxes (Long-term) | 24.969.067 | 11.768.242 |
| Total | 25.268.397 | 11.780.473 |

NOTE 25 – OTHER ASSETS AND LIABILITIES

| Account Name | 31.12.2023 | 31.12.2022 |
|----------------------------------|--------------------|-------------------|
| Deferred VAT | 198.071.461 | 31.862.279 |
| Other VAT | 7.357.239 | - |
| Advances given to employees | 634.975 | - |
| Cash advances | 13.829.396 | 2.971.782 |
| Other | 7.871.899 | - |
| Other current assets, net | 227.764.970 | 34.834.061 |

As of 31 December 2023, the Group has no other non-current assets.

| Account Name | 31.12.2023 | 31.12.2022 |
|---------------------------------------|-------------------|-------------------|
| Other liabilities | 43.633 | - |
| Other current liabilities, net | 43.633 | - |

NOTE 26 – EQUITY

As of 31 December 2023 and 2022, the principal shareholders and their respective shareholding rates in Kontrolmatik are as follows:

| Shareholders | 31.12.2023 | | 31.12.2022 | |
|------------------------------------|-------------------|--------------------|-------------------|--------------------|
| | Share (%) | Amount (TL) | Share (%) | Amount (TL) |
| Sami Aslanhan | 28,34 | 56.681.444 | 29,09 | 58.181.444 |
| Ömer Ünsalan | 28,48 | 56.953.773 | 29,09 | 58.181.444 |
| Other | 43,18 | 86.364.782 | 41,82 | 86.364.782 |
| Total paid-in share capital | 100% | 200.000.000 | 100% | 200.000.000 |

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Adjustment to share capital | 263.906.480 | 138.226.992 |
| Beginning of the period – 1 January | 263.906.480 | 138.226.992 |
| Capital increases /reduction | - | 161.937.500 |
| Monetary gains /losses | - | (36.258.012) |
| End of the period – 31 December | 263.906.480 | 263.906.480 |

The Group has no preferred shares at the end of the annual reporting periods.

As of 31 December 2023, the Group has paid-in share capital amounting to TL 200.000.000 (31 December 2022: TL 200.000.000). Kontrolmatik adopted the registered share capital system at the general assembly meeting on 21 May 2020.

The Group has 200,000,000 outstanding shares each with a nominal value of TL 1 (31 December 2022: 200,000,000).

The Group increased its current share capital through bonus issues amounting to TL 200.000.000 from its internal funds and resources on 21 July 2022.

As of 31 December 2023, the comparative information regarding the relevant historical cost presented under equity items in the consolidated financial statements with the inflation-adjusted amounts in the financial statements prepared in accordance with the Tax Procedure Law and TFRS is as follows:



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| 31.12.2023 (TPL) | Historical cost | The effect of inflation adjustment | Amounts adjusted for inflation |
|------------------|-----------------|------------------------------------|--------------------------------|
| Share capital | 200.000.000 | 338.461.117 | 538.461.117 |
| Share premium | 396.837.738 | 209.102.621 | 605.940.359 |
| Legal reserves | 30.875.722 | 83.881.738 | 114.757.460 |

| 31.12.2023 (TFRS) | Historical cost | The effect of inflation adjustment | Amounts adjusted for inflation |
|-------------------|-----------------|------------------------------------|--------------------------------|
| Share capital | 200.000.000 | 263.906.480 | 463.906.480 |
| Share premium | 527.689.423 | 392.854.159 | 920.543.583 |
| Legal reserves | 27.630.884 | 12.305.707 | 39.936.591 |

In accordance with initial transition to inflation, the retained earnings recognised in the consolidated statement of financial position prepared under TFRS is amounting to TL 132.243.396 as of 1 January 2022. The retained earnings calculated according to purchasing power as at 31 December 2023 is amounting to TL 357.945.594.

B. Share premium

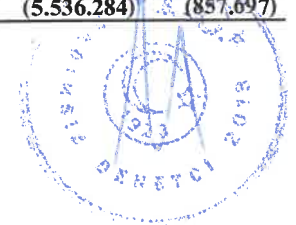
As a result of the initial public offering of Kontrolmatik in 2020, the Group increased its current share capital of TL 8.062.500 by selling 8,062,500 shares with a nominal value of TL 1. In addition, the Group has additional cash inflow amounting to TL 59.331.875 arising from the sale was realized above the nominal amount considered. The capital increase amounting to TL 49.000.000 was paid from its internal funds and resources from "share premium" on 8 June 2022. The Company realized the capital increase amounting to TL 87.028.828 on its internal funds and resources on 8 June 2022 from "share premium". Share premium is arising from the disposal of 0.9% effective ownership interest of Pomega, the subsidiary of the Group, in the current period.

| Share premium | 31.12.2023 | 31.12.2022 |
|---|--------------------|--------------------|
| Beginning of the period – 1 January | 764.946.103 | 851.974.941 |
| Capital increases /reduction | 155.597.480 | (87.028.838) |
| Increases /(decreases) during the premium | - | - |
| Share premium from gain on bargain purchase | - | - |
| Acquisition of a subsidiary | - | - |
| End of the period – 31 December | 920.543.583 | 764.946.103 |

C. Other comprehensive income or expenses not to be reclassified to profit or loss

Other comprehensive income or expenses not to be reclassified to profit or loss comprise of property, plant and equipment revaluation surplus and gains/(losses) on remeasurements of defined benefit plans and the movement for other comprehensive income or expenses not to be reclassified to profit or loss is as follows:

| Property, plant and equipment revaluation surplus | 31.12.2023 | 31.12.2022 |
|---|--------------------|--------------------|
| Beginning of the period - 1 January | 137.319.561 | - |
| Revaluation surplus during the period | 116.409.793 | 152.577.290 |
| Taxes relating to other comprehensive income or expenses not to be reclassified to profit or loss during the period | (21.826.836) | (15.257.729) |
| End of the period – 31 December | 231.902.518 | 137.319.561 |
| Gains/(losses) on remeasurements of defined benefit plans | 31.12.2023 | 31.12.2022 |
| Beginning of the period - 1 January | (857.697) | - |
| Gains/(losses) on remeasurements of defined benefit plans during the period | (6.238.115) | (1.054.967) |
| Taxes relating to other comprehensive income or expenses not to be reclassified to profit or loss during the period | 1.559.529 | 197.270 |
| End of the period – 31 December | (5.536.284) | (857.697) |



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D. Other comprehensive income or expenses to be reclassified to profit or loss

Other comprehensive income or expenses to be reclassified to profit or loss comprise of currency translation differences and the movement for other comprehensive income or expenses to be reclassified to profit or loss is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|---------------------|------------|
| Currency translation differences | | |
| Beginning of the period - 1 January | - | - |
| Total comprehensive income | (23.887.857) | - |
| End of the period – 31 December | (23.887.857) | - |

E. Restricted reserves

The legal reserves consist of the first and second reserves, appropriated under the Turkish Commercial Code (“TCC”). The TCC stipulates that 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 Group’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. The first dividend amount of the Group cannot be less than 20% of the remaining distributable profit after deducting previous years’ losses, if any, and legal reserves, taxes, funds and financial payments that are necessary to be allocated from net period profit in accordance per related legislation. 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.

| | 31.12.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| Beginning of the period - 1 January | 20.406.961 | 5.343.258 |
| Restricted reserves during the period | 19.529.630 | 15.063.703 |
| End of the period – 31 December | 39.936.591 | 20.406.961 |

F. Retained earnings

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, “Share Capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amount. The valuation differences shall be classified as follows:

- The difference arising from the “Paid-in Share Capital” and not been transferred to capital yet, shall be classified under the “Adjustment to Share Capital”;
- The difference due to the adjustment of “Restricted reserves” and “Share premium” and the amount that has not been utilized in dividend distribution or capital increase yet, shall be classified under “Retained earnings”.

