

**Kontrolmatik
Technologies**



sustainable technologies for a livable future

2023 2nd Quarter Financial Summary

August 2023

YEARS
ANNIVERSARY
CELEBRATION

15



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Executive Summary

Revenue Performance

In 2Q23, revenues increased by 18% YoY to 354 million TL due to unbilled projects. 6M23 revenues increased by 76% YoY to 905 million TL. Current revenues consist of System Integration, Controlix and Progresiva segments while Pomega and McFly will contribute to the financials starting from 4Q23.

Investment Strategy

In order to guarantee a sustainable, green future, we invest and add value in the technologies of the future such as IoT, automation, Li-Ion batteries, energy storage, and robot technologies by financing with equity, long-term financing, or partnership options while employing a young, world class staff in Türkiye.

Financials & Stock Performance

Although gross profit declined in 2Q23 due to relatively low growth (18%) in net sales, cost & expenses of projects not yet reflected in revenues and relatively lower margins in domestic sales, EBITDA increased by 35% compared to 2Q22 and EBITDA margin rose to 47,8% from 41,9% in 2Q22 due to FX gains on FX denominated trade receivables. Net income increased by 1,5 times in 2Q23, driven by income from investing activities and deferred tax income. Our stock price fell 6% in 1H23 due to the impact of the earthquake in February and the elections in May on financial markets.



Attractive Financial Figures

M TL	6M'21	6M'22	6M'23	23/22 Δ	2Q22	2Q23	23/22 Δ
Revenue	194,0	513,7	905,2	76%	300,5	354,2	18%
Gross Profit	61,8	164,1	50,3	-69%	109,4	11,8	-89%
EBIT	57,1	203,6	163,1	-20%	121,9	148,9	22%
EBITDA*	59,6	210,0	190,7	-9%	125,9	169,5	35%
Net Income	42,5	119,5	301,9	153%	76,3	188,2	147%
Gross Margin	31,9%	31,9%	5,6%	-26,4%	36,4%	3,3%	-33,1%
EBIT Margin	29,4%	39,6%	18,0%	-21,6%	40,6%	42,0%	1,5%
EBITDA Margin	30,7%	40,9%	21,1%	-19,8%	41,9%	47,8%	6,0%
Net Income Margin	21,9%	23,3%	33,4%	10,1%	25,4%	53,1%	27,7%

*Other income/expenses are included in the EBITDA calculation

M TL	31.12.2020	31.12.2021	31.12.2022	30.06.2023	23/22 Δ
Cash and Cash Equivalents	52,1	77,1	1.182,1	346,5	-71%
Total Assets	320,1	940,4	4.376,9	5.700,3	30%
Current Assets	281,0	778,9	3.108,5	2.944,9	-5%
Fixed Assets	39,1	161,5	1.268,4	2.755,3	117%
Total Liabilities	186,3	654,0	3.078,0	4.215,4	37%
Short-Term Liabilities	174,8	579,9	1.152,7	2.182,4	89%
Long-Term Liabilities	11,5	74,1	1.925,3	2.033,0	6%
Equity	133,8	286,6	1.278,7	1.448,1	13%
Net Debt (Cash)	-0,9	171,4	-137,1	1.239,8	0%

Solid Growth

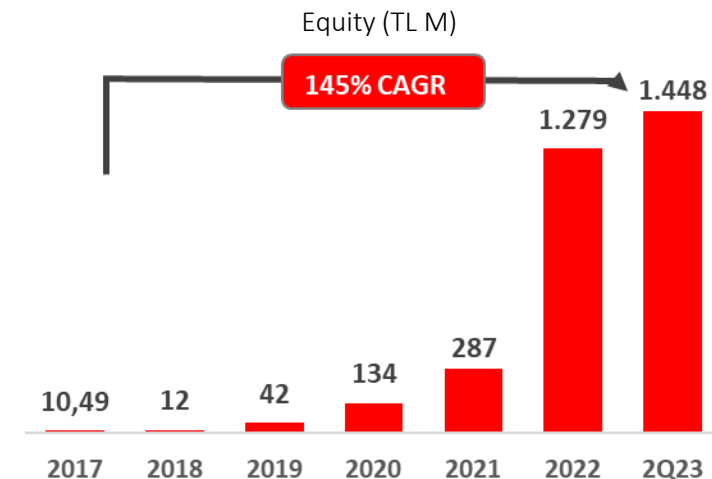
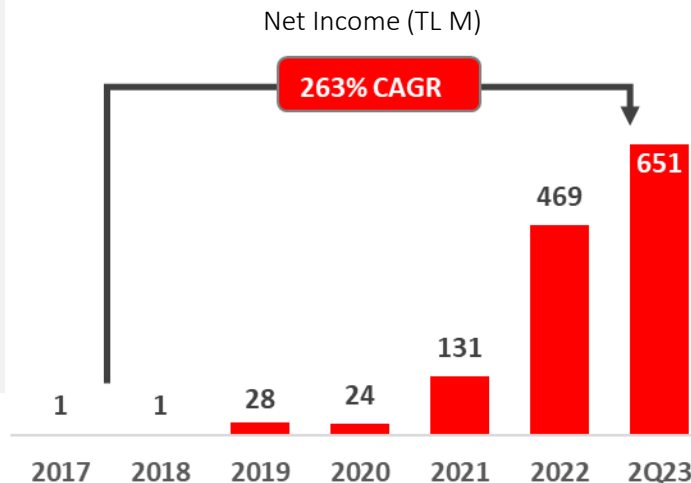
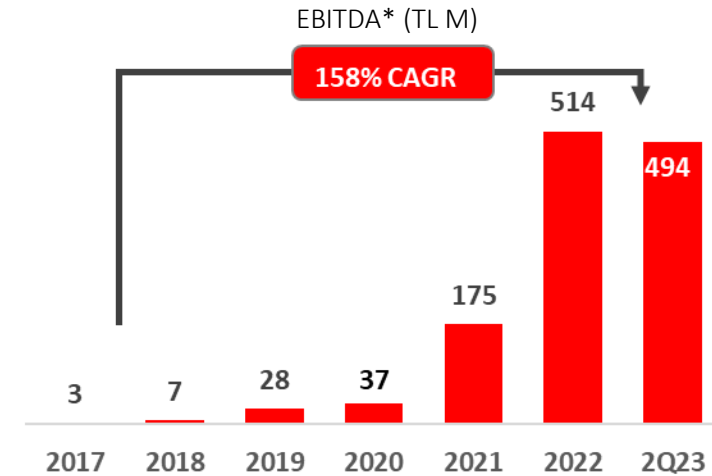
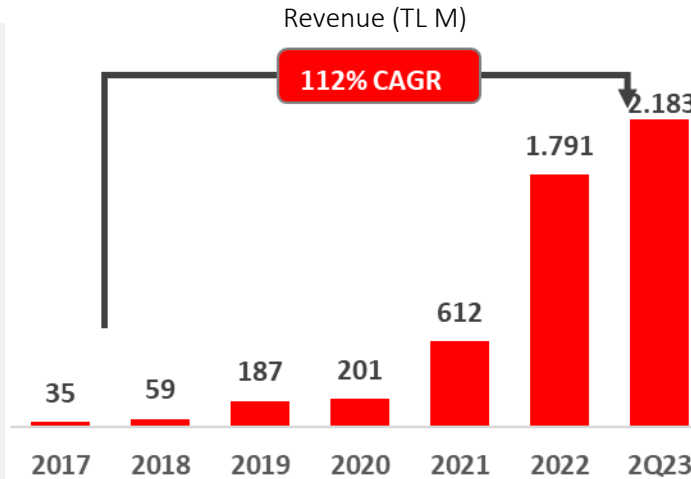
- Revenue growth in 2Q23 was 18%, while 6-month growth was 76%. Increased weight of lower profitable domestic sales in revenues and costs&expenses of projects not yet reflected in revenues suppressed gross profit.
- EBITDA margin improved from 41,9% in 2Q22 to 47,8% in 2Q23 as higher FX position in trade receivables supported EBITDA margin.
- Net income increased by 1,5x in 2Q23 on the back of income from investing activities and deferred tax income.
- In line with the increasing volume of operations, the need for working capital increased. Besides capital expenditures increased the need for external financing. The net cash position at the end of 2022 turned into net debt of 1.240 million TL as of June 30, 2023.
- Shareholders' equity reached 1.448 million TL on June 30, 2023.



Stable Growth

Keys to Growth

- Current revenues consist of System Integration, Controlix and Progresiva segments. Pomega and McFly will contribute to financials starting in the fourth quarter of 2023.
- Due to barrier structure of the industry, larger projects can be undertaken if and only you have completed smaller ones.
- In risky locations like Africa and Middle East big companies like Siemens don't want to take the country risk. We take their place because we have experience and good relations in those countries.
- Investments that started in 2021 and continued in 2023 increased the need for external financing.



*Other income/expenses are included in the EBITDA calculation
 *2Q23 revenue, EBITDA and net income are last trailing 12 months

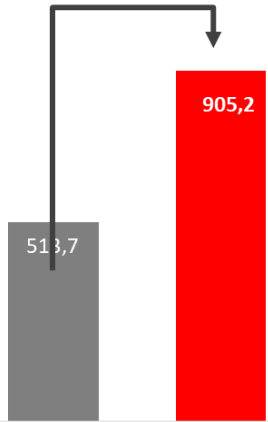


Simultaneous Growth in Revenue and Profit

76% Revenue Increase in 6M23

Top-Line— 6 Months (mTL)

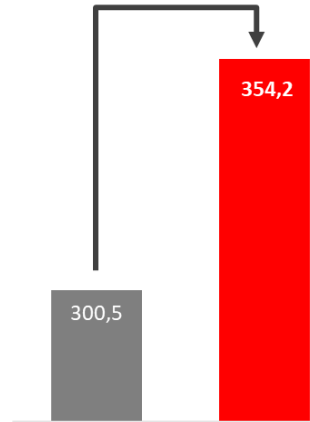
76%



6M'22 6M'23

Top-Line— 2nd Quarter (mTL)

18%



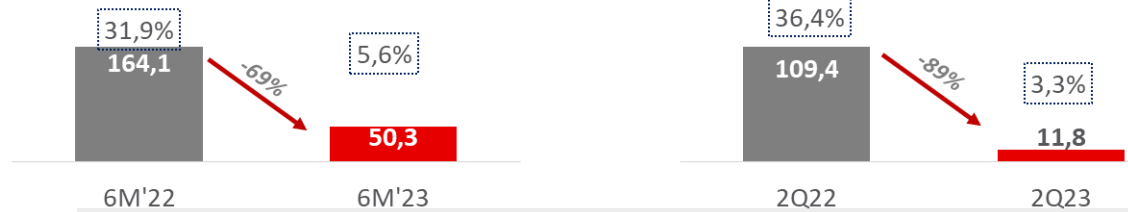
2Q22 2Q23

18% Revenue Growth in 2Q23

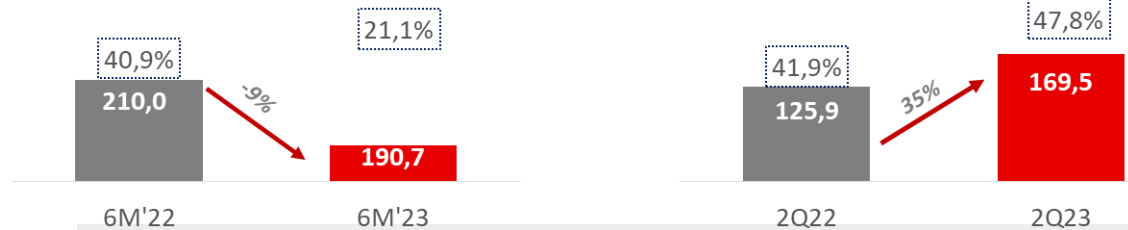
- Increase in Project Sizes Thanks to Ability to Undertake Larger Projects
- More than 65% Foreign Currency Income
- Rise in Exchange Rates
- Focus on Profitable Projects
- Increase in Project Completions
- Reputation Increase
- Contribution of R&D Projects to Income

147% Net Profit Growth in 2Q23

Gross Profit, mTL



EBITDA*, mTL



Net Income, mTL

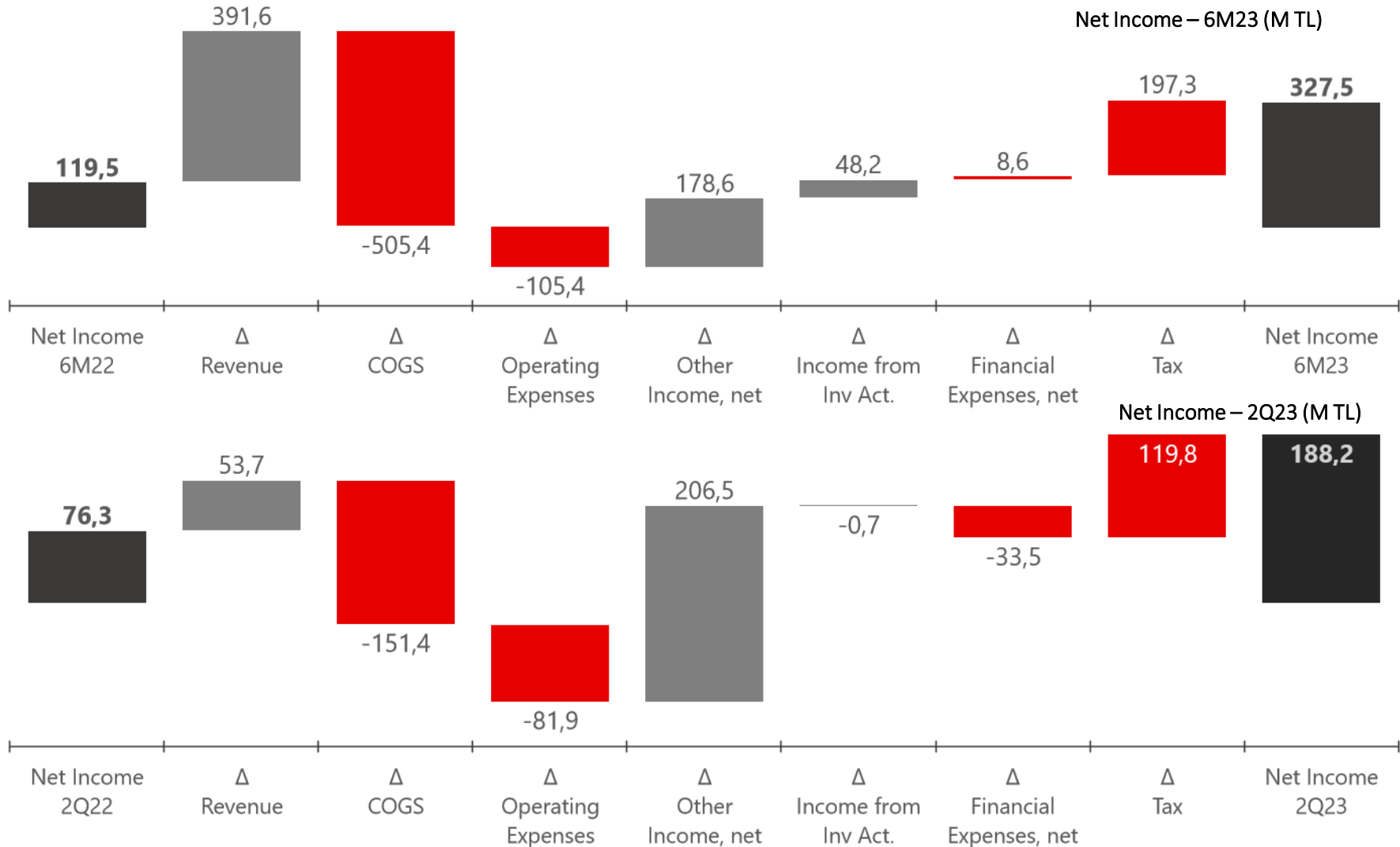


*Company defines EBITDA as 'Gross Profit - Operating Expenses + Other Operating Income - Other Operating Expenses + Depreciation'

Gross Profit, EBITDA, Net Income Margin



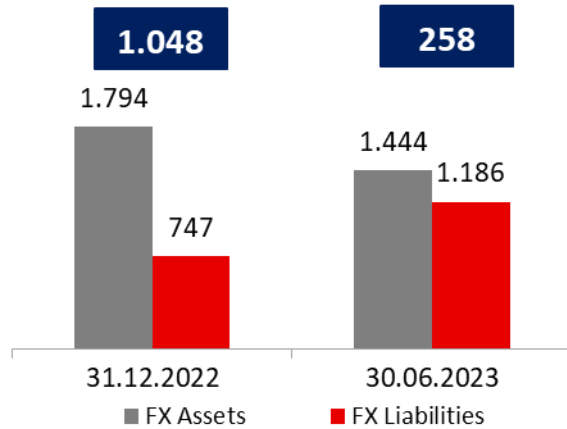
Revenue Growth Reflected on Net Profit



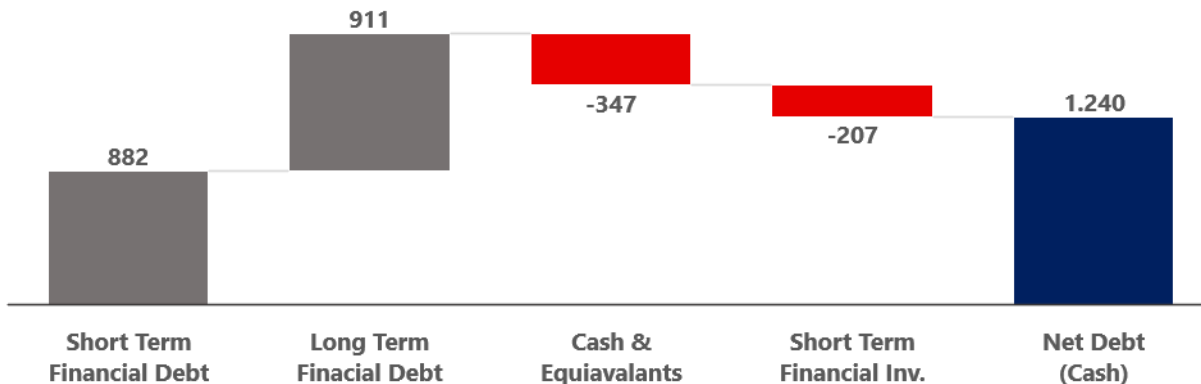


Debt Profile & FX Position

FX Position as of 30.06.2023 (TL mn)



Debt Profile as of 30.06.2023 (TL mn)



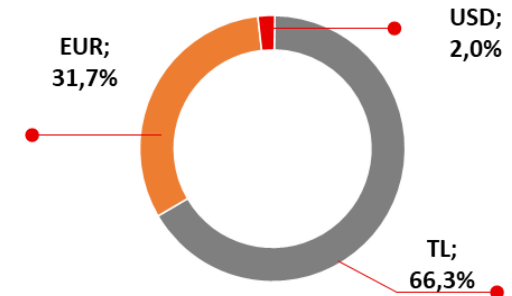
1.240 mTL Net Debt (Excluding Debt to Shareholders)

As of 30.06.2023;

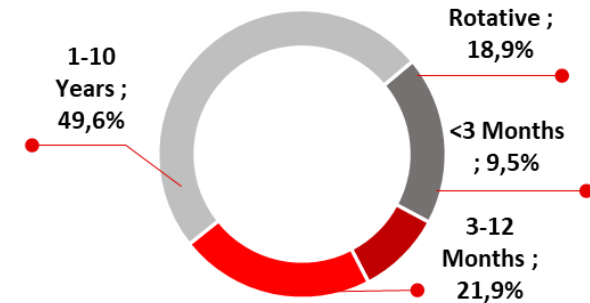
258 MTL Long Position

TL & Euro based loans with high foreign currency share in revenue

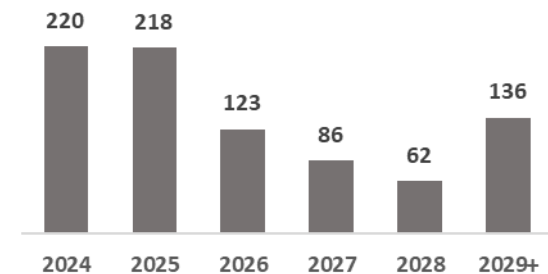
Currency Breakdown



Maturity of Financial Debt



Loan principal payment Schedule, mTL





Strong Financial Ratios Despite Ongoing Investments

- Positive ratios despite investments not yet reflected in income
- Low Financial Leverage Ratios
- Net Financial Debt/EBITDA below the risk zone
- Additional borrowing capacity provided by low leverage
- A slight decline in gross profit and EBITDA margins in 2023, due to the weight of low-profit domestic sales and the costs and expenses of projects that have not yet been reflected in revenue
- Increase in net profit margin due to strong FX position and deferred tax income

Liquidity Ratios	2021/12	2022/12	2023/06
Current Ratio	1,34	2,70	1,35
Liquidity Ratio	1,11	2,34	1,11

Debt Ratios	2021/12	2022/12	2023/06
Total Debt/Total Assets	69,5%	70,3%	74,0%
Short-Term Fin. Debt/Equity	77,4%	37,7%	58,8%
Coverage Ratio	2,1	2,7	2,7
Net Debt/EBITDA	1,0	-0,3	2,5
Short-Term Liabilities/Assets	61,7%	26,3%	38,3%
Long-Term Liabilities/Assets	7,9%	44,0%	35,7%
Equity/Assets	30,5%	29,7%	26,0%
Total Liabilities/Equity	228,4%	237,0%	283,9%
Financial Debt/Total Liabilities	44,3%	38,3%	42,3%

Profitability Ratios*	2021/12	2022/12	2023/06
Gross Margin	27,0%	26,9%	16,9%
EBIT Margin	27,6%	27,8%	21,0%
EBITDA Margin	28,7%	28,7%	22,7%
Net Margin	21,3%	27,0%	31,7%
ROE**	62,1%	61,0%	73,6%
Financial Exp./Net Sales	13,7%	10,8%	8,5%

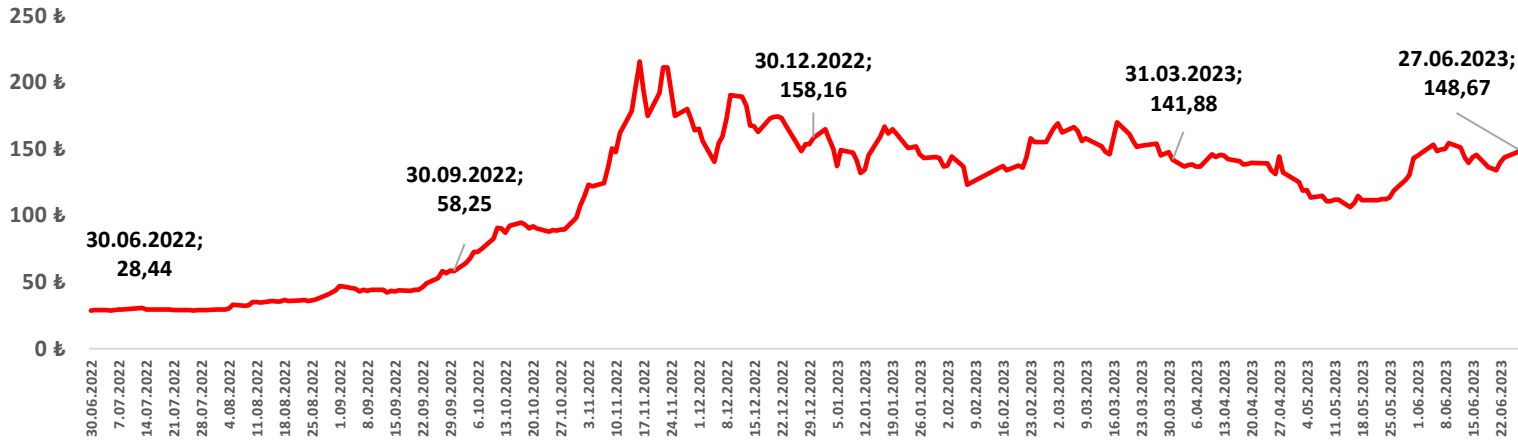
Investment Ratios	2021/12	2022/12	2023/06
Investment/Depreciation	814,9%	3012,5%	3614,5%
Investment/Net Sales	9,2%	25,4%	60,3%
EVA-TL	84.173.101	128.031.627	-14.891.457
ROIC	47,6%	29,5%	19,2%
CRR	46,3%	75,6%	87,3%

*The return on equity is calculated by the average of the equity at the beginning and end of the period.
2023/03 ratios are calculated over the last trailing 12 months' income statement data.



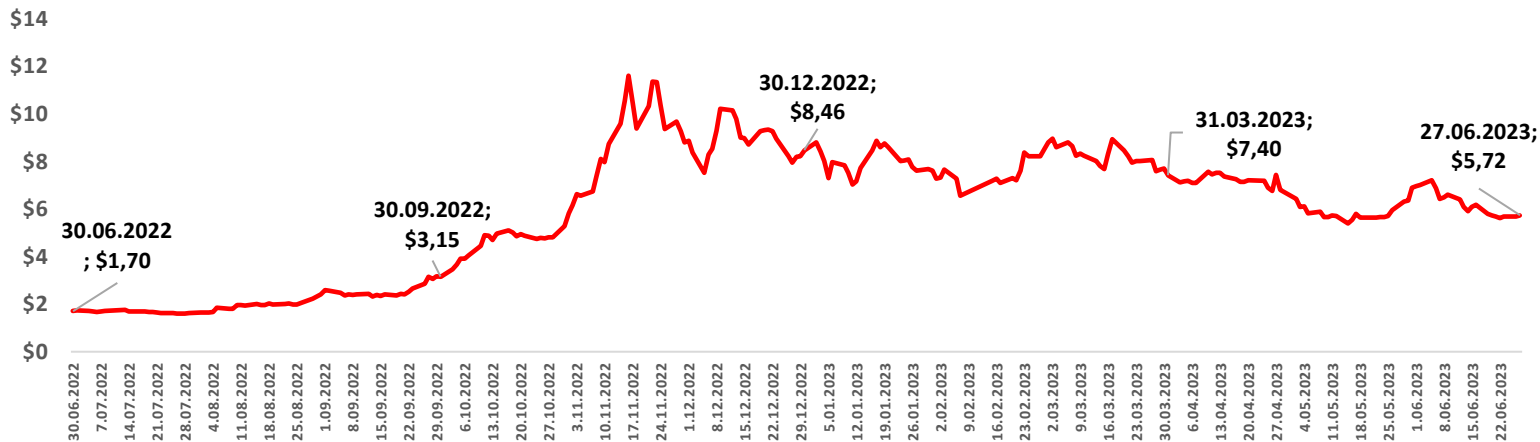
Stock Performance Above the Market

KONTR/TL, 30.06.2022 - 30.06.2023



Strong financial data, increased operations, and domestic & international tenders supported our long term stock performance.

KONTR/USD, 30.06.2022 - 30.06.2023



The impact of the earthquake in the February 2023 on financial markets, together with the BIST100 Index, suppressed our stock performance.



Addendum: Financial Figures in USD

M USD	6M'21	6M'22	6M'23	22/21 Δ	2Q22	2Q23	22/21 Δ
Revenue	24,6	34,5	45,4	31%	19,0	16,9	-11%
Gross Profit	7,8	11,0	2,5	-77%	6,9	0,6	-92%
EBIT	7,2	13,7	8,2	-40%	7,7	7,1	-8%
EBITDA*	7,5	14,1	9,6	-32%	8,0	8,1	1%
Net Income	5,4	8,0	15,1	88%	4,8	9,0	85%
Gross Margin	31,9%	31,9%	5,6%	-26,4%	36,4%	3,3%	-33,1%
EBIT Margin	29,4%	39,6%	18,0%	-21,6%	40,6%	42,0%	1,5%
EBITDA Margin	30,7%	40,9%	21,1%	-19,8%	41,9%	47,8%	6,0%
Net Income Margin	21,9%	23,3%	33,4%	10,1%	25,4%	53,1%	27,7%

Notes:

- For Comparative Purposes Only
- Average USD/TRY rate is used for P/L items and period-end rate is used for B/S items.

*Other income/expenses are included in the EBITDA calculation

M USD	31.12.2020	31.12.2021	31.12.2022	30.06.2023	23/22 Δ
Cash and Cash Equivalents	7,0	5,8	63,2	13,4	-79%
Total Assets	43,1	71,0	234,0	220,2	-6%
Current Assets	37,8	58,8	166,2	113,8	-32%
Fixed Assets	5,3	12,2	67,8	106,4	57%
Total Liabilities	25,1	49,3	164,6	162,8	-1%
Short-Term Liabilities	23,5	43,8	61,6	84,3	37%
Long-Term Liabilities	1,5	5,6	102,9	78,5	-24%
Equity	18,0	21,6	68,4	55,9	-18%
Net Debt (Cash)	-0,1	12,9	-7,3	47,9	-753%

Period	Average TL/USD	Period-End TL/USD
01.01 - 30.6.2023	19,93	18,70
01.01 - 30.6.2022	14,87	13,25
01.01 - 30.6.2021	7,90	7,43
01.04 - 30.6.2023	20,99	25,89
01.04 - 30.6.2022	15,77	16,70
31.12.2022	16,58	18,70
31.12.2021	8,93	13,35
31.12.2020	7,02	7,43
31.12.2019	5,68	5,95

Kontrolmatik Technologies



controlling technology is
controlling the future.