

**KONTROLMATİK TEKNOLOJİ
ENERJİ VE MÜHENDİSLİK ANONİM
ŞİRKETİ**

01.01.2022 - 30.06.2022

**CONSOLIDATED FINANCIAL
STATEMENTS AND
FOR THE INTERIM PERIOD**

CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi General Board

Introduction

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi (Company or Group) the accompanying consolidated statement of financial position dated 30 June 2022 and the related consolidated statement of profit or loss and other comprehensive income for the six months ended on the same date, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flows. and other explanatory notes ("interim consolidated financial information").

Group management is responsible for the preparation and fair presentation of such interim consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34"), "Interim Financial Reporting". Our responsibility is to express a conclusion on the interim consolidated financial information based on our review.

Scope of Interim Audit

Our review was conducted in accordance with Standard on Auditing ("SBDS") 2410 "Review of Interim Financial Information by the Auditor of the Annual Financial Statements of the Entity". A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for finance and accounting matters, and performing analytical and other review procedures.

Scope of review of interim consolidated financial information; It is considerably narrow compared to the scope of the independent audit, which is performed in accordance with the Independent Auditing Standards and whose purpose is to express an opinion on the financial statements. As a result, the review of the interim consolidated financial information does not provide an assurance that the audit company will be able to understand all the important matters that can be determined in an independent audit. Therefore, we do not express an independent audit opinion.

Emphasis of Matter

The independent audit of the consolidated financial statements of the Group for the accounting period 1 January - 31 December 2021 and the limited audit of the consolidated financial statements for the 1 January - 30 June 2021 accounting period were performed by another independent audit firm. Unqualified opinion was expressed in the independent auditor's report dated 22 February 2022 for the relevant periods prepared by the said independent audit firm, and a unqualified opinion was reported in the limited independent auditor's report dated 16 August 2021.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.

SER & BERKER BAĞIMSIZ DENETİM ANONİM ŞİRKETİ

An Independent Member Firm of **DFK INTERNATIONAL**



Serhan AKKOYUNLU
Responsible Auditor

Ankara, 13 August 2022

TABLE OF CONTENTS	Page
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3-4
STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENT OF CASH FLOW	6
NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS	7-66

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**Consolidated Statements Of Financial Position As At 1 January-30 July 2022 And 1 January-31 December 2021**

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

	Notes	Reviewed 30.06.2022	Independently Audited 31.12.2021
ASSETS			
Current Assets		1.273.045.693	778.898.428
Cash and Cash Equivalents	6	124.011.478	77.148.996
Financial Investments	7	133.317.565	40.979.100
Trade Receivables	10	534.059.766	393.794.155
-Trade Receivables From Related Parties	10,38	6.968.239	6.768.495
-Trade Receivables From Non-Related Parties	10	527.091.527	387.025.660
Other Receivables	11	75.142.883	36.307.948
- Other Receivables from Related Parties	11,38	43.329.435	11.746.915
-Other Receivables From Non- Related Parties	11	31.813.448	24.561.033
Inventories	13	193.559.162	133.991.429
Receivables from Customer Contracts	15	4.610.697	4.097.012
Prepaid Expenses	24	194.243.025	71.984.669
- Prepaid Expenses to Related Parties	24-38	236.311	415.487
- Prepaid Expenses to Non-Related Parties	24	194.006.714	71.569.182
Assets Related to Current Period Tax	25	1.849.013	672.776
Other Current Assets	26	12.252.104	19.922.343
(Subtotal)		1.273.045.693	778.898.428
Fixed Assets		382.378.691	161.527.524
Financial Investments	7	7.685.606	2.109.175
Investments Accounted For Using The Equity Method	16	28.431.603	4.788.649
Investment Properties	17	52.407.600	46.374.000
Tangible Fixed Assets	18	158.903.570	65.828.835
Intangible Fixed Assets	19	24.241.244	22.607.144
Right Of Use Assets	9	1.570.346	788.294
Prepaid Expenses	24	98.979.725	11.575.852
Deferred Tax Assets	36	10.158.997	7.455.575
TOTAL ASSETS		1.655.424.384	940.425.952

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**Consolidated Statements Of Financial Position As At 1 January-30 July 2022 And 1 January-31 December 2021**

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

		Reviewed	Independently
	Notes	30.06.2022	Audited
		31.12.2021	
LIABILITIES			
Short Term Liabilities			
Short Term Borrowings	8	371.905.234	178.879.989
Short-Term Portion of Long-Term Borrowings	8	89.324.088	42.513.594
Liabilities Arising from Rental Transactions	9	820.343	179.650
Trade Payables	10	160.600.342	157.818.504
-Trade Payables to Related Parties	10,38	-	339.961
- Trade Payables to Non-Related Parties	10	160.600.342	157.478.543
Payables within the Scope of Employee Benefits	22	4.310.581	2.929.120
Other Payables	11	243.296.772	4.449.264
-Other Payables to Related Parties	11,38	212.172.284	2.130.540
- Other Payables to Non-Related Parties	11	31.124.488	2.318.724
Deferred Incomes (Excluding Customer Contract Liabilities)	24	128.812.232	175.210.959
Liabilities Arising from Customer Contracts	15	3.203.550	2.046.799
Tax Liability of Period Profit	36	15.468.744	10.263.739
Short-Term Provisions		1.790.088	1.224.037
- Short-Term Provisions for Employee Benefits	22	1.790.088	1.224.037
Other Short Term Liabilities	26	5.231.136	4.369.875
(Subtotal)		1.024.763.110	579.885.530
Long Term Liabilities			
Long Term Borrowings	8	225.135.484	67.400.739
Liabilities Arising from Rental Transactions	9	754.647	540.817
Long Term Liabilities		1.158.163	1.294.299
- Long-Term Provisions for Employee Benefits	22	912.725	1.248.281
-Other Long Term Liabilities	21	245.438	46.018
Deferred Tax Liabilities	36	8.084.486	4.904.758
EQUITIES			
Equities Owned by the Parent Company			
Paid-in Capital	27	38.062.500	38.062.500
Premium / Discounts Related to Shares	27	59.331.875	59.331.875
Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		32.816.782	32.855.231
- Tangible Fixed Asset Revaluation Increase (Decrease)	27	32.172.228	33.135.234
- Re-Measurement Gains (Losses) of Defined Benefit Plans	27	644.554	(280.003)
Other Accumulated Comprehensive Income or Expenses that will Reclassified to Profit or Loss		2.285.345	469.174
-Foreign Currency Conversion Adjustments	27	2.285.345	469.174
Restricted Reserves Allocated From Profits	27	9.319.648	1.617.443
Previous Years' Incomes / Losses	27	133.934.939	23.573.794
Period Net Income / Loss	37	119.538.008	130.667.738
Non-controlling Interests	27	239.397	(177.946)
TOTAL LIABILITIES		1.655.424.384	940.425.952

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**Consolidated Statement Of Profit Or Loss And Other Comprehensive Income As At 1 January-30 June 2022 And 1 January-30 June 2021**

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

	Notes	01.01.2022- 30.06.2022	1.04.2022- 30.06.2022	01.01.2021- 30.06.2021	1.04.2021- 30.06.2021
CONTINUING OPERATIONS					
Revenues	28	513.664.784	300.467.464	194.023.994	90.535.256
Cost of Sales (-)	28	(349.584.964)	(191.055.442)	(132.212.908)	(52.177.238)
Gross Profit/ (Loss) from Commercial Activities		164.079.820	109.412.022	61.811.086	38.358.018
General Administrative Expenses (-)	29, 30	(23.941.937)	(10.671.683)	(9.897.398)	(4.140.181)
Marketing Expenses (-)	29, 30	(18.401.316)	(10.139.613)	(10.887.341)	(8.113.179)
Research and Development Expenses (-)	29, 30	(3.900.856)	(2.636.343)	(1.337.856)	(930.497)
Other Incomes from Main Activities	31	185.417.688	95.219.405	49.658.810	21.487.266
Other Expenses from Main Activities(-)	31	(99.607.039)	(59.307.915)	(32.207.617)	(14.352.797)
MAIN ACTIVITY PROFIT / (LOSS)		203.646.360	121.875.873	57.139.684	32.308.630
Incomes from the Investment Activities	32	26.996.301	14.027.393	3.476.517	1.089.414
Expenses from Investment Activities	32	(2.262.386)	(322.386)	(529.833)	(483.470)
Shares from Incomes / Losses of Investments Valued by the Equity Method	16	8.142.953	8.249.146	3.966	6.326
OPERATING PROFIT / (LOSS) BEFORE THE FINANCIAL EXPENSE		236.523.228	143.830.026	60.090.334	32.920.900
Financing Incomes	34	6.414.309	4.794.217	1.908.489	1.033.794
Financing Expenses (-)	33	(98.658.853)	(58.295.833)	(12.168.519)	(6.024.208)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		144.278.684	90.328.410	49.830.304	27.930.486
Tax (Expense) Income, Continuing Operations	36	(24.748.093)	(14.029.527)	(7.478.966)	(3.353.273)
-Current Period Tax (Expense) Income	36	(24.497.267)	(15.625.213)	(7.825.662)	(3.692.617)
-Deferred Tax (Expense) Income	36	(250.826)	1.595.686	346.696	339.344
PROFIT (LOSS) FROM CONTINUING OPERATIONS	37	119.530.591	76.298.883	42.351.338	24.577.213
Non-controlling Interests		(7.417)	(8.543)	(111.058)	(102.660)
Parent Company Shares		119.538.008	76.307.426	42.462.396	24.679.873
Earnings / (Loss) per Share	37	3,14	2,00	1,11	0,65
Earnings / (Loss) per Share from Ongoing Operations	37	3,14	2,00	1,11	0,65