As of 31 December 2023 and 2022, retained earnings include the following items:

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Beginning of the period - 1 January | 117.489.716 | 357.945.594 |
| Share of profit/loss from prior period | - | - |
| Dividends paid | (37.694.210) | (24.804.027) |
| Transfer to restricted reserves | (19.529.630) | (15.063.702) |
| Capital increases | - | (200.588.150) |
| Acquisition or disposal of a subsidiary (*) | (51.207.997) | - |
| Gains/losses on changes in ownership interest in a subsidiary without resulting in a loss of control (1) | (15.624.419) | - |
| Transfer from retained earnings | 655.971.510 | - |
| End of the period – 31 December | 649.404.969 | 117.489.716 |

(*) Arising from acquisition of Üçyıldız Madencilik

G. Non-controlling interests

The details and movement of non-controlling interests are as follows:

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Beginning of the period - 1 January | 115.113.483 | (307.571) |
| Changes in ownership interests in subsidiaries without loss of control | 15.624.419 | 9.431.692 |
| Acquisition of a subsidiary | 850.913.900 | 3.876.240 |
| Share of profit/loss of non-controlling interests | (463.077) | 20.302.317 |
| Gains/(losses) on share-based payments and transactions | - | 81.810.805 |
| End of the period – 31 December | 981.188.725 | 115.113.483 |



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H. Treasury shares

| | 31.12.2023 | 31.12.2022 |
|--|---------------------|---------------------|
| Beginning of the period - 1 January | (23.315.368) | - |
| Gains/(losses) on share buyback transactions | 23.315.368 | (23.315.368) |
| End of the period – 31 December | - | (23.315.368) |

In accordance with the share buy-back program for a period of one year shall be initiated pursuant to the Capital Markets Board's Communiqué on Share Buy-Back No. II-22.1 and the related announcements dated 21 July 2016 and 25 July 2016, eliminating the negative effects that may be caused by the price movements in the shares of the Group traded in Borsa İstanbul Anonim Şirketi ("Borsa İstanbul"), which was initiated with the decision taken by the Group management on 6 December 2022, on investors in the short-term, and in order to protect the value of all shareholders' investments and to support price stability in the share value of the Group, and also to use them within the framework of the share acquisition plans of the employees when deemed appropriate and necessary by the Group management, based on the transactions as of 30 September 2023, shares with a nominal value of TL 683.038, corresponding to 0.646% of the Group's share capital, were subject to buyback for a total of TL 95.957.844, including transaction costs.

In accordance with share buyback transactions under treasury shares, the nominal amount of TL 683.038 (683,038 outstanding shares) included in treasury shares from quoted shares on 30 June 2023 (0.34% of the share capital), and 385,000 outstanding shares were disposed through share transfer on 27 July 2023, and 298,038 outstanding shares were disposed through share transfer on 1 August 2023.

NOTE 27 – REVENUE AND COST OF SALES

Gross profit from operating activities

| | 01.01.2023 | 01.01.2022 |
|---------------------------|----------------------|----------------------|
| | 31.12.2023 | 31.12.2022 |
| Domestic sales | 3.082.059.419 | 1.603.069.407 |
| Foreign sales | 911.514.883 | 1.682.900.518 |
| Other | 21.393.109 | 1.845.576 |
| Gross revenue, net | 4.014.967.411 | 3.287.815.501 |
| Sales returns (-) | (48.836.962) | (8.375.452) |
| Sales discounts (-) | (286.985) | - |
| Net sales | 3.965.843.464 | 3.279.440.049 |
| Cost of sales (-) | (3.468.792.358) | (2.501.477.956) |
| Gross profit | 497.051.106 | 777.962.093 |

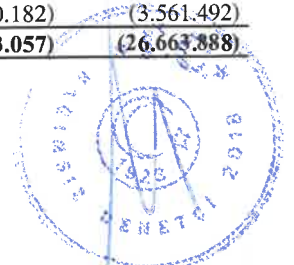
NOTE 28 – OPERATING EXPENSES

| | 01.01.2023 | 01.01.2022 |
|-----------------------------------|----------------------|----------------------|
| | 31.12.2023 | 31.12.2022 |
| General administrative expenses | (358.334.995) | (114.653.453) |
| Marketing expenses | (114.207.493) | (81.166.084) |
| Research and development expenses | (123.653.057) | (26.663.888) |
| Operating expenses, net | (596.195.545) | (222.483.426) |

NOTE 29 – EXPENSES BY NATURE

As of 31 December 2023 and 2022, the breakdown of expenses by nature is as follows:

| | 01.01.2023 | 01.01.2022 |
|---|----------------------|---------------------|
| | 31.12.2023 | 31.12.2022 |
| Personnel expenses | (81.014.363) | (15.764.471) |
| Energy storage systems costs | (15.423.231) | - |
| Depreciation and amortisation charges | (15.466.628) | (7.188.954) |
| Maintenance and repair expenses (Building) | (227.315) | - |
| Rent expenses | (524.828) | - |
| Motor vehicle expenses | (273.573) | - |
| Travel and accommodation expenses | (953.776) | - |
| Outsourcing expenses | (3.549.917) | - |
| Consumable expenses | (2.619.243) | - |
| Provision for employment termination benefits | - | (148.971) |
| Other | (3.600.182) | (3.561.492) |
| Research and development expenses, net | (123.653.057) | (26.663.888) |



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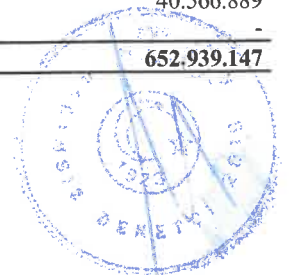
| | 1.01.2023 31.12.2023 | 1.01.2022 31.12.2022 |
|---------------------------------------|-------------------------|-------------------------|
| Personnel expenses | (37.988.736) | (10.238.098) |
| Start-up and organizational costs | (17.811.651) | - |
| Advertisement and promotion expenses | (17.002.235) | (17.023.957) |
| Outsourcing expenses | (10.748.469) | (3.086.155) |
| Travel and accommodation expenses | (9.987.961) | (20.926.736) |
| Taxes, duties and charges | (3.547.977) | - |
| Depreciation and amortisation charges | (2.137.104) | (57.000) |
| Consultancy expenses | (1.328.310) | (4.593.005) |
| Motor vehicle expenses | (1.294.312) | (1.353.502) |
| Freight expenses | (650.703) | (19.735.229) |
| Provision for unused vacation | - | (217.335) |
| Customs clearance costs | - | (3.935.067) |
| Other | (11.710.035) | - |
| Marketing expenses, net | (114.207.493) | (81.166.084) |

| | 01.01.2023 31.12.2023 | 01.01.2022 31.12.2022 |
|--|--------------------------|--------------------------|
| Personnel expenses | (155.625.598) | (30.957.856) |
| Depreciation and amortisation charges | (75.827.011) | (20.410.468) |
| Consultancy expenses | (28.936.208) | - |
| Outsourcing expenses | (12.539.555) | (32.289.643) |
| Rent expenses | (11.916.857) | (6.958.492) |
| Travel and accommodation expenses | (7.819.685) | - |
| Taxes, duties and charges | (8.960.262) | (7.169.690) |
| Provision for unused vacation | - | (648.093) |
| Representation and hospitality expenses | (5.513.699) | - |
| Insurance expenses | (4.130.683) | - |
| Utility expenses | (3.912.534) | - |
| Motor vehicle expenses | (4.433.995) | (4.011.306) |
| Provision for employment termination benefits | (683.487) | (270.187) |
| Bank commissions, fees and charges | (4.927.485) | (4.337.138) |
| Maintenance and repair expenses | (6.964.619) | - |
| Communication expenses | (1.164.136) | - |
| Notary costs, fees and charges | (908.438) | - |
| Information systems expenses | (304.792) | - |
| Provision for doubtful receivables | - | (1.159.038) |
| Depreciation and amortisation charges (Leases) | - | (1.120.635) |
| Furniture and fixtures costs | - | (1.590.415) |
| Other | (23.765.951) | (3.730.493) |
| General administrative expenses, net | (358.334.995) | (114.653.454) |

NOTE 30 – OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2023 and 2022, the breakdown and details of other operating income/expenses are as follows:

| | 01.01.2023 31.12.2023 | 01.01.2022 31.12.2022 |
|--------------------------------------|--------------------------|--------------------------|
| Interest income | 5.028.135 | - |
| Interest income from discount | 40.332.923 | 44.057.384 |
| Reversal of discount | 20.511.813 | - |
| Foreign exchange gains | 862.558.396 | 560.436.515 |
| Provisions no longer required | 24.448.594 | 1.307.878 |
| Rent income | 3.278.708 | 2.033.501 |
| Income from social security premiums | 9.089.776 | 4.536.981 |
| Other income and profits | 85.724.918 | 40.566.889 |
| Interest income from related parties | 55.516.684 | - |
| Other operating income, net | 1.106.489.947 | 652.939.147 |



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| | 01.01.2023 | 01.01.2022 |
|--------------------------------------|----------------------|----------------------|
| | 31.12.2023 | 31.12.2022 |
| Foreign exchange losses | (447.849.400) | (294.790.544) |
| Other | (95.616.152) | (15.636.601) |
| Interest expenses from discount (-) | (12.769.660) | (46.170.041) |
| Reversal of discount | (11.890.860) | - |
| Expenses arising from provisions | (2.352.172) | (35.292.515) |
| Commission expenses (-) | (1.910.146) | (593.670) |
| Other operating expenses, net | (572.388.390) | (392.483.371) |

NOTE 31 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 31 December 2023 and 2022, the breakdown and details of gains/losses from investment activities are as follows:

| | 01.01.2023 | 01.01.2022 |
|---|----------------------|---------------------|
| | 31.12.2023 | 31.12.2022 |
| Gain on sale of equity securities | - | 81.414.472 |
| Gain on sale of marketable securities | 397.010.609 | 35.122.104 |
| Dividend income | 3.567.254 | - |
| Gain on foreign currency/Gold/Currency-protected TL time deposit accounts | - | 36.327.051 |
| Investment properties capital appreciation | 17.852.219 | 20.832.039 |
| Gain on disposal of property, plant and equipment and intangible assets | 3.569.667 | 10.273.350 |
| Gains from investment activities, net | 421.999.749 | 183.969.016 |
| | 01.01.2023 | 01.01.2022 |
| | 31.12.2023 | 31.12.2022 |
| Loss on sale of equity securities and impairment | (210.891.491) | (16.495.644) |
| Loss on disposal of property, plant and equipment and intangible assets | (6.638) | - |
| Loss on disposal of joint ventures | - | (638.958) |
| Losses from investment activities, net | (210.898.129) | (17.134.602) |

NOTE 32 – FINANCIAL EXPENSES

As of 31 December 2023 and 2022, the breakdown and details of financial expenses are as follows:

| | 01.01.2023 | 01.01.2022 |
|--|----------------------|----------------------|
| | 31.12.2023 | 31.12.2022 |
| Interest expenses | (410.452.677) | (154.454.779) |
| Foreign exchange losses | (427.108.538) | (285.802.070) |
| Expenses from derivative instruments and relevant transactions | (2.673.803) | - |
| Financial expenses, net | (840.235.018) | (440.256.849) |

NOTE 33 – FINANCIAL INCOME

As of 31 December 2023 and 2022, the breakdown and details of financial income are as follows:

| | 01.01.2023 | 01.01.2022 |
|------------------------------|--------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| Interest income | 43.234.530 | 59.012.026 |
| Foreign exchange gains | 259.749.295 | 9.802.769 |
| Financial income, net | 302.983.826 | 68.814.795 |

NOTE 34 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

NOTE 35 – INCOME TAXES

Current income tax assets and liabilities

As of 31 December 2023, the corporate tax rate in Turkey is 25%.



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25% of the profits arising from the sale of shares of associates, real estates, pre-emption rights, founder share and usufruct shares in the assets of the institutions for at least two full years are exempt from corporate tax. To benefit exclusion, the earning must be recognised in liabilities in a fund account and not withdrawn for 5 years from the entity. The sales price must be collected until the end of the second calendar year following the year in which the sale is realised.

According to "Turkish Corporate Tax Law", losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits. Tax authorities and tax office may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

As of 31 December 2023 and 2022, the breakdown of current income tax liabilities is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|-------------------|-------------------|
| Provision for taxes | 116.441.038 | 143.433.535 |
| Prepaid taxes (-) | (85.803.309) | (83.519.400) |
| Current income tax liabilities, net | 30.637.729 | 59.914.135 |

As of 31 December 2023 and 2022, the breakdown and detailed analysis of income taxes are as follows:

| | 01.01.2023 | 01.01.2022 |
|-----------------------------------|-------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| Current period tax expense (-) | (142.111.550) | (159.989.946) |
| Deferred income tax / (expense) | 186.993.887 | 219.241.548 |
| Total tax income/(expense) | 44.882.337 | 59.251.602 |

Deferred tax assets and liabilities

Kontrolmatik, its Subsidiaries, Associates and Joint Ventures, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared under TFRS and the Turkish tax legislation. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and the purposes of the Turkish Financial Reporting Standards and are disclosed below.

As of 31 December 2023, the corporate tax rate in Turkey is 25%.

Law No.7456 has entered into force as of 15 July 2023, by being promulgated in the Official Gazette. In the Official Gazette dated 15/7/2023 and numbered 32249, Law No.7456, "Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and Amendments to Some Laws and Decree-Law No. 375" was published. However by article numbered 21 of the relevant law, the corporate tax rate is increased from 20% to 25% effective from 1 October 2023. Accordingly, deferred tax assets and liabilities are calculated considering the 25% tax rate as of the end of the annual reporting period.

The accounting policies used by the Group in calculating deferred tax are consistent with those used in the audited financial statements prepared as of 31 December 2022, except for the use of the new rates enacted in the year ended as of 31 December 2023.

As of 31 December 2023 and 2022, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:



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| | 31.12.2023 | | 31.12.2022 | |
|---|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Deferred tax assets and liabilities in the statement of profit or loss | Cumulative temporary differences | Deferred tax assets/(liabilities) | Cumulative temporary differences | Deferred tax assets/(liabilities) |
| Provision for doubtful trade receivables | 68.353.335 | 17.088.334 | 50.564.444 | 12.641.111 |
| Discount on trade receivables | 11.516.816 | 2.879.204 | 33.797.913 | 8.449.478 |
| Provision for advances given | 1.642.682 | 410.671 | 7.684.188 | 1.921.048 |
| Provision for impairment on inventories | 127.737.524 | (31.934.380) | 96.313.404 | (16.195.601) |
| Provision for employment termination benefits | 23.802.043 | 5.950.513 | 3.375.866 | 843.967 |
| Provision for unused vacation | 12.595.400 | 3.148.850 | 4.467.159 | 1.116.790 |
| Expenses arising from interest accruals | - | - | 37.304.281 | 7.460.857 |
| Non-deductible losses | 15.688.030 | 3.922.008 | - | - |
| Annual effective interest rate of leasing, net | 1.301.233 | 325.309 | - | - |
| Provision for lawsuits | 1.315.357 | (328.839) | 31.208 | 7.802 |
| Adjustments for cumulative temporary differences on property, plant and equipment | 548.006 | 137.001 | 22.971.526 | (5.155.456) |
| Adjustments for leases | 194.311.608 | (6.702.804) | 2.085.981 | (109.368) |
| Annual effective interest rate of borrowings | 64.024.556 | 16.006.139 | - | - |
| Investments accounted for using the equity method | 14.717.306 | 3.679.326 | 13.750.239 | (3.437.560) |
| Investment incentives (*) | 1.301.238.893 | 512.565.619 | 763.079.150 | 244.185.327 |
| Income arising from interest accruals | - | - | 1.442.752 | 360.688 |
| Application of percentage of completion method in projects (liabilities) | 399.814.973 | (99.953.743) | - | - |
| Gains/(losses) on remeasurements of defined benefit plans | 5.347.516 | 1.336.880 | - | - |
| Annual effective interest rate of time deposits | 4.148.273 | (1.037.069) | - | - |
| Interest income from currency-protected TL time deposits | - | - | 5.401.767 | (1.350.443) |
| Investment properties capital appreciation (**) | 31.500.112 | (5.906.271) | 111.239.809 | (13.904.976) |
| Discount on trade payables | 26.411.449 | (6.602.863) | 19.592.917 | (4.898.229) |
| Application of percentage of completion method in projects (assets) | 234.141.719 | 58.535.430 | 39.599.373 | (9.899.844) |
| Adjustments for cumulative temporary differences on property, plant and equipment | 911.307.689 | (170.870.192) | 22.113.392 | (5.525.292) |
| Income accruals from derivative instruments | 2.673.803 | 668.451 | - | - |
| Annual effective interest rate of leasing, net | - | - | - | - |
| Adjustments for income arising from interest accruals | - | - | 1.841.234 | (460.308) |
| Adjustments for unpaid social security premiums | 22.121.287 | 5.530.322 | - | - |
| Other adjustments, net | 15.691.947 | 2.503.483 | 4.199.130 | (674.930) |
| Deferred tax assets, net | | 311.351.377 | | 215.375.063 |

As of 31 December 2023 and 2022, movements in deferred tax assets/(liabilities) are as follows:

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Beginning of the Period – 1 January | 215.375.063 | (5.931.705) |
| Deferred income tax / (expense) | 186.993.887 | 219.241.548 |
| Charge to equity | 20.267.307 | 14.971.830 |
| Monetary gains /losses | (111.284.880) | (12.906.610) |
| End of the period – 31 December | 311.351.377 | 215.375.063 |

(*) The earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates, commencing from the accounting period in which the investment is partially or fully operated, until it is considered within the investment contribution amount. Accordingly, the Group recognised deferred tax assets amounting to TL 763.079.150 (31 December 2022: TL 244.185.327) in the consolidated financial statements which is considered as tax advantage in the foreseeable future for the year ended 31 December 2023. In accordance with the recognition of the aforementioned amount in the accompanying consolidated financial statements, the Group has deferred income tax amounting to TL 518.893.823 in the consolidated statement of profit or loss for the year ended 31 December 2023.

(**) In accordance with Article 5 of the "Corporate Tax Law, 6.25% of the property, plant and equipment revaluation surplus was not subject to deferred tax, and the 18.75% is subject to deferred tax.



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NOTE 36 – EARNINGS PER SHARE

As of 31 December 2023 and 2022, the calculation of basic earnings per share is based on the weighted average number of ordinary shares outstanding during the period and the relevant calculation of EPS of Kontrolmatik is as follows:

| | 01.01.2023 31.12.2023 | 01.01.2022 31.12.2022 |
|--|--------------------------|--------------------------|
| Earnings per share from continuing operations | | |
| Share of profit or loss from continuing operations | 430.537.093 | 676.273.827 |
| Weighted average number of shares with nominal value of TL 1 | 200.000.000 | 200.000.000 |
| Earnings per share from continuing operations, net (TL) | 2.15 | 3.38 |
| Earnings per share from discontinued operations | | |
| Earnings per share | | |
| Profit for the period | 430.537.093 | 676.273.827 |
| Profit or loss attributable to non-controlling interests | (463.077) | 20.302.317 |
| Profit or loss attributable to equity holders of the parent | 431.000.170 | 655.971.510 |
| Weighted average number of shares with nominal value of TL 1 | 200.000.000 | 200.000.000 |
| Earnings per share, net (TL) | 2.16 | 3.28 |

In accordance with the provisions of the Capital Markets Law No. 6362, the Group registered share capital system and adopted the registered share capital system with the authorisation of the Capital Markets Board on 2 April 2020 and numbered 19/456. The registered capital ceiling of the Group is amounting to TL 750.000.000 (Seven hundred and fifty million) and it is divided into 750.000.000 outstanding shares each with a nominal value of TL 1.

The Group increased its current share capital from its own internal funds and resources on 24 February 2020. Accordingly, the Group increased its current share capital amounting to TL 30 million. Following the decision of the General Assembly on 21 May 2020, the Group adopted a share capital system and its share capital comprise of 30.000.000 outstanding shares each with a nominal value of TL 1.

Kontrolmatik's initial public offering was approved by the Capital Markets Board on 24 September 2020. The Group started to be quoted on Borsa Istanbul on 19 October 2020. Accordingly, after the initial public offering, Kontrolmatik has increased its share capital to TL 36.250.000. Afterwards, the shares with a nominal value of TL 1.812.500, which were considered as ready for sale sales, were sold on the stock exchange on 27 October 2020, and the share capital of Kontrolmatik is amounting to TL 38.062.500 after the relevant sales realised.

The Group realised a share capital increase from its funds and internal resources on 21 July 2022 and the Group's share capital increased to TL 200.000.000. The breakdown of the share capital increase is as follows:

| | 31.12.2023 | 31.12.2022 |
|--|--------------------|--------------------|
| Beginning of the Period – 1 January | 200.000.000 | 38.062.500 |
| Weighted average number of shares issued during the period | - | 161.937.500 |
| End of the period – 31 December | 200.000.000 | 200.000.000 |

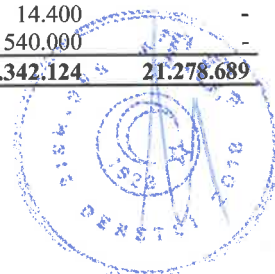
Diluted earnings per share have not been calculated due to the Group having no dilutive potential ordinary shares (31 December 2022: None).

As of 31 December 2023, the Group has dividend payments amounting to TL 37.694.211 (31 December 2022: TL 24.804.027).

NOTE 37 – RELATED PARTY DISCLOSURES

The current account balances (net book values) of the Group as of the end of the period with its shareholders, having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors are as follows:

| | 31.12.2023 | 31.12.2022 |
|---|-------------------|-------------------|
| Short-term trade receivables due from related parties | | |
| Kontrolmatik Libya branch | - | 7.376.081 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Say) | - | 1.480.719 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Iot) | - | 27.543 |
| Kmt International | 11.842.290 | 12.394.346 |
| İnfinia Mühendislik A.Ş. | 17.962.941 | - |
| Barış Savunma A.Ş. | 28.800.000 | - |
| Emkel Elektrik | 182.493 | - |
| Kontrolmatik and SITERM Joint venture | 14.400 | - |
| Cosmos Yatırım Holding A.Ş. | 540.000 | - |
| Total | 59.342.124 | 21.278.689 |



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| | 31.12.2023 | 31.12.2022 |
|---|----------------------|----------------------|
| Short-term other receivables due from related parties | | |
| Kontrolmatik Tech Inc. | - | 22.225.216 |
| Kontrolmatik and SITERM Joint venture | 9.575.487 | - |
| Set Elektromekanik A.Ş. | 11.370.419 | - |
| Kontrolmatik Libya branch | - | 9.696.957 |
| Kontrolmatik Cameroon | - | 16.690.442 |
| Llc Controlmaticurus | - | 74.820 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Say) | 367.585 | 98.633 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (İot) | 324.268 | 32.032 |
| Other | 1.059.640 | - |
| Total | 22.697.399 | 48.818.100 |
| Prepaid expenses (Current and non-current assets) | | |
| Panel Smart Elektromekanik ve Otomasyon Tic. A.Ş. | 5.432.309 | 4.469.772 |
| Kontrolmatik and SITERM Joint venture | 36.955.089 | - |
| Cosmos Mühendislik | - | 1.647.729 |
| Mekatronik Yapı Taahhüt Sanayi A.Ş. | - | 849.696 |
| Rektus Dış Tic. Ltd. Şti. | 139.645 | 216.938 |
| Biserwis Ulaşım ve Mobil Teknolojileri A.Ş. | - | 46.576 |
| İnfinia Mühendislik Ltd. Şti. | 56.844.578 | 1.541 |
| Skysens Teknoloji A.Ş. | 1.766.292 | - |
| Barış Savunma A.Ş. | 90.776.737 | - |
| Emek Arge A.Ş. | 30.565.492 | - |
| Emkel Elektrik | 3.141.936 | - |
| Özar Elektrik | 5.160.907 | - |
| Mekatronik Yapı Taahhüt Sanayi A.Ş. | 4.939 | - |
| Nennkraft Energie Gmbh | 40.721 | - |
| Total | 230.828.645 | 7.232.252 |
| Trade payables due to related parties | | |
| Short-term trade payables due to related parties | | |
| Panel Smart Elektromekanik | 3.938.420 | 8.979.707 |
| Kontrolmatik and SITERM Joint venture | 8.709.507 | - |
| Nennkraft Energie Gmbh | - | 737.891 |
| İnfinia Mühendislik A.Ş. | 95.874.225 | - |
| Cosmos Mühendislik A.Ş. | 4.946.699 | - |
| Set Elektromekanik A.Ş. | 14.397.700 | - |
| Özar Elektrik | 320.910 | - |
| Emek Holding | 159.800 | - |
| Barmek Holding | 13.040 | - |
| Skysens Teknoloji A.Ş. | 902.283 | - |
| Shareholders | 1.813.311 | - |
| Mekatronik Yapı Taahhüt Sanayi A.Ş. | 109.440 | 220.008 |
| Total | 131.185.335 | 9.937.606 |
| Other payables due to related parties | | |
| Short-term other payables due to related parties | | |
| Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Tek. A.Ş. İş Ort. (Say) | 590.967 | - |
| Cosmos Mühendislik A.Ş. | 10.181.767 | - |
| Other | 134.667 | - |
| Long-term other payables due to related parties | | |
| Sami Aslanhan | 791.705.493 | 1.040.728.654 |
| Ömer Ünsalan | 770.560.032 | 939.602.184 |
| Mehmet Emin Süleymanoğlu | 347.375.125 | - |
| Hermaksan Madencilik A.Ş. | 64.678.500 | - |
| Zafer Burnalı | 42.121.851 | - |
| Total | 2.027.348.402 | 1.980.330.838 |



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| | 31.12.2023 | 31.12.2022 |
|---|-------------------|-------------------|
| Deferred income from related parties | | |
| Kontrolmatik and SITERM Joint venture | 48.447.352 | 16.065.338 |
| Emek Holding A.Ş. | 15.250.791 | - |
| Mint Elektrikli Araç Teknolojileri A.Ş. | 335.231 | - |
| Total | 64.033.374 | 16.065.338 |

As of 31 December 2023 and 2022, the Group's sales and purchases (including delay interest and charges) with its shareholders and related parties with which it has indirect shares, management and business relations are as follows:

| | 01.01.2023 | 01.01.2022 |
|---|-------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| Sales of goods and services | | |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Say) | 968.715 | 1.645.437 |
| Kontrolmatik Technologies (Libya) | - | 929.169 |
| İnfinia Mühendislik A.Ş. | 41.252.046 | - |
| Cosmos Mühendislik A.Ş. | 198.608 | - |
| Kontrolmatik Enerji ve Müh. A.Ş. ve SITERM Isı Sanayi A.Ş. Joint venture | - | 32.961.175 |
| Kontrolmatik Technologies Inc. | - | 658.400 |
| Kontrolmatik Cameroon | - | 1.026.487 |
| Kontrolmatik Enerji ve Müh.A.Ş. Ve Skysens Teknoloji A.Ş. Joint venture (IOT) | - | 3.955 |
| Panel Smart Elektromekanik ve Otomasyon Ticaret A.Ş. | - | 5.083.528 |
| Total | 42.419.369 | 42.308.151 |

| | 01.01.2023 | 01.01.2022 |
|--|-------------------|-------------------|
| | 31.12.2023 | 31.12.2022 |
| Purchases of goods and services | | |
| İnfinia Mühendislik Ltd. Şti. | 47.678.786 | 31.105.729 |
| Nennkraft Energie Gmbh | 1.295.081 | 2.935.237 |
| Mekatronik Yapı Taah. SanA.Ş. | - | 9.990.437 |
| Panel Smart Elektromekanik Ve Otomasyon Ticaret Anonim Şirketi | 18.182.467 | - |
| Cosmos Mühendislik A.Ş. | 1.936.319 | - |
| Total | 69.092.654 | 44.031.404 |

As of 31 December 2023 and 2022, the Group's interest, rent and other income and expenses with its shareholders and related parties with which it has indirect shares, management and business relations are as follows:

| | 01.01.2023 | 01.01.2022 |
|---|----------------|--------------|
| | 31.12.2023 | 31.12.2022 |
| Rent income | | |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Say) | 25.200 | 2.966 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (Iot) | 25.200 | 2.966 |
| Kontrolmatik Enerji ve Müh. A.Ş. ve Siterm Isı Sanayi A.Ş. Joint venture | 30.000 | 1.648 |
| Cosmos Yatırım Holding A.Ş. | 540.000 | - |
| Total | 620.400 | 7.580 |

| | 01.01.2023 | 01.01.2022 |
|------------------------|------------|----------------|
| | 31.12.2023 | 31.12.2022 |
| Interest income | | |
| Sami Aslanhan | - | 36.448 |
| Ömer Ünsalan | - | 484.643 |
| Total | - | 521.091 |

Total key management compensation incurred by Kontrolmatik including short-term employee benefits are as follows:

1 January – 31 December 2023: TL 4.129.746 (1 January – 31 December 2022: TL 1.945.628).

The Group's main objectives for capital management are to keep the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of borrowings including loans disclosed in Note 8, cash and cash equivalents and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years disclosed in Note 26.

The Group monitors capital by using the debt-to-total capital ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings as disclosed in the consolidated statement of financial position). Total capital is calculated as equity, as presented in the consolidated statement of financial position, plus net debt.



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| | 31.12.2023 | 31.12.2022 |
|--|----------------------|----------------------|
| Total borrowings (Note 8) | 7.933.705.552 | 5.085.782.868 |
| Less: Cash and cash equivalents (Note 6-7) | (689.364.296) | (1.947.776.100) |
| Net financial debt | 7.244.341.256 | 3.138.006.768 |
| Equity | 3.688.458.895 | 2.250.980.749 |
| Net financial debt/total equity ratio | 1.9641 | 1.3941 |

Significant accounting policies

The Group's significant accounting policies relating to financial instruments are presented in the Note 2 "Summary of significant account policies" under financial instruments section.

Financial instruments and financial risk management

Financial risk management

The Group has no defined and specific risk management model. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance by monitoring both in domestic and international markets. The Group management aims to create a corporate risk management model and continues its activities in this manner.

Risk management

The Group is exposed to a variety of financial risks due to its operations. These risks include credit risk, market risk (foreign currency risk, interest rate risk and price risk) and liquidity risk. The distribution of income and expense items according to foreign currency-denominated receivables and payables and the distribution of payables according to foreign currency types and with variable and fixed interest rates are monitored by the Group management.

Changes in market conditions that increase the market risk include changes in the benchmark interest rate, the price of another entity's financial instrument, commodity price, exchange rate, or price or rate index.

Management of changes in inventory prices (price risk)

The Group is exposed to price risk as the selling prices are affected by the price changes of the inventories. The Group has no derivative instrument that can be used in to avoid negative price movements on sales margins and potential adverse effects.

The Group monitors the placing-production-purchasing orders, considering the forward-looking inventory price movements.

Interest rate risk management

The Group is exposed to interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest rate financial instruments and short-term nature of borrowings (Note 6 and 8).

Interest position table

| | 31.12.2023 | 31.12.2022 |
|---|---------------|---------------|
| Fixed-interest rate financial instruments | | |
| Financial assets | 25.104.917 | 861.012.387 |
| Financial liabilities | 2.700.070.016 | 1.655.586.549 |
| Floating-interest rate financial instruments | | |
| Financial assets | 76.054.253 | 106.581.141 |
| Financial liabilities | 801.148.651 | 286.231.802 |

Foreign exchange risk management

As of 31 December 2023 and 31 December 2022, net carrying value of assets and liabilities denominated in foreign currencies are as follows:

| | 31.12.2023 | 31.12.2022 |
|---|----------------------|----------------------|
| A. Assets | 2.392.019.665 | 2.956.677.918 |
| B. Liabilities | 2.621.693.250 | 1.230.202.476 |
| Net balance sheet position (A-B) | (229.673.586) | 4.186.880.394 |



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| Exchange rate sensitivity analysis | | |
|---|----------------------------------|----------------------------------|
| 31.12.2023 | | |
| | Profit/Loss | |
| | Appreciation of foreign currency | Depreciation of foreign currency |
| Change in USD against TL by 10% | | |
| 1- USD Net Asset/Liability | 32.742.885 | (32.742.885) |
| 2- Hedged portion of USD Risk (-) | - | - |
| 3- USD Net Effect (1+2) | 32.742.885 | (32.742.885) |
| Change in EUR against TL by 10% | | |
| 4- EUR Net Asset/Liability | (49.759.315) | 49.759.315 |
| 5- Hedged portion of EUR Risk (-) | - | - |
| 6- EUR Net Effect (4+5) | (49.759.315) | 49.759.315 |
| Change in GBP against TL by 10% | | |
| 7- GBP Net Asset/Liability | 103.052 | (103.052) |
| 8- Hedged portion of GBP Risk (-) | - | - |
| 9- GBP Net Effect (7+8) | 103.052 | (103.052) |
| Change in Other currencies against TL by 10% | | |
| 10- Other currencies Net Asset/Liability | 2.239.705 | (2.239.705) |
| 11- Hedged portion of Other currencies Risk (-) | - | - |
| 12- Other currencies Net Effect (10+11) | 2.239.705 | (2.239.705) |
| Total | (14.673.673) | 14.673.673 |

| Exchange rate sensitivity analysis | | |
|---|----------------------------------|----------------------------------|
| 31.12.2022 | | |
| | Profit/Loss | |
| | Appreciation of foreign currency | Depreciation of foreign currency |
| Change in USD against TL by 10% | | |
| 1- USD Net Asset/Liability | 167.498.076 | (167.498.076) |
| 2- Hedged portion of USD Risk (-) | - | - |
| 3- USD Net Effect (1+2) | 167.498.076 | (167.498.076) |
| Change in EUR against TL by 10% | | |
| 4- EUR Net Asset/Liability | 4.808.376 | (4.808.376) |
| 5- Hedged portion of EUR Risk (-) | - | - |
| 6- EUR Net Effect (4+5) | 4.808.376 | (4.808.376) |
| Change in GBP against TL by 10% | | |
| 7- GBP Net Asset/Liability | - | - |
| 8- Hedged portion of GBP Risk (-) | - | - |
| 9- GBP Net Effect (7+8) | - | - |
| Change in Other currencies against TL by 10% | | |
| 10- Other currencies Net Asset/Liability | 340.988 | (340.988) |
| 11- Hedged portion of Other currencies Risk (-) | - | - |
| 12- Other currencies Net Effect (10+11) | 340.988 | (340.988) |
| Total | 172.647.440 | (172.647.440) |

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

Foreign Exchange Position

| | 31.12.2023 | | | | |
|---|----------------------|-------------------|---------------------|---------------|------------------|
| | TL equivalent | USD | EUR | GBP | Other |
| 1. Trade Receivables | 902.109.469 | 13.916.653 | 15.059.015 | - | 1.485.784 |
| 2a. Monetary Financial Assets | 1.148.616.192 | 14.608.304 | 22.062.749 | 368 | 7.502 |
| 2b. Non- Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 131.140.638 | 1.951.084 | 2.341.572 | 21.321 | - |
| 4. Total Current Assets (1+2+3) | 2.181.866.298 | 30.476.041 | 39.463.336 | 21.689 | 1.493.285 |
| 5. Trade Receivables | 100.955.080 | 2.245.892 | 1.070.990 | - | - |
| 6a. Monetary Financial Assets | 13.101.159 | 301.189 | 123.106 | 6.000 | - |
| 6b. Non-Monetary financial assets | - | - | - | - | - |
| 7. Other | 85.229.885 | 583.887 | 2.089.198 | - | - |
| 8. Total Non-Current Assets (5+6+7) | 199.286.124 | 3.130.969 | 3.283.294 | 6.000 | - |
| 9. Total Assets (4+8) | 2.381.152.423 | 33.607.010 | 42.746.630 | 27.689 | 1.493.285 |
| 10. Trade Payables | 501.657.341 | 9.385.706 | 7.396.053 | 164 | 1.995 |
| 11. Financial Liabilities | 979.898.501 | 6.769.637 | 23.831.126 | - | - |
| 12a. Other Monetary Liabilities | 11.874.954 | 130.318 | 245.387 | - | - |
| 12b. Other Non- Monetary Liabilities | 353.483.773 | 4.689.484 | 6.769.575 | - | - |
| 13. Total Current Liabilities (10+11+12) | 1.846.914.569 | 20.975.145 | 38.242.141 | 164 | 1.995 |
| 14. Trade Payables | - | - | - | - | - |
| 15. Financial Liabilities | 680.974.577 | 1.476.612 | 19.463.739 | - | - |
| 16a. Other Monetary Liabilities | - | - | - | - | - |
| 16b. Other Non- Monetary Liabilities | - | - | - | - | - |
| 17. Total Non-Current Liabilities (14+15+16) | 680.974.577 | 1.476.612 | 19.463.739 | - | - |
| 18. Total Liabilities (13+17) | 2.527.889.146 | 22.451.757 | 57.705.880 | 164 | 1.995 |
| 19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b) | - | - | - | - | - |
| 19a. Total Asset Amount of Hedged | - | - | - | - | - |
| 19b. Total Liabilities Amount of Hedged | - | - | - | - | - |
| 20. Net Foreign Exchange Asset / (Liability) Position (9-18+19) | (146.736.723) | 11.155.253 | (14.959.250) | 27.525 | 1.491.290 |
| 21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a) | - | - | - | - | - |
| 22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge | - | - | - | - | - |
| 23. Foreign Exchange Hedged Portion Amount of Assets | - | - | - | - | - |
| 24. Foreign Exchange Hedged Portion Amount of Liabilities | - | - | - | - | - |
| 25. Export | 19.862.213 | 16.015.917 | 9.679.341 | - | - |
| 26. Import | 117.869.223 | 4.299.604 | 1.908.648 | 384 | 67.600 |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

| Foreign Exchange Position (31.12.2022) | | | | |
|---|----------------------|-------------------|--------------------|----------------------|
| | TL equivalent | USD | EUR | Other |
| 1. Trade Receivables | 1.078.309.025 | 22.304.054 | 11.099.540 | 1.485.784 |
| 2a. Monetary Financial Assets | 1.042.738.981 | 27.674.534 | 5.538.490 | 2.249.226.000 |
| 2b. Non- Monetary Financial Assets | - | - | - | - |
| 3. Other | 375.004.321 | 7.645.405 | 4.235.025 | 182.500 |
| 4. Total Current Assets (1+2+3) | 2.496.052.327 | 57.623.993 | 20.873.055 | 2.250.894.284 |
| 5. Trade Receivables | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - |
| 6b. Non-Monetary financial assets | - | - | - | - |
| 7. Other | 460.624.131 | 12.799.114 | 2.010.696 | 6.500 |
| 8. Total Non-Current Assets (5+6+7) | 460.624.131 | 12.799.114 | 2.010.696 | 6.500 |
| 9. Total Assets (4+8) | 2.956.676.458 | 70.423.107 | 22.883.751 | 2.250.900.784 |
| 10. Trade Payables | 351.663.944 | 8.226.957 | 3.343.466 | 1.995 |
| 11. Financial Liabilities | 553.472.420 | 3.543.769 | 13.525.910 | - |
| 12a. Other Monetary Liabilities | 176.825.082 | 4.475.113 | 1.336.749 | - |
| 12b. Other Non- Monetary Liabilities | - | - | - | - |
| 13. Total Current Liabilities (10+11+12) | 1.081.961.447 | 16.245.839 | 18.206.125 | 1.995 |
| 14. Trade Payables | - | - | - | - |
| 15. Financial Liabilities | 148.240.494 | 320.577 | 4.212.324 | - |
| 16a. Other Monetary Liabilities | - | - | - | - |
| 16b. Other Non- Monetary Liabilities | - | - | - | - |
| 17. Total Non-Current Liabilities (14+15+16) | 148.240.421 | 320.577 | 4.212.324 | - |
| 18. Total Liabilities (13+17) | 1.230.201.869 | 16.566.416 | 22.418.449 | 1.995 |
| 19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b) | | | | |
| 19a. Total Asset Amount of Hedged | - | - | - | - |
| 19b. Total Liabilities Amount of Hedged | - | - | - | - |
| 20. Net Foreign Exchange Asset / (Liability) Position (9-18+19) | 1.726.475.442 | 53.856.691 | 465.302 | 2.250.898.789 |
| 21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a) | 890.846.139 | 33.412.172 | (5.780.419) | 2.250.709.789 |
| 22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge | - | - | - | - |
| 23. Foreign Exchange Hedged Portion Amount of Assets | - | - | - | - |
| 24. Foreign Exchange Hedged Portion Amount of Liabilities | - | - | - | - |
| 25. Export (except for delay interest discount) | 1.473.036.908 | 38.506.612 | 12.646.185 | - |
| 26. Import | 114.615.133 | 2.707.719 | 720.253 | - |

The rate of hedge of the total liabilities denominated in foreign currency arising from the total imports as of the end of the period is the ratio of the exchange rate risk of the total liabilities denominated in foreign currency to be covered by a derivative instrument. Since the Group has no forward exchange contract and relevant transactions, there is no hedge ratio for the total liabilities denominated in foreign currency.

Credit risk management

As of 31 December 2023 and 2022, the exposure of consolidated financial assets to credit risk is as follows:

| 31.12.2023 | Receivables | | | | Bank deposits (*) | Cash and cash equivalents and other |
|---|-------------------|----------------------|-------------------|--------------------|--------------------|-------------------------------------|
| | Trade Receivables | | Other Receivables | | | |
| | Related Party | Other | Related Party | Other | | |
| Maximum exposure to credit risk as of reporting date (A+B+C+D) (1) | 59.342.124 | 1.259.985.999 | 22.697.399 | 166.258.065 | 726.036.185 | 2.723.722 |
| - Maximum risk, secured with guarantees and collaterals | - | - | - | - | - | - |
| A. Net book value of neither past due nor impaired financial assets (2) | 59.342.124 | 1.259.985.999 | 22.697.399 | 166.258.065 | 726.036.185 | 2.723.722 |
| B. Net book value of past due but not impaired financial assets (5) | - | - | - | - | - | - |
| C. Net book value of impaired assets (3) | - | - | - | - | - | - |
| - Past due (gross book value) | - | 72.734.523 | - | - | - | - |
| - Impairment (-) | - | (72.734.523) | - | - | - | - |
| - Secured with guarantees and collaterals | - | - | - | - | - | - |
| - Not past due (gross book value) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - Secured with guarantees and collaterals | - | - | - | - | - | - |
| D. Off-balance sheet expected credit losses (4) | - | - | - | - | - | - |

(*) Foreign currency/gold/currency-protected TL time deposit accounts in banks and mutual funds are included in the aforementioned table.

The Group's credit and collection risk arises from trade receivables. Trade receivables of the Group is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties in accordance with the Group's policies and procedures. Total credit risk and trade receivables of the Group is presented in the consolidated statement of financial position less provisions for doubtful receivables.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

Credit risk details with respect of financial instrument types

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in the consolidated statement of financial position. The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

Concentrations of credit risk arise when several counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties.

There exist different indicators for a receivable to be considered as a doubtful receivable and these indicators are as follows:

a) Data on uncollectible receivables in prior periods, b) payment performance of debtor, c) extraordinary developments in the market and current economic environment, d) Lead to the execution stage arising from difficulties in the collection of the relevant receivable.

- (1) There have been no guarantees or irrevocable loan commitments obtained from companies that have a credit risk.
- (2) There have been no past due but not impaired financial assets.

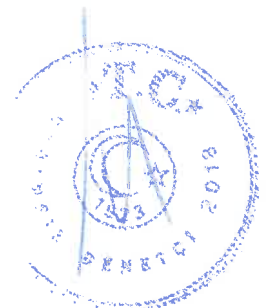
| 31.12.2022 | Receivables | | | | Bank deposits (*) | Cash and cash equivalents and other |
|---|-------------------|----------------------|-------------------|-------------------|----------------------|-------------------------------------|
| | Trade Receivables | | Other Receivables | | | |
| | Related Party | Other | Related Party | Other | | |
| Maximum exposure to credit risk as of reporting date (A+B+C+D) (1) | 21.278.689 | 1.355.167.380 | 48.818.100 | 84.101.958 | 2.053.176.530 | 1.180.659 |
| - Maximum risk, secured with guarantees and collaterals | - | - | - | - | - | - |
| A. Net book value of neither past due nor impaired financial assets (2) | 21.278.689 | 1.355.167.380 | 48.818.100 | 84.101.958 | 2.053.176.530 | 1.180.659 |
| B. Net book value of past due but not impaired financial assets (5) | - | - | - | - | - | - |
| C. Net book value of impaired assets (3) | - | - | - | - | - | - |
| - Past due (gross book value) | - | 51.456.239 | - | - | - | - |
| - Impairment (-) | - | (51.456.239) | - | - | - | - |
| - Secured with guarantees and collaterals | - | - | - | - | - | - |
| - Not past due (gross book value) | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - |
| - Secured with guarantees and collaterals | - | - | - | - | - | - |
| D. Off-balance sheet expected credit losses (4) | - | - | - | - | - | - |

(*) Foreign currency/gold/currency-protected TL time deposit accounts in banks and mutual funds are included in the aforementioned table.

The Group's credit and collection risk arises from trade receivables. Trade receivables of the Group is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties in accordance with the Group's policies and procedures. Total credit risk and trade receivables of the Group is presented in the consolidated statement of financial position less provisions for doubtful receivables. The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

Liquidity risk management

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The prudent liquidity risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment. The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted payments.



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

| 31.12.2023 | Carrying value | Total contractual cash outflows | Demand or up to 3 months | 3-12 months | 1-5 years |
|---|----------------------|---------------------------------|--------------------------|----------------------|----------------------|
| Contractual maturities | | | | | |
| Non-derivative financial liabilities | 6.910.489.196 | 8.560.106.940 | 1.774.810.022 | 1.779.582.197 | 4.062.303.395 |
| Bank borrowings | 3.443.718.299 | 5.039.631.698 | 686.224.181 | 1.443.202.723 | 1.966.793.468 |
| Finance lease liabilities | 54.078.040 | 81.370.936 | 9.052.114 | 25.382.611 | 46.936.211 |
| Trade payables | 1.289.046.972 | 1.315.458.421 | 1.079.533.727 | 235.924.694 | - |
| Other payables | 2.123.645.885 | 2.123.645.885 | - | 75.072.169 | 2.048.573.716 |

| 31.12.2022 | Carrying value | Total contractual cash outflows | Demand or up to 3 months | 3-12 months | 1-5 years |
|---|----------------------|---------------------------------|--------------------------|--------------------|----------------------|
| Contractual maturities | | | | | |
| Non-derivative financial liabilities | 4.726.658.810 | 4.745.711.890 | 877.558.836 | 726.576.689 | 3.141.576.365 |
| Bank borrowings | 1.936.472.096 | 1.936.472.096 | 168.506.235 | 636.749.536 | 1.131.216.325 |
| Finance lease liabilities | 5.346.255 | 5.346.255 | 696.805 | 2.181.106 | 2.468.344 |
| Trade payables | 780.182.269 | 799.235.349 | 708.355.796 | 63.318.695 | 27.560.858 |
| Other payables | 2.004.658.139 | 2.004.658.139 | - | 24.327.301 | 1.980.330.838 |

Hedge accounting

The Group has no derivative contracts such as swaps, options and forwards are also used as instruments for interest rate (fixed and floating interests) risk management for hedging purposes.

NOTE 39 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

Following the TAS 39 “Financial Instruments: Classification and Measurement”, financial assets are classified as four and financial liabilities are classified as two classes. Financial assets include at fair value (“FV”) through profit or loss, held-to-maturity, loans and receivables and available for sale. Financial liabilities include at fair value (“FV”) through profit or loss and other financial liabilities.

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. Carrying values of cash on hand and banks are considered to approximate to their fair values.

The Group classifies the fair value measurements of financial instruments at fair value in the consolidated financial statements according to the market inputs of each financial instrument, using a three-level hierarchy.

The classification of the Group’s consolidated financial assets and liabilities at fair value is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices):

Level 3: Inputs for the asset or liability that are not based on observable market data.

As of 31 December 2023 and 2022, inputs to fair value measurement and hierarchy is as follows:

| 31.12.2023 | Level 1 | Level 2 | Level 3 |
|---|------------|---------|-------------|
| Financial assets at fair value through statement of financial position | | | |
| Cash and cash equivalents | - | - | 689.364.296 |
| Financial investments | 21 | - | - |
| Foreign currency/Gold/Currency-protected TL time deposit accounts | 76.054.253 | - | - |

| 31.12.2022 | Level 1 | Level 2 | Level 3 |
|---|-------------|---------|---------------|
| Financial assets at fair value through statement of financial position | | | |
| Cash and cash equivalents | - | - | 1.947.776.100 |
| Financial investments | 115.694.633 | - | - |
| Foreign currency/Gold/Currency-protected TL time deposit accounts | 106.581.089 | - | - |



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

NOTE 40 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/ INDEPENDENT AUDIT FIRMS

The Group's disclosure regarding the fees for the services received from the independent audit firms is as follows:

| | 1 January 2023 31 December 2023 | 1 January 2022 31 December 2022 |
|------------------------------------|------------------------------------|------------------------------------|
| Audit fee for the reporting period | 1.250.000 | 543.751 |
| Total | 1.250.000 | 543.751 |

NOTE 41 – EVENTS AFTER THE REPORTING PERIOD

The notification of sale of non-current assets announced by the Group on Public Disclosure Platform (“PDP”) dated 4 April 2024

Mint Elektrikli Araç Teknolojileri Anonim Şirketi, the subsidiary of the Group, decided to transfer its shares constituting 40% with an amount of TL 26.000.000 to Escar Filo Kiralama Hizmetleri Anonim Şirketi and the relevant transfer was completed as of the reporting date.

Special circumstances' disclosure on Public Disclosure Platform (“PDP”) dated 1 April 2024

We are appreciated and pleased to inform regarding the following organizational changes and appointments within the Kontrolmatik Enerji, Teknoloji ve Mühendislik Anonim Şirketi as of April 2024.

Osman Şahin Köşker, who was appointed as General Manager on 1 March 2020, after serving as Power Systems Engineer, Business Development Engineer, Energy Segment Manager and Deputy General Manager in Kontrolmatik since 2 March 2012, will transfer his employee position to Alper Çelebi.

Osman Şahin Köşker's continuation of his duty in the Kontrolmatik family as a Member of the Board of Directors will be elected at the first session of the general assembly. Osman Şahin Köşker will simultaneously continue to serve as the General Manager of Pomega, the subsidiary of the Group, since 1 March 2022. Osman Şahin Köşker has made significant contributions to the great success and market position of Kontrolmatik. He has pioneered many projects and has contributed in the establishment of subsidiary companies. Furthermore, Osman Şahin Köşker played a vital role in the realization of the Mission, Vision and Strategy. We would like to thank Osman Şahin Köşker for his contributions to Kontrolmatik, and wish him success in his new area of responsibility, which is growing further within the Kontrolmatik family.

Alper Çelebi has been appointed as General Manager in Kontrolmatik as of 1 April 2024. Alper Çelebi completed his undergraduate, graduate and doctorate education at Istanbul Technical University in Engineering Management. In addition, he started his career at Siemens. Alper Çelebi worked in the departments of Management Consultancy, Project Management, Strategy and Business Development, Sales and finally Business Unit Management at Siemens. Alper Çelebi pioneered the establishment and execution of new market entry and growth strategies in his responsibilities in Turkey, Germany and the United Arab Emirates. Not but not least, he worked as the Country Business Unit Head and Electrification and Automation department at Siemens Turkey.

The notification regarding registered capital ceiling transaction on Public Disclosure Platform (“PDP”) dated 20 March 2024

In accordance with the Communiqué on Authorised Capital System No. II-18.1 issued by the Capital Markets Board, within the scope of the amendment of Article 6 of the Articles of Association titled “Share Capital and Shares”,

The Group realised an application to the Capital Markets Board on 20 March 2024 for the registered capital ceiling amounting to TL 4.000.000.000 and the last effective date for the Registered Capital Ceiling to be realised as 31 December 2028.

The notification regarding credit rating on Public Disclosure Platform (“PDP”) dated 11 March 2024

As a result of the evaluation made by the credit rating agency JCR AVRASYA DERECELENDİRME Anonim Şirketi (Japan Credit Rating Eurasia Rating), the credit rating scores of Kontrolmatik determined are as follows:

| | |
|--|--------------------|
| National Long-Term Credit Ratings: | A (tr) / (Stable) |
| National Short-Term Credit Ratings: | J1 (tr) / (Stable) |
| Long-Term International Foreign Currency Rating: | BB / (Negative) |
| Long-Term International Local Currency Rating: | BB / (Negative) |

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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The notification regarding capital market transactions on 7 March 2024 (including interest)

In accordance with the decision of the Capital Markets Board on 8 February 2024 and numbered 9/188, as a result of the book-building process carried out for the bond with ISIN code "TRSKNTR32610", with a maturity of 728 days, redemption date of 6 March 2026, within the scope of the issuance limit of TL 2.500.000.000, to be sold to qualified investors without public offering, the Group has issued a total amount of TL 330.000.000 debt instruments. Osmanlı Yatırım Menkul Değerler Anonim Şirketi is the authorised intermediary for the aforementioned transaction.

The notification regarding capital market transactions on 7 March 2024 (including interest)

In accordance with the decision of the Capital Markets Board on 8 February 2024 and numbered 9/188, as a result of the book-building process carried out for the bond with ISIN code "TRFKNTR32518", with a maturity of 364 days, redemption date of 7 March 2025, within the scope of the issuance limit of TL 2.500.000.000, to be sold to qualified investors without public offering, the Group has issued a total amount of TL 525.000.000 debt instruments. Osmanlı Yatırım Menkul Değerler Anonim Şirketi is the authorised intermediary for the aforementioned transaction.

The notification regarding capital market transactions on 7 March 2024 (including interest)

In accordance with the decision of the Capital Markets Board on 8 February 2024 and numbered 9/188, as a result of the book-building process carried out for the bond with ISIN code "TRFKNTR92413", with a maturity of 182 days, redemption date of 6 September 2024, within the scope of the issuance limit of TL 2.500.000.000, to be sold to qualified investors without public offering, the Group has issued a total amount of TL 100.000.000 debt instruments. Osmanlı Yatırım Menkul Değerler Anonim Şirketi is the authorised intermediary for the aforementioned transaction.

Special circumstances' disclosure on Public Disclosure Platform ("PDP") dated 4 March 2024

In accordance with the Communiqué on Capital Markets Board Corporate Governance No. II-17.1 and article numbered 4.2.8, the existing "Manager Liability Insurance" policy has been renewed so that the total liability limit exceeds 25% of the share capital.

Special circumstances' disclosure on Public Disclosure Platform ("PDP") dated 1 March 2024

Kontrolmatik and Enerjisa Enerji Üretim Anonim Şirketi (Enerjisa Üretim) signed a memorandum of understanding in which they will mutually use the outstanding capabilities of both companies.

In accordance with the relevant memorandum of understanding, Kontrolmatik aims to carry out the electrification and transformer center installations of the storage wind power plants in the Enerjisa Üretim portfolio on a turnkey basis. Pomega, the subsidiary of Kontrolmatik, is planning to supply domestically produced energy storage systems produced at the Lithium-Ion Battery Cell Giga Factory in Polatlı, Ankara, to the storage power plant projects in Enerjisa Üretim's portfolio.

In accordance with the abovementioned collaboration, it is aimed for Enerjisa Üretim to utilize its knowledge and experience in wind projects in the installation and operation processes of the 250 MW Wind Power Plant of Progresiva, the subsidiary of Kontrolmatik. Furthermore, Enerjisa will undertake all market operations of the 1 GWh capacity energy storage facility to be built by Progresiva.

The software developed by Senkron Energy, the digital formation of Enerjisa Üretim, will be utilized for Progresiva's 1 GWh capacity energy storage facility in Kontrolmatik's operations in other energy storage system projects will not only limited to this project.

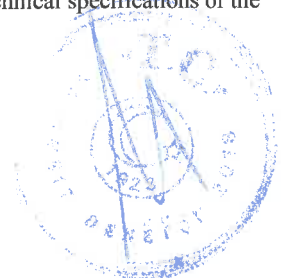
Special circumstances' disclosure on Public Disclosure Platform ("PDP") dated 21 February 2024

Progresiva, the subsidiary of the Group, will realise the largest grid-scale energy storage project in Tekirdağ. Along with this facility, which will be the first energy storage facility with a GWh capacity in Turkey, a Wind Power Plant with an annual production capacity of 875 million kWh hours will also be commissioned accordingly.

Progresiva will sign a comprehensive EPC agreement as of the reporting date with Chinese Harbin Electric International Company ("HEI") for the construction of the energy storage facility.

In the project, Progresiva will be considered as the "Investor", HEI will be considered as the "EPC Main Contractor", Pomega will be considered the "Storage Systems Subcontractor" and Kontrolmatik will be considered the "Electrical and Construction Subcontractor".

USD 300 million in financing for the relevant project is provided from China through HEI. On the other hand, Pomega will provide domestic storage systems. In addition, Kontrolmatik is the subcontractor in the electrical and construction works. The project is expected to reach the provisional acceptance stage in 2027. The 1 GWh storage facility is planned to be commissioned in 2025. The technical specifications of the project, which will also include a 250 MW Wind Power Plant, are as follows:



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

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

- 5 MW wind turbines (50)
- Storage capacity 1 GWh (250 MW x 4 hours)
- Connection point to the grid Türkgücü TM (380 kV, 35 km)
- Power plant capacity factor ~40% (875,000 MWh/year)

Considering the relevant disclosures regarding investment, the implementation of this large-scale project will contribute to Turkey's great potential in energy production and energy exports. Moreover, it is envisaged that a key milestone will be determined to reach national carbon emission reduction targets faster. Pomega will also contribute to the development of renewable and clean energy as the supplier of the 1 GWh storage part of the relevant project.

Due to its location, the project will be close to the industrial zones where energy is consumed most intensively, it is the first storage facility on GWh scale, and it will provide high green energy to the users with availability to the national grid with the energy production to be provided from the Wind Power Plant with a high-capacity factor of 40%. Accordingly, it is expected that the project will strengthen energy supply security.

The notification regarding issuance of shares' ceiling on Public Disclosure Platform ("PDP") dated 16 February 2024

In accordance with the special circumstances' disclosure on 5 January 2024, the Group has applied to the Capital Markets Board ("CMB") to issue debt instruments in different maturities, with fixed and/or variable interest rates to be determined according to market conditions, by selling them with or without coupon payment through one or more issuances, with an amount not exceeding TL 2.500.000.000 (Two Billion Five Hundred Million), with different maturities up to 2 (two) years, denominated in Turkish Lira, to qualified investors without public offering, and/or private placement. The application was authorised per the decision of the Capital Markets Board on 8 February 2024 and numbered 9/188.

The notification regarding capital increase/reduction transaction on Public Disclosure Platform ("PDP") dated 24 January 2024

By the special circumstances' disclosure on 28 December 2023 regarding the decision of the General Assembly, it was applied to the Capital Markets Board regarding the current issued share capital of the Group has been increased from TL 450.000.000 to TL 650.000.000 within the registered capital ceiling amounting to TL 750.000.000. The issued share capital amounting to TL 200.000.000, will be increased by a total of 225%, 100% of which will be paid by TL 200.000.000 in cash and 125% of which will be TL 250.000.000 paid from own equity.

NOTE 42 – THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.