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**Consolidated Statement Of Profit Or Loss And Other Comprehensive Income As At 1 January-30 June 2022 And 1 January-30 June 2021**

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

	Notes	01.01.2022- 30.06.2022	1.04.2022- 30.06.2022	01.01.2021- 30.06.2021	1.04.2021- 30.06.2021
PERIOD'S PROFIT / (LOSS)	37	119.530.591	76.298.883	42.351.338	24.577.213
Other Comprehensive Income / (Expense)					
Will not be Reclassified to Profit or Loss		(38.449)	(340.945)	(49.217)	12.822
Tangible Fixed Asset Revaluation Increase (Decrease)	18, 27	(1.013.691)	(215.691)	-	-
Defined Benefit Plans Remeasurement Gains / Losses	22, 27	1.200.722	11.661	(80.512)	(2.963)
Taxes Accompanying to Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss	27, 36	(225.480)	(136.915)	31.295	15.785
- Deferred Tax Expense/ Income	27, 36	(225.480)	(136.915)	31.295	15.785
Will Reclassified to Profit or Loss		1.816.171	1.673.826	6.126	6.126
-Foreign Currency Conversion Adjustments	27	1.816.171	1.673.826	6.126	6.126
OTHER COMPERHENSIVE INCOME		1.777.722	1.332.881	(43.091)	18.948
TOTAL COMPERHENSIVE INCOME		121.308.313	77.631.764	42.308.247	24.596.161
Parent Company Shares	27, 36	121.315.730	77.640.307	42.419.305	24.698.821
Non-controlling Interests	27, 36	(7.417)	(8.543)	(111.058)	(102.660)

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

Consolidated Statement Of Changes In Equity As At 1 January-30 June 2022 And 1 January-30 June 2021

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

	Notes	Paid-in Capital	Restricted Reserves Allocated from Profits	Share Premiums	Remeasurement Gains (Losses) of the Defined Benefit Plan	Revaluation Value Increases in Tangible Fixed Assets	Foreign Currency Conversion Differences	Previous Years' Profits /Losses	Net Period's Profit /(Loss)	Non controlling Interests	Total Equities
1.01.2021		38.062.500	10.299	59.331.875	(178.677)	4.477.856	-	8.108.635	23.978.951	(64.314)	133.727.125
Transfers	27	-	-	-	-	-	-	23.978.951	(23.978.951)	-	-
Total Comperhensive Income	37	-	-	-	(49.217)	-	6.126	-	42.462.396	(111.058)	42.308.247
30.06.2021		38.062.500	10.299	59.331.875	(227.894)	4.477.856	6.126	32.087.586	42.462.396	(175.372)	176.035.372

	Notes	Paid-in Capital	Restricted Reserves Allocated from Profits	Share Premiums	Remeasurement Gains (Losses) of the Defined Benefit Plan	Revaluation Value Increases in Tangible Fixed Assets	Foreign Currency Conversion Differences	Previous Years' Profits /Losses	Net Period's Profit /(Loss)	Non controlling Interests	Total Equities
1.01.2022		38.062.500	1.617.443	59.331.875	(280.003)	33.135.234	469.174	23.573.794	130.667.738	(177.946)	286.399.809
Accrued Dividend	27	-	-	-	-	-	-	(12.429.627)	-	-	(12.429.627)
Merger/Division/Liquidation Effect	27	-	-	-	-	-	-	(177.946)	-	177.946	-
Increase/Decrease in Subsidiaries Due to Changes in the Share Ratio Not Resulting in Loss of Control	27	-	-	-	-	-	-	3.185	-	246.814	249.999
Transfers	27	-	7.702.205	-	-	-	-	122.965.533	(130.667.738)	-	-
Total Comperhensive Income	37	-	-	-	924.557	(963.006)	1.816.171	-	119.538.008	(7.417)	121.308.313
30.06.2022		38.062.500	9.319.648	59.331.875	644.554	32.172.228	2.285.345	133.934.939	119.538.008	239.397	395.528.494

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi**Consolidated Statement Of Cash Flow As At 1 January-30 June 2022 And 1 January-30 June 2021**

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

	Notes	Reviewed 30.06.2022	Independently Audited 30.06.2021
Cash Flows From Operating Activities			
Profit/Loss For The Period	37	119.530.591	42.351.338
Adjustments Regarding Net Profit And Loss Reconciliation For The Period			
Adjustments For Depreciation And Amortization Expenses	18-19	6.307.603	2.443.100
Adjustments For Provisions For Employee Termination Benefits	22	1.493.474	(65.125)
Adjustments For Tax Income And Expenses	36	24.748.093	7.478.966
Adjustments For Interest Income	34	(4.466.456)	(1.564.216)
Adjustments For Interest Expenses	33	10.154.232	3.458.558
Adjustments To Litigation Provision Expenses	31	199.420	(31.877)
Adjustments for inventory impairment provisions	13	(766.018)	-
Doubtful Provision Adjustment for Order Advances Given	31	(878.562)	-
Adjustments for losses and gains on disposal of property, plant and equipment	32	(4.603.326)	(782.178)
Adjustments for dividend payable	27	(12.429.627)	-
Adjustments resulting from rental transactions	9	(275.847)	-
Adjustments For Profits/Losses On Investments Accounted For Using The Equity Method	16	(8.142.953)	(3.966)
Adjustments for joint venture loss of sale	32	322.386	-
Other Adjustments Related to Profit (Loss) Reconciliation		1.078.411	-
Changes In Working Capital			
Adjustments For Increase/Decrease In Financial Investments	7	(97.914.896)	(707.054)
Adjustments For Increase / Decrease In Trade Receivables	10	(140.265.611)	(26.757.270)
Adjustments For Increase/Decrease In Other Receivables	11	(38.834.935)	(2.946.413)
Adjustments For Increase / Decrease In Inventories	13	(58.801.715)	4.474.363
Adjustments For Increase/Decrease In Prepaid Expenses	24-31	(208.783.667)	(32.356.574)
Decrease (Increase) In Other Assets Related To Operations	25-26	6.494.002	(4.683.799)
Adjustments For Increase/Decrease In Assets From Ongoing Construction Contracts	15	643.066	(1.267.319)
Adjustments For Increase/Decrease In Trade Payables	10	2.781.838	(34.443.656)
Adjustments For Increase/Decrease In Liability For Employee Benefits	22	1.381.461	401.812
Adjustments For Increase/Decrease In Deferred Incomes	24	(46.398.727)	39.983.946
Adjustments For Increase/Decrease In Other Liabilities	11	238.847.508	1.936.020
Increase (Decrease) In Other Short And Long Term Liabilities Related To Operations	26	861.261	(77.423)
Taxes Paid	36	(19.292.262)	(4.114.868)
Severance Payments Paid	22	(62.257)	(109.099)
Net Cash Flows Arising From Operating Activities (A)		(227.073.513)	(7.382.734)
Cash Flows Arising From Investing Activities			
Cash Outflows Arising from Purchases of Tangible Assets	17-18	(104.499.393)	(2.871.268)
Cash Outflows Arising from Purchases of Intangible Assets	19	(5.125.897)	(13.672.302)
Cash Inflows Arising from the Sale of Tangible Assets	17-18- 33	7.178.578	782.178
Cash Outflows Due To Subsidiary Share Purchase	16	(15.500.001)	-
Net Cash Flows Arising From Investing Activities (B)		(117.946.713)	(15.761.392)
Cash Flows From Financing Activities			
Interest Received	34	4.466.456	1.564.216
Interest Paid	33	(10.154.232)	(3.458.558)
Cash Inflows/Outflows From Borrowings	8	397.570.484	57.129.732
Net Cash Flow From (Used In) Financing Activities (C)		391.882.708	55.235.390
Net Increase (Decrease) in Cash and Cash Equivalents (D=A+B+C)		46.862.482	32.091.264
Cash And Cash Equivalents At The Beginning Of The Period (E)	6	77.148.996	52.087.330
Cash And Cash Equivalents At The End Of The Period (D+E)	6	124.011.478	84.178.594

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 1 – Organization And Operations Of The Group

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

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

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

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

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

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

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

Performing tests of all kinds of electrical (high voltage and low voltage), instrumentation, mechanical materials or systems in accordance with standards, producing, selling, renting test equipment.

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

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

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

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

As of 31.03.2022, the number of personnel of the Group is 291 (31.12.2021: 226 personnel).

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

Apart from this, it has 2 branches in Kahramankazan/Ankara and Esenyurt/Istanbul.

The shareholding structure of the Company as of 30 June 2022 and 31 December 2021 is as follows:

Name/Commerical Name	30.06.2022		31.12.2021	
	Share Rate%	Share Amount (TRY)	Share Rate%	Share Amount (TRY)
Sami Aslanhan	33,1035	12.600.000	38,095	14.500.000
Ömer Ünsalan	33,1035	12.600.000	38,095	14.500.000
Public Part	33,7930	12.862.500	23,810	9.062.500
Total	100,00	38.062.500	100,00	38.062.500

The company does not have any preferred shares.

The paid-in capital of the Company as of 31.03.2022 is 38.062.500 TRY (31.12.2021: 38.062.500 TRY).

The company switched to the registered capital system at the general assembly meeting dated 21.05.2020.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

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

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

Sami Aslanhan sold the shares of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi to domestic and foreign institutional investors via a special order with a total nominal amount of TRY 1.900.000 at a price of TRY 150, on 26/04/2022. With this transaction, Sami Aslanhan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi reached the limit of 33.10% as of 26/04/2022.

Ömer Ünsalan sold the shares of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi to domestic and foreign institutional investors via a special order with a total nominal amount of TRY 1.900.000 at a price of TRY 150, on 26/04/2022. With this transaction, Ömer Ünsalan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi reached the limit of 33.10% as of 26/04/2022.

Subsidiaries

As of 30 June 2022 and 31 December 2021, the scope of operations of the consolidated subsidiaries is as follows:

Name/Commerical Name	Subject of Activity
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	Battery And Energy Storage Business
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	Electricity Storage Business

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

As of 30 June 2022, the Company has 8 personnel.

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

As of 30 June 2022, the Company has no personnel.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S2-S3): The company was established on 28.09.2018. It was established with the tender received from TÜBİTAK to carry out the "Bursa Science Center Project S2-Space Scene and S3-Themed Exhibition and Exhibition Elements Installation and Assembly in the Orbit of the Earth" project.

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S4): The company was established on 28.09.2018 with the tender received from TÜBİTAK to carry out the "Bursa Science Center Project S4-Objects of Space" project.

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S5): The company was established on 17.10.2018 with the tender received from TÜBİTAK with the aim of carrying out the "Bursa Science Center Project S5-Space Observation Themed Exhibition and Exhibition Elements Installation and Assembly" project.

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (A1-A3): The company was established on 03.01.2019 with the tender received from TÜBİTAK with the aim of carrying out the "Bursa Science Center Project A1-The Dream of Flight and Space Discovery and A3-Flight Path Themed Exhibitions and Exhibition Elements Installation and Assembly" project.

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (KEPEZ): The company was established on 01.02.2019 with the tender received from TÜBİTAK with the aim of carrying out the project of "48 Funds of Science Themed Exhibitions and Exhibition Elements Installation and Assembly within the scope of Antalya Kepez Municipality Science Center Establishment Project".

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (BURSA): The company was established on 30.04.2019 with the tender received from TÜBİTAK with the aim of carrying out the "Bursa Science Center Project Space Innovation Center Education Units 212 Pen Installation and Assembly" project.

As of 30 June 2022, the joint venture was excluded from consolidation due to the termination of the project.

Note 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A.Basis Of The Presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") and in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("TFRS") by the communiqués announced by the POA. The interim consolidated financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Basis Of The Consolitation

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

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

The consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income have been prepared on the following basis:

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

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

Subsidiaries

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

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

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

30 June 2022

Commercial Name	Direct Participation Rate(%)	Effective Participation Rate (%)	Non-Controlling Shares (%)
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	100,00	100,00	-
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95,00	95,00	5,00

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)
31 December 2021

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

Equity Method

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

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

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

Subsidiaries According to Equity Method	30.06.2022	31.12.2021
	Effective Share %	Effective Share %
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50,00	50,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50,00	50,00
Plan S Uydu ve Uzay Teknolojileri A.Ş. (Plan S)	25,00	25,00
MİNT Elektrikli Araç Teknolojileri A.Ş.	40,00	-

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

As of 30 June 2022, The Company has 48 personnel. (31.12.2021: 18 personnel.)

Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT): It was established on 04.09.2018 with the contract signed with İGA Airports Construction Ordinary Partnership to carry out the "Wireless Meter Reading System and IoT Infrastructure" business. As of 30 June 2022, there is no personnel employed (31.12.2021: None)

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

As of 30 June 2022, there is no personnel employed (31.12.2021: None).

MİNT Elektrikli Araç Teknolojileri A.Ş.: This company was established on 22.06.2022 and Escar Turizm Taşımacılık A.Ş. was established with the aim of operating in the field of electric vehicle rental and sharing technologies.

As of 30 June 2022, there is no employee.

Financial Investments Not Included in Consolidation

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

As of 30 June 2022, the Company's financial statements are not included in the consolidation as they do not have monetary significance compared to the consolidated financial statements and do not provide significant cash flow. The Group has no liability other than the capital invested in the subsidiary.

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

As of 30 June 2022, the Company is not included in the consolidation as it does not have any activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the subsidiary.

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

As of 30 June 2022, the Company is not included in the consolidation as it does not have any activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the subsidiary.

Kontrolmatik Libya Branch: The branch was opened in Libya in 2021. As of 30 June 2022, the branch is not included in the consolidation as it has no activity and does not provide significant cash flow. The Group has no liability other than the capital invested in the said branch.

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Related Parties

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

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

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

Comparative Information and Correction of Previous Period Financial Statements

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

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

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

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

Statement Regarding the Reporting Currency

The Group's presentation currency is Turkish Lira (TRY). The accompanying financial statements, including the financial statements dated 30 June 2022 and the financial data for the previous period to be used for comparison purposes, are presented in Turkish Lira (TRY).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

The closing rates of foreign currencies published by the Central Bank of the Republic of Turkey as of 30 June 2022 and 31 December 2021 are given below.

Foreign Currency	Exchange Rates (TRY / Currency Unit)	
	30.06.2022	31.12.2021
USD	16,6614	12,9775
EUR	17,3701	14,6823
CHF	17,3698	14,1207
AED	4,5106	3,5134

Foreign Currency	Exchange Rates (TRY / Currency Unit)	
	30.06.2022	31.12.2021
USD	16,6914	12,9775
EUR	17,4014	14,6823
CHF	17,4813	14,1207
AED	4,5697	3,5134

Going Concern

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

Offsetting

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

New and revised standards and interpretations

The accounting policies adopted in preparation of the interim consolidated financial statements as at June 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/IFRS and IFRIC interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Amendment to TFRS 16 - 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Amendments to TFRS 7 TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021)

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Standards, amendments, and interpretations that are issued but not effective as of 30 June 2022:

TFRS 17, ‘Insurance Contracts’

Effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to TAS 1, ‘Presentation of financial statements’ on classification of liabilities

Effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.

A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;

Effective from annual periods beginning on or after 1 January 2022.

Amendments to TFRS 3

‘Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to TAS 16

‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to TAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial Instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)
Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8

Effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

From annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The effects of these changes on the financial position and performance of the Group are being evaluated.

A. Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. 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 changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

B. Summary of Significant Accounting Policies

Financial Instruments

Financial Assets

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

Financial assets	Former classification according to TAS 39	New classification according to TFRS 9
Cash and cash equivalents	Credits and receivables	Amortized cost
Trade receivables	Credits and receivables	Amortized cost
Derivative financial assets	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Financial investments	Financial asset available for sale	Fair value difference reflected in other comprehensive income

Financial liabilities	Former classification according to TAS 39	New classification according to TFRS 9
Derivative financial liabilities	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Credits	Amortized cost	Amortized cost
Financial Leasing payables	Amortized cost	Amortized cost
Factoring payables	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

Cash and Cash Equivalents

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

Trade Receivables

Trade receivables arising directly from the supply of goods or services to a debtor and bonds and postdated checks classified as trade receivables are valued at their discounted cost using the effective interest method. Short-term trade receivables which do not have a specified interest rate are evaluated over their invoice amount in case the interest accrual effect is insignificant.

In case there is a situation indicating that the Group will not be able to collect the amounts due, a risk provision is created for trade receivables. The amount of this provision is the difference between the registered value of the receivable and the amount that can be collected. The collectible amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and assurances, based on the original effective interest rate of the trade receivable generated.

The received cheques whose maturity exceeds the balance sheet date are included in trade receivables and are subject to rediscount using Libor rates.

Following the allocation of the provision for the dubious receivable amount, if all or part of the dubious receivable amount is collected; the funds collected are deducted from the dubious receivables provision and recorded in the comprehensive statement of income as income.

The "simplified approach" is applied within the scope of the impairment calculations of trade receivables (with a maturity of less than 1 year) that are accounted for at amortized cost in the financial statements and do not contain a significant financing component. With this approach, the allowance for losses on trade receivables is measured at an amount equal to 'lifetime expected credit losses' in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses).

For measuring expected credit losses on trade receivables, a provision matrix is used. In the relevant matrix, certain Reserve ratios shall be calculated on the basis of the number of days on which the due dates of trade receivables are exceeded, and these ratios shall be reviewed and where necessary, revised during each reporting period.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Financial Liabilities

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

Other financial liabilities

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

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

Trade Payables

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

Revenue recognition

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

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

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

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Inventories

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

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

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

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

Investment Properties

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

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

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

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)
Tangible and Intangible Fixed Assets

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

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

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

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

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

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

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

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

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

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

	<u>Useful Life (Years)</u>
Buildings	50
Plant, Machinery and Devices	5-15
Vehicles, tools and devices	4-5
Fixtures and Fittings	2-20
Special Costs	5
Other intangible fixed assets	3-15
Plant, Machinery and Devices	1-3

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Useful life and depreciation method are regularly reviewed, and accordingly, due care is shown whether the method and the depreciation period are consistent with the economic benefit to be derived from the asset concerned.

In case that there are events and changes in the current conditions regarding whether the carried value of tangible fixed assets cannot be regained, it is examined if there is any impairment in the tangible fixed assets. In case that there are such signs or that carried values exceed the realizable value, assets concerned are reduced to their realizable values. Realizable value is the higher of the asset's net sale price and usage value. When finding the usage value, estimated future cash flows are reduced to their current value by making use of the rate of discount before taxation that reflects the risks specific to that asset. Realizable value for assets which do not constitute a cash inflow in high amounts alone is calculated for the unit that constitutes the cash to which that asset belongs. Relevant tangible fixed asset is subjected to depreciation over its estimated remaining useful life. Depreciation amounts of tangible fixed assets are recorded in the general management expenses and cost of sales in the income statement.

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

Intangible fixed assets represent rights and computer software. Intangible fixed assets are recorded at their adjusted value according to the inflation's effects as of 31 December 2004 for the items purchased before January 1st, 2005 ; whereas the ones purchased after January 1st, 2005 are reflected by subtracting accumulated depreciation and permanent impairments from the cost values. Redemptions regarding intangible fixed assets were allocated by making use of the straight-line depreciation method over the useful lives of relevant assets, provided that they do not exceed the number of useful years thereof from the date of purchasing. Redemptions of intangible fixed assets are recorded in the general management expenses and cost of sales in the income statement. Profit or loss arising on the disposal of intangible and tangible fixed assets is determined by comparing the net book value with the sale amounts, and are recorded in the incomes and expenses from investment activities within the income statement.

Fixed Assets Classified for Sales Purposes and Ceased Activities

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Impairment of assets

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

Taxation and Deferred Tax

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

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

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

Amounts of current taxes payable are finalized with the amounts of taxes paid or prepaid to the same tax authority. Deferred tax asset and liability are finalized in the same manner.

Deferred tax is calculated over the temporary differences between the book values of the assets and liabilities in the financial statements and the values thereof used in the tax base by using the liability method (balance sheet method/balance sheet liability method). These differences are divided into two groups as deductible and taxable. For all temporary differences of deductible quality in terms of taxation, it must be highly possible that taxable income sufficient to deduct these expenses, and in cases where the transaction is not a part of a merger or it does not arise from the first recognition of the debt, they are recognized in the deferred tax asset. All taxable temporary differences are recognized in the deferred tax liability. However, for temporary differences which arise during the first recognition of the goodwill, arise during the first recognition of an asset or liability or arise from transactions that are not of merger quality, no deferred tax liability is recognized.

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

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

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Goodwill

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

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

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

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

Leases

Group – As Lessor

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

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

- The agreement contains a defined asset (defining an asset in the agreement implicitly or explicitly),
- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (in case that the supplier holds a fundamental right to replace the asset during the usage period and derives economic benefit from that, the asset is not defined),
- The Group holds the right to obtain almost all of the economic benefits to be derived from the use of the asset,

The Group holds the right to manage the use of the defined asset. The Group holds the right to manage the use of the asset, in case of presence of one of the following cases:

- a) The Group's holding the right to manage and change the way and purpose of using the asset during the usage period or
- b) The decisions regarding the way and purpose of using the asset were determined beforehand:
 - i. The Group's holding the right to operate the asset during the usage period (or to direct the others to operate the asset in the way it determined) and the supplier not holding the right to change these operating instructions or
 - ii. The Group's designing the asset (or properties thereof) in the manner to predetermine the way and purpose of using the asset during the usage period.

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Lease liability

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

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

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

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

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

Extension and early termination options

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

Variable lease payments

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

Facilitating practices

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

Group- As Lessor

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Provisions for Employee Benefits

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

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

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

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

Provisions, Contingents Assets and Liabilities

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

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

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

In provisions where time value of money is important, by assuming that there is no risk and ambiguity in determination of the estimated cash flows, they are reduced by making use of the risk-free discount rate based on the government bonds in the same maturity with the estimated cash flow. The second method is the expected value method. This method is used in case that the provision is related to a large set or to a lot of events, and the liability is estimated by taking into consideration all possible results. The third method is recording the provision in the financial statements by estimating the most possible result to arise, in case that there is a single liability or event. Liabilities and assets which arise from past events and of which presence can be confirmed with realization or non-realization of one or more future events that are not under the enterprise's control are not recorded in the financial statements, and the explained in the footnotes by being considered as contingent assets, liabilities and commitments (Note 21)

Finance Incomes / (Expenses) Not Accrued

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Earnings per Share

Earnings per share has been calculated by dividing the part of net profit or loss for the period corresponding to the ordinary shareholders to the weighted average number of ordinary shares in the relevant period. Weighted average of the number of shares in circulation within the period has been calculated by taking into consideration the shares printed without creating any increase in the assets (free).

Financial risk management

Collection Risk :

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

Exchange Rate Risk:

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

Liquidity risk

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

Effect of the Exchange Rate Change

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

Dividend

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

Paid-in Capital

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

Events Subsequent to the Balance Sheet Date

It refers to the events occurred in favor of or against the enterprise between the balance sheet date and the date of authorization for the balance sheet publication. In case that there are new evidences for presence of the events concerned as of the balance sheet date pursuant to the provision of the TAS 10 or the events concerned occurred after the balance sheet

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

date and if these events require issuance of the financial statements, the Group adjusts its financial statements according to the new situation. If the events concerned do not require adjustment of the financial statements, the Group explains the issues concerned in the relevant footnotes (Note 41).

Government Incentives and grants-in-aid

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

Reporting financial information according to segments

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

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

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

Cash Flow Statement

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

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

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

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

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

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

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

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

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

Note 3 – Enterprise Mergers

Current Period: None (Previous Period: None).

Note 4 – Shares in Other Enterprises

The Group has joined in Kontrolmatij Enerji ve Müh. A.Ş and Skysens Tek. A.Ş Joint Venture (IOT) on 04.09.2018 (in its establishment) by %50 . Beside this, the Group has joined in Kontrolmatij Enerji ve Müh. A.Ş and Skysens Tek. A.Ş Joint Venture (SAY) at the rate of 50% on 10.10.2018 (establishment date). Beside this, the Group has joined in Plan S Uydu ve Uzun Teknolojileri A.Ş at the rate of 25% on 06.07.2021 (establishment date).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

Note 5 - Reporting According to the Activity Sections

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

Note 6 – Cash and Cash Equivalents

	30.06.2022	31.12.2021
Cash	287.872	241.269
Banks	123.723.606	76.907.727
Current Deposits	104.687.285	60.349.498
- Unblocked	104.480.360	60.349.498
- Turkish Lira	18.498.895	920.215
- Foreign Currency	85.981.465	59.429.283
Time Deposits	206.925	-
- Unblocked	38.881	-
- Turkish Lira	168.044	-
- Foreign Currency	19.036.321	16.558.229
- Blocked	17.104.359	11.124.960
- Turkish Lira	17.104.359	9.592.149
-Foreign Currency	-	1.532.811
Time Deposits	1.931.962	5.433.269
- Unblocked	1.931.962	-
- Turkish Lira	-	5.433.269
Total	124.011.478	77.148.996

Some of the time deposits of the Group are blocked due to the loans used and the letters of guarantee received from the banks. As of 30.06.2022, the interest rate of time deposits in TRY is between 12% and 14%, there are no time deposits in USD and no time deposits in EURO. (31.12.2021: The interest rate of time deposits in TRY is in the range of 15.50% - 17.50%, the interest rate of time deposits in USD is 1.02%, and the interest rate of time deposits in EURO is 0.30%)."

Note 7 – Financial Investments

	30.06.2022	31.12.2021
Assets recorded at fair value in other comprehensive income	133.317.565	40.979.100
- Bonds and mutual funds	22.561.701	-
- Stocks (*)	3.500.000	5.312.145
- Provision for value increases / impairment of stocks (*)	36.550.000	35.666.955
- Currency/Price Protected TRY Deposit Accounts with Currency/Gold Conversion	70.705.864	-
Total Short-Term Financial Investments	133.317.565	40.979.100
Financial assets available for sale	7.685.606	2.109.175
- Fc Kontrolmatik Toshkent Llc	970.164	760.913
-Kontrolmatik Libya branch	863.825	706.100
- Llc Controlmaticrus	1.417.185	432.575
- Kontrolmatik Cameroun	269.082	209.587
- Kontrolmatik Technologies Inc.	4.165.350	-
Total Long-Term Financial Investments	7.685.606	2.109.175

(*)All of the Group's stock investments consist of stocks traded in Borsa Istanbul, excluding its own shares. The fair value determination was made by valuing the Group's assets traded in the stock exchange, whose fair value difference is recorded in other comprehensive income, with the best purchase price pending on the balance sheet date.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 8 – Borrowings

	30.06.2022	31.12.2021
Short Term Borrowings	371.905.234	178.879.989
Bank Credits	371.905.234	178.879.989
Short Term Parts Of Long Term Borrowings	89.324.088	42.513.594
Bank Credits	87.968.010	41.401.873
Financial Lease Liabilities	1.356.078	1.111.721
Long Term Borrowings	225.135.484	67.400.739
Bank Credits	223.589.349	65.515.876
Financial Lease Liabilities	1.546.135	1.884.863

Details of Bank Credits:

30.06.2022	Currency	Applied Interest Rate (%)		Maturity	TRY Equivalent
		Minimum (%)	Maximum (%)		
Short Term Borrowings	TRY	20,36%	23,49%	revolving loans	226.798.651
				up to 3 months	23.765.379
	TRY	20,36%	23,49%	up to 3-12 months	13.731.694
				up to 3 months	47.164.448
	EUR	1,13%	4,79%	up to 3-12 months	5.897.477
				up to 3 months	51.253.454
USD	3,62%	6,35%	up to 3-12 months	3.294.131	
				371.905.234	
Short Term Parts of Long Term Borrowings	TRY	7,60%	29,84%	up to 3 months	6.647.154
				up to 3-12 months	22.287.355
	EUR	2,70%	4,63%	up to 3 months	12.255.571
				up to 3-12 months	46.496.721
	USD	6,66%	6,66%	up to 3 months	281.209
				up to 3-12 months	-
				87.968.010	
Long Term Borrowings	TRY	7,60%	29,84%	1 to 10 years	169.738.090
	EUR	2,70%	4,63%	1 to 10 years	48.510.011
	USD	6,66%	6,66%	1 to 10 years	5.341.248
				223.589.349	

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

31.12.2021	Currency	Applied Interest Rate (%)		Maturity	TRY Equivalent
		Minimum (%)	Maximum (%)		
Short Term Borrowings	TRY	11,64%	23,25%	revolving loans up to 3 months up to 3-12 months	107.317.853 1.256.770 363.786
	TRY	11,64%	23,25%	up to 3 months	42.152.542
	EUR	0,90%	3,60%	up to 3 months up to 3-12 months	27.524.389
	EUR	0,90%	3,60%	up to 3 months	264.649
	USD	3,60%	3,60%	up to 3 months up to 3-12 months	-
	USD	0,00%	0,00%	up to 3 months	-
					178.879.989
Short Term Parts of Long Term Borrowings	TRY	7,56%	21,00%	up to 3 months up to 3-12 months	1.181.835 4.499.400
	TRY	7,56%	21,00%	up to 3 months	8.073.094
	EUR	2,50%	3,24%	up to 3 months up to 3-12 months	27.647.544
	EUR	2,50%	4,50%	up to 3 months	-
	USD	0,00%	0,00%	up to 3 months up to 3-12 months	-
	USD	0,00%	0,00%	up to 3 months	-
					41.401.873
Long Term Borrowings	TRY	7,56%	21,00%	1 to 10 years	17.418.027
	EUR	2,50%	4,50%	1 to 10 years	43.945.049
	USD	6,12%	6,12%	1 to 10 years	4.152.800
					65.515.876

The interest rate of revolving loans in TRY is between 12.00% and 29.75%, the interest rate of revolving loans in USD is 2.50%. The interest rate of revolving loans in EUR is between 0.90% - 6.45%. (31.12.2021: The interest rate of revolving loans in TRY is between 12.00% - 29.75%, the interest rate of revolving loans in USD is 2.50%. The interest rate of revolving loans in EUR is between 0.90% - 6.45%.)

As of 30.06.2022, revolving loans consist of 83.281.643 TRY, 2.820.000 USD and 5.542.500 EUR. The total TRY equivalent of revolving loans is 226.798.651 TRY.

The maturity analysis of bank loans as of 30 June 2022 and 31 December 2021 is presented below:

	30.06.2022	31.12.2021
Revolving Loans	226.798.651	107.317.853
Up To 3 Months	141.367.215	52.928.890
Up To 3-12 Months	91.707.378	60.035.119
1 To 5 Years	223.589.349	65.515.876
	683.462.593	285.797.738

As of 30 June 2022 and 31 December 2021, the repayment schedule of long-term bank loans is below presented:

Year	30.06.2022	31.12.2021
2023	24.590.271	29.046.543
2024	39.891.024	11.969.586
2025	40.583.306	12.747.023
2026	38.245.062	11.752.724
2027	30.032.225	-
2028 and later	50.247.461	-
TOTAL	223.589.349	65.515.876

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Details of Financial Leasing Debts:

30.06.2022	Currency	Maturity	TRY Equivalent
Short-Term Portions of Long-Term Financial Lease Payables	TRY	Up to 3 months	-
	TRY	Up to 3-12 months	-
	EUR	Up to 3 months	331.737
	EUR	Up to 3-12 months	1.024.341
	USD	Up to 3 months	-
	USD	Up to 3-12 months	-
			1.356.078
Long Term Financial Leasing Debts	TRY	1 to 5 years	-
	EUR	1 to 5 years	1.546.135
	USD	1 to 5 years	-
			1.546.135

31.12.2021	Currency	Maturity	TRY Equivalent
Short-Term Portions of Long-Term Financial Lease Payables	TRY	Up to 3 months	-
	TRY	Up to 3-12 months	-
	EUR	Up to 3 months	271.961
	EUR	Up to 3-12 months	839.760
	USD	Up to 3 months	-
	USD	Up to 3-12 months	-
			1.111.721
Long Term Financial Leasing Debts	TRY	1 to 5 years	-
	EUR	1 to 5 years	1.884.863
	USD	1 to 5 years	-
			1.884.863

The maturity analysis of financial leasing liabilities as of 30 June 2022 is presented below:

	30.06.2022	31.12.2021
Up to 3 months	331.737	271.961
Up to 3-12 months	1.024.341	839.760
1 to 5 years	1.546.135	1.884.863
	2.902.213	2.996.584

As of 30 June 2022, the repayment schedule of financial lease debts is presented below:

Yıl	30.06.2022	31.12.2021
2023	707.881	1.177.592
2024	838.254	707.271
TOTAL	1.546.135	1.884.863

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 9 – Liabilities Arising from Right of Use Assets and Leases

Rights Of Use Assets

	30.06.2022	31.12.2021
Opening balance at the beginning of the period	788.294	-
Depreciation for the period (Note 30)	1.076.810	909.570
Closing balance at the end of the period	(294.758)	(121.276)
Closing balance at the end of the period	1.570.346	788.294

Period depreciation expense arising from the Group's right of use assets is accounted for under general administrative expenses. As a lessee, the Group has included in its financial statements the right of use asset, which represents the right to use the underlying asset, and the lease payables, which represent the lease payments that it is obliged to pay rent.

	30.06.2022	31.12.2021
Payables from Rental Transactions	1.574.990	720.467
Short term	820.343	179.650
Long-term	754.647	540.817

	30.06.2022	31.12.2021
Opening balance at the beginning of the period	720.467	-
Rental liability increase / decrease net during the period	873.434	909.570
Operating lease payments for the period	(230.916)	(280.000)
Interest expense during the period (Note 33)	212.005	90.897
Closing balance at the end of the period	1.574.990	720.467

Note 10 – Trade Payables And Receivables

	30.06.2022	31.12.2021
Trade receivables from related parties (*)	6.968.239	6.768.495
-Customers	6.968.239	6.787.995
- Trade receivables rediscount (-)	-	(19.500)
Trade receivables from third parties	527.091.527	387.025.660
-Customers	495.859.939	371.662.237
- Postpaid checks and notes receivable	42.530.336	20.521.354
- Doubtful trade receivables	15.553.963	14.088.518
- Trade receivables rediscount (-)	(13.315.160)	(7.254.466)
- Provision for doubtful trade receivables (-)	(13.537.551)	(11.991.983)
Total Trade Receivables (Short Term)	534.059.766	393.794.155

(*)Details are explained in Note 38.

The average maturity of the Group's trade receivables as of 30.06.2022 is 165 days (31.12.2021: 137 days).

The aging analysis and provisions for the overdue but not impaired and overdue impairment provisions are explained in detail in Note 39-E.

As of 30.06.2022 and 31.12.2021, the maturity analysis of overdue trade receivables (net) is presented in Note 39-E..

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

The movement table regarding the doubtful trade receivables provision is as follows:

	30.06.2022	31.12.2021
Balance as of 01 January	(11.991.983)	(4.849.775)
Provisions for doubtful trade receivables for the period (Note 30)	(1.545.568)	(7.142.208)
Balance at the end of the period	(13.537.551)	(11.991.983)
	30.06.2022	31.12.2021
Trade payables to related parties (*)	-	339.961
- Suppliers	-	352.776
- Trade debt rediscount (-)	-	(12.815)
Trade payables to third parties	160.600.342	157.478.543
- Suppliers	107.296.175	69.685.068
- Forward debt checks and notes	55.695.969	91.004.302
- Trade debt rediscount (-)	(2.391.802)	(3.210.827)
Total Trade Payables (Short Term)	160.600.342	157.818.504

(*)Details are explained in Note 38.

The average maturity of the Group's trade payables as of 30.06.2022 is 42 days (31.12.2021: 86 days).

Note 11 –Other Receivables and Payables

	30.06.2022	31.12.2021
Other receivables from related parties (*)	43.329.435	11.746.915
- Other receivables from related parties	43.329.435	11.746.915
Other receivables from third parties	31.813.448	24.561.033
- Deposits and guarantees given	24.442.776	17.548.524
- Receivables from the tax office	6.860.897	6.806.072
- Receivables from personnel	110.227	9.896
- Other receivables	399.548	767.554
- Provision for doubtful trade receivables (-)	-	(571.013)
Other Receivables (Short Term)	75.142.883	36.307.948

(1) Details are explained in Note 38.

	30.06.2022	31.12.2021
Other payables to related parties (*)	212.172.284	2.130.540
- Payables to partners	212.172.284	2.130.540
Other payables to third parties	31.124.488	2.318.724
- Deposits and guarantees received	2.677.086	2.203.158
- Other miscellaneous debts	28.447.402	115.566
Other Payables (Short Term)	243.296.772	4.449.264

(1) Details are explained in Note 38.

(2) The debt balance to Sami Aslanhan, Ömer Ünsalan and other partners also includes dividend accruals.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 12 – Receivables and Payables from Finance Sector Activities

Current Period: None (Previous Period: None).

Note 13 – Inventories

	30.06.2022	31.12.2021
Commodities	195.056.585	136.254.870
Provision for inventory impairment (-)	(1.497.423)	(2.263.441)
TOTAL	193.559.162	133.991.429

The movement table regarding the provision for inventory impairment is as follows:

	30.06.2022	31.12.2021
Balance as of January 01	(2.263.441)	(2.052.936)
Provisions for inventory impairment during the period	766.018	(210.505)
Balance at the end of the period	(1.497.423)	(2.263.441)

Note 14 – Biological Assets

Current Period: None (Previous Period: None).

Note 15 – Receivables and Liabilities Arising from Customer Agreements

	30.06.2022	31.12.2021
Receivables Arising From Customer Agreements	4.610.697	4.097.012
Liabilities Arising From Customer Agreements	(3.203.550)	(2.046.799)
Total Net Receivables / Payables	1.407.147	2.050.213

	30.06.2022	31.12.2021
Actual		
Cost	28.388.533	16.101.250
Progress Payment	32.579.193	16.732.231
End Of Business Forecast		
Cost	74.605.947	18.243.359
Progress Payment	91.941.187	21.595.273
	30.06.2022	31.12.2021
Revenues Under TFRS (A)	33.986.340	18.782.444
Actual Cost (B)	(28.388.533)	(16.101.250)
Profit/Loss According To TFRS (C=A+B)	5.597.807	2.681.194
Progress Payments Received (D)	32.579.193	16.732.231
Total Net Receivables / Payables From Customer Contracts (E=A-D)	1.407.147	2.050.213

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 16 – Investments Accounted for Using The Equity Method

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

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

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

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

30.06.2022

			01.01.2022-	
			30.06.2022	30.06.2022
Subsidiaries (Equity Method)	Effective share %	Amount of Participation	Provisions for Impairment / Increase in Value	Net Value
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	(32.465)	(66.570)
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	4.039	(28.682)
Plan S Uydu ve Uzay Teknolojileri A.Ş.	25	12.500.000	8.152.767	20.508.243
MİNT Elektrikli Araç Teknolojileri A.Ş.	40	8.000.000	18.612	8.018.612
TOTAL		20.510.000	8.142.953	28.431.603

30.06.2021

			1.01.2021	
			30.06.2021	30.06.2021
Subsidiaries (Equity Method)	Effective share %	Amount of Participation	Provisions for Impairment / Increase in Value	Net Value
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	(5.861)	(22.950)
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	9.827	(26.794)
TOTAL		10.000	3.966	(49.744)

Subsidiaries

	30.06.2022	31.12.2021
Opening Balance at the Beginning of the Period	4.788.649	(53.710)
Subsidiary Entries during the Period	15.500.001	5.000.000
Period Profit/Loss	8.142.953	(157.641)
Closing Balance at the End of the Period	28.431.603	4.788.649

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 17 – Investment Properties

01 January-30 June 2022

	01.01.2022	Inflows	Outflows	30.06.2022
Cost				
Lands	41.723.880	6.969.600	(472.680)	48.220.800
Buildings	4.680.914	-	(463.320)	4.217.594
Total	46.404.794	6.969.600	(936.000)	52.438.394
Minus: Accumulated Depreciation				
Buildings	(30.794)	-	-	(30.794)
Total	(30.794)	-	-	(30.794)
Investment Properties, net	46.374.000	6.969.600	(936.000)	52.407.600

1 January-31 December 2021

	01.01.2021	Outflows	Outflows	Value Increases	31.12.2021
Cost					
Lands	20.725.450	-	-	20.998.430	41.723.880
Buildings	2.487.344	-	-	2.193.570	4.680.914
Total	23.212.794	-	-	23.192.000	46.404.794
Minus: Accumulated Depreciation					
Buildings	(30.794)	-	-	-	(30.794)
Total	(30.794)	-	-	-	(30.794)
Investment Properties, net	23.182.000	-	-	23.192.000	46.374.000

The fair value of the Group's investment properties, which are detailed below, is determined by an independent valuation company, Emek Gayrimenkul Değerleme ve Danışmanlık A.Ş. The real estate valuation company determined the values in the valuation reports dated 31.12.2021 by using the Peer Comparison and Income Reduction Methods.

Explanation	Purchase Date	30.06.2022 Book Values			31.12.2021 Book Values		
		Land Share	Building Share	TOTAL	Land Share	Building Share	TOTAL
Kırklareli province Kofçaz district - Plantation	28.12.2016	52.000	-	52.000	52.000	-	52.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	23.000	-	23.000	23.000	-	23.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	27.000	-	27.000	27.000	-	27.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	105.000	-	105.000	105.000	-	105.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	204.000	-	204.000	204.000	-	204.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	4.000	-	4.000	4.000	-	4.000
Kırklareli province Kofçaz district - Plantation	28.12.2016	17.000	-	17.000	17.000	-	17.000
İstanbul province Arnavutköy district- Apartment	11.09.2017	728.000	-	728.000	728.000	-	728.000
İstanbul province Arnavutköy district- Apartment	11.09.2017	186.000	-	186.000	186.000	-	186.000
İstanbul province Arnavutköy district- Apartment(*)	29.01.2018	2.800.000	-	2.800.000	2.800.000	-	2.800.000
Kocaeli province Çayirova district - Plantation	17.01.2019	26.250.000	-	26.250.000	26.250.000	-	26.250.000
İstanbul province Gaziosmanpaşa district- Apartment	10.05.2013	-	-	-	472.680	463.320	936.000
İstanbul province Silivri district- Apartment	15.06.2022	1.305.000	-	1.305.000	-	-	-
İstanbul province Silivri district- Apartment	15.06.2022	1.827.900	-	1.827.900	-	-	-
İstanbul province Silivri district- Apartment	15.06.2022	3.836.700	-	3.836.700	-	-	-
İstanbul province Beşiktaş district	17.07.2019	1.407.600	248.400	1.656.000	1.407.600	248.400	1.656.000
İstanbul province Beşiktaş district	17.07.2019	1.407.600	248.400	1.656.000	1.407.600	248.400	1.656.000
Sakarya province Serdivan district-Store	16.08.2019	1.461.000	648.000	2.109.000	1.461.000	648.000	2.109.000
Sakarya province Serdivan district-Store	2.08.2019	1.735.600	770.400	2.506.000	1.735.600	770.400	2.506.000
Sakarya province Serdivan district-Store	16.08.2019	1.484.400	633.600	2.118.000	1.484.400	633.600	2.118.000
Sakarya province Serdivan district-Store	17.09.2019	1.855.000	792.000	2.647.000	1.855.000	792.000	2.647.000
Ankara province Etimesgut district - Plantation	26.09.2019	1.504.000	846.000	2.350.000	1.504.000	846.000	2.350.000
TOTAL		48.220.800	4.186.800	52.407.600	41.723.880	4.650.120	46.374.000

(*) In the appraisal report made for the period of 31.12.2021 regarding the aforementioned field, the statement "statement of "is the defendant" in the land registry creates a risk of loss of ownership for the potential buyers of the real estate". As of 30.06.2022, there is a mortgage risk amounting to TRY 41.724.000 (31.12.2021: TRY 63.800.000 and EUR 6.360.000) on the investment properties of the Group. These mortgages are also on some real estates included in tangible assets and are classified in this section.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 18 –Property Plant And Equipment

01 January -30 June 2022

	01.01.2022	Inflows	Outflows	30.06.2022
Cost				
Lands	17.839.180	-	(478.740)	17.360.440
Buildings	37.081.511	75.000.000	(469.260)	111.612.251
Machinery, Plant And Equipment	7.146.349	231.753	-	7.378.102
Vehicles	4.569.786	11.459.298	(1.411.020)	14.618.064
Fixtures And Fittings	6.064.017	3.026.606	(46.546)	9.044.077
Special Costs	238.417	120.345	-	358.762
Total	-	7.691.791	-	7.691.791
Minus: Accumulated Depreciation	72.939.260	97.529.793	(2.405.566)	168.063.487
Buildings				
Machinery, Plant And Equipment	(215.691)	(554.043)	-	(769.734)
Vehicles	(3.214.919)	(517.136)	-	(3.732.055)
Fixtures And Fittings	(1.384.830)	(969.239)	752.748	(1.601.321)
Special Costs	(2.101.275)	(761.900)	13.566	(2.849.609)
Total	(193.710)	(13.488)	-	(207.198)
Property Plant And Equipment, net	(7.110.425)	(2.815.806)	766.314	(9.159.917)
Cost	65.828.835	94.713.987	(1.639.252)	158.903.570

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)
01 January-31 December 2021

	01.01.2021	Inflows	Outflows	Increase In Value	31.12.2021
Cost					
Lands	6.651.820	-	-	11.187.360	17.839.180
Buildings	1.778.209	16.325.000	-	18.978.302	37.081.511
Machinery, Plant And Equipment	4.055.334	3.091.015	-	-	7.146.349
Vehicles	2.207.728	2.788.020	(425.962)	-	4.569.786
Fixtures And Fittings	2.773.386	3.290.631	-	-	6.064.017
Special Costs	238.417	-	-	-	238.417
Total	17.704.894	25.494.666	(425.962)	30.165.662	72.939.260
Minus: Accumulated Depreciation					
Buildings	(215.691)	-	-	-	(215.691)
Machinery, Plant And Equipment	(2.296.682)	(918.237)	-	-	(3.214.919)
Vehicles	(985.170)	(786.422)	386.762	-	(1.384.830)
Fixtures And Fittings	(1.274.015)	(827.260)	-	-	(2.101.275)
Special Costs	(167.616)	(26.094)	-	-	(193.710)
Total	(4.939.174)	(2.558.013)	386.762	-	(7.110.425)
Property Plant And Equipment, net	12.765.720	22.936.653	(39.200)	30.165.662	65.828.835

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

The fair value of the Group's tangible fixed assets, detailed below, is determined by Emek Tasnmaz Değerleme ve Danışmanlık A.Ş., an independent valuation company from the Group. The real estate valuation company has determined the values in the valuation reports dated 31.12.2021 by using the Peer Comparison and Income Reduction Methods.

Among the tangible fixed assets of the Group, which are detailed below, the fair values of the building and land shares of the flat in Gaziosmanpaşa, Istanbul, 2 offices in Istanbul, Esenler, and the factory in Ankara, Polatlı, are determined by a valuation company independent of the Group. Emek Real Estate Valuation and Consultancy Inc. It was determined by the company on 31.12.2021. The real estate appraisal company has determined the values in the valuation reports dated 31.12.2021 using the Peer Comparison and Income Reduction Methods. Although there is no revaluation report on 30.06.2022, land, land and buildings accounted for according to the revaluation model are presented by amortization on 31.12.2021 over the revaluated amounts.

The building, which is located in Sarıyer district of Istanbul and purchased on 8.04.2022, is presented with its amortized value as of the date of purchase, as it converges to its fair value.

Explanation	Purchase Date	30.06.2022		
		Land Share	Building Share	Total
Istanbul Province Sarıyer District - Office	8.04.2022	-	74.718.841	74.718.841
İstanbul province Esenler district – Office	9.09.2013	5.483.000	1.012.353	6.495.353
İstanbul province Esenler district – Office	27.09.2016	5.483.000	1.012.353	6.495.353
Ankara province Polatlı district - Factory	18.08.2021	6.394.440	34.098.970	40.493.410
TOTAL		17.360.440	110.842.517	128.202.957

Explanation	Purchase Date	2021		
		Land Share	Building Share	Total
İstanbul province Gaziosmanpaşa district - Apartment	10.05.2013	478.740	469.260	948.000
İstanbul province Esenler district - Office	9.09.2013	5.483.000	1.020.000	6.503.000
İstanbul province Esenler district - Office	27.09.2016	5.483.000	1.020.000	6.503.000
Ankara province Polatlı district - Factory	18.08.2021	6.394.440	34.356.560	40.751.000
TOTAL		17.839.180	36.865.820	54.705.000

Mortgage risk amounting to TRY 184.556.000 (31.12.2021: TRY 57.500.000) as of 30.06.2022 on the Group's tangible fixed assets and TRY 5.749.287 (31.12.2021: 2.580.970 TRY) on vehicles there is a pledge.

There has been no change in the fair values of the real estates on the Group's tangible assets.

Since tangible fixed assets are not within the scope of qualifying assets defined in TAS 23 “Borrowing Costs” standard, financing expenses related to tangible fixed assets are associated with the income statement and are not capitalized.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Since tangible fixed assets are not within the scope of qualifying assets defined in TAS 23 “Borrowing Costs” standard, financing expenses related to tangible fixed assets are associated with the income statement and are not capitalized.

The Group has no tangible assets that are temporarily idle.

Note 19 – Intangible Assets

A-) Goodwill:

Current Period: None. (Previous Period: None).

B-) Other Intangible Assets:

01 January-30 June 2022

	01.01.2022	Inflows	Outflows	30.06.2022
Cost				
Rights	24.800	772.800	-	797.600
Computer software and design center expenses	21.428.714	547.591	-	21.976.305
Research and development expenses (*)	6.007.026	3.805.506	-	9.812.532
Total	27.460.540	5.125.897	-	32.586.437
Minus: Accumulated Depreciation				
Rights	(5.218)	(20.910)	-	(26.128)
Computer software and design center expenses	(4.848.178)	(3.470.887)	-	(8.319.065)
Total	(4.853.396)	(3.491.797)	-	(8.345.193)
Property Plant And Equipment, net	22.607.144	1.634.100	-	24.241.244

(*)There are research and development expenses made by the Group and they are not depreciated since the projects have not been completed yet.

01 January -31 December 2021

	01.01.2021	Inflows	Outflows	31.12.2021
Cost				
Rights	14.000	10.800	-	24.800
Computer software	709.008	20.719.706	-	21.428.714
Research and development expenses (*)	-	6.007.026	-	6.007.026
Total	723.008	26.737.532	-	27.460.540
Minus: Accumulated Depreciation				
Rights	(2.883)	(2.335)	-	(5.218)
Computer software	(506.816)	(4.341.362)	-	(4.848.178)
Total	(509.699)	(4.343.697)	-	(4.853.396)
Property Plant And Equipment, net	213.309	22.393.835	-	22.607.144

(*)There are research and development expenses made by the Group and they are not depreciated since the projects have not been completed yet.

Note 20 – Government Grants

Current Period: None. (Previous Period: None).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 21 –Provisions, Contingent Assets and Liabilities, and Commitments

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

Guarantees, pledges and mortgages (“GPM”) position of the Group as of 30 June 2022 and 31 December 2021 is as follows:

30.06.2022

GPM Given by the Group	USD	EURO	TRY	TOTAL (TRY Equivalent)
A. Total amount of GPM given on behalf of the legal entity	12.640.051	18.993.922	202.121.138	745.631.558
B. i Total amount of GPM given on behalf of the subsidiaries included in full consolidation	-	-	101.550.000	101.550.000
B. ii. Total Amount of GPMs Given by Subsidiaries Included in Full Consolidation in their Favor and to each other	-	-	101.550.000	101.550.000
B. iii. Total Amount of GPMs Given by Subsidiaries Included in Full Consolidation in Favor of the Parent Company	-	-	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-
D. Total Amount of Other GPMs Given	-	-	-	-
i. Total Amount of CPM's Given by the Group in Favor of the Parent Shareholder	-	-	-	-
ii. Total Amount of GPMs Given by the Group in Favor of Other Group Companies that are not in the Scope of B and C	-	-	-	-
iii. Total of GPMs Given by the Group in Favor of Third Parties Not Covered by Article C	-	-	-	-
Total	12.640.051	18.993.922	405.221.138	948.731.558
Total Equity Of Group				395.528.494
Ratio of other CPM's given by the Group to the Group's Equity				-

31.12.2021

GPM Given by the Group	USD	EURO	TRY	TOTAL (TRY Equivalent)
A. Total amount of GPM given on behalf of the legal entity	7.941.039	19.621.254	159.193.701	550.333.681
B. i Total amount of GPM given on behalf of the subsidiaries included in full consolidation	-	-	1.453.200	1.453.200
B. ii. Total Amount of GPMs Given by Subsidiaries Included in Full Consolidation in their Favor and to each other	-	-	-	-
B. iii. Total Amount of GPMs Given by Subsidiaries Included in Full Consolidation in Favor of the Parent Company	-	-	-	-
C. Total amount of GPM given to maintain operations and collect payables from third parties	-	-	-	-
D. Total Amount of Other GPMs Given	-	-	-	-
i. Total Amount of CPM's Given by the Group in Favor of the Parent Shareholder	-	-	-	-
ii. Total Amount of GPMs Given by the Group in Favor of Other Group Companies that are not in the Scope of B and C	-	-	-	-
iii. Total of GPMs Given by the Group in Favor of Third Parties Not Covered by Article C	-	-	-	-
Total	7.941.039	19.621.254	160.646.901	551.786.881
Total Equity Of Group				286.399.809
Ratio of other CPM's given by the Group to the Group's Equity				-

Guarantees, pledges and mortgages (“GPM”) risk position of the Group as of 30 June 2022 and 31 December 2021 is as follows:

30.06.2022

GPM Equivalent	TRY Equivalent	USD Equivalent	EUR Equivalent
Mortgages Given	226.280.000	-	-
Letter of guarantee given	69.688.409	10.457.551	18.710.249
Letters of Credit	-	2.182.500	273.998
Bails	101.550.000	-	-
Blocked Deposits	1.953.442	-	9.675
Given vehicle pledges	5.749.287	-	-
Total GPM	405.221.138	12.640.051	18.993.922

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

31.12.2021

GPM Equivalent	TRY Equivalent	USD Equivalent	EUR Equivalent
Mortgages Given	121.300.000	-	6.360.000
Letter Of Guarantee Given	36.765.931	7.941.039	12.891.253
Blocked Deposits	-	-	370.001
Given Vehicle Pledges	2.580.970	-	-
Total GPM	160.646.901	7.941.039	19.621.254

Provisions

The movement table for litigation provisions is as follows:

	30.06.2022	31.12.2021
Provision as of January 1	46.018	49.277
Provisions made during the period (Note 31)	199.420	46.018
Provisions no longer required (Note 31)	-	(49.277)
Balance at the end of the period	245.438	46.018

Information on lawsuits and enforcement proceedings brought by / against the Group:

Information on lawsuits and enforcement proceedings brought by / against the Group:

As of the balance sheet date, a provision for lawsuits amounting to TRY 245,438 (previous period: TRY 46.018) has been reserved against the possibility of loss of the ongoing lawsuits brought against the Group.

The ongoing lawsuits and enforcement proceedings against or in favor of the Group as of the balance sheet date are as follows:

Ongoing Litigation and Enforcement Proceedings	30.06.2022		31.12.2021	
	Amount	Payment	Amount	Payment
Lawsuits opened and ongoing by the Group	5	755.327	5	963.332
Ongoing enforcement proceedings in favor of the group	7	870.592	6	357.252
Lawsuits opened and ongoing against the Group	4	245.438	4	245.438

Note 22 –Employee Benefits and Payables

	30.06.2022	31.12.2021
Premium Payables to Personnel	3.183.743	2.112.586
Social Security Deduction Payables	1.126.838	816.534
Payables within the Scope of Employee Benefits	4.310.581	2.929.120

According to the Labor Law, the Group is obliged to pay severance pay to its personnel who are dismissed without any reason, called for military service, who die or who retire after completing 25 years (20 years for women) service and reach the retirement age (58 for women, 60 for men) provided that they have completed one year of service.

The amount payable is equal to one month's salary, limited to a maximum of 10,848.59 TRY (31.12.2021: 8,285 TRY) for each year of service as of 30.06.2022.

Since there is no obligation to allocate funds, no funds have been allocated for the obligation.

The provision for employment termination benefits has been calculated by estimating the value of the Group's probable future obligation arising from the retirement of its employees at the balance sheet date.

TAS 19 "Employee Benefits" requires actuarial valuation methods to be used to estimate the liabilities of companies under certain social benefits plans. Accordingly, actuarial assumptions and current legal obligations are used for each company in calculating the total liability.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

	30.06.2022	31.12.2021
Provision For Severance Pay	912.725	1.248.281
Unused Permission Liabilities	1.790.088	1.224.037
	30.06.2022	31.12.2021
Discount Rate	5,13%	1,83%
Severance pay non-payment rate	5%	6%

The movement table regarding provisions for severance pay is as follows:

	30.06.2022	31.12.2021
The provision as of January 1	1.248.281	854.035
Severance pay provisions	927.423	363.052
Payments and outstanding provisions	(62.257)	(109.099)
Actuarial gain/loss fund from retirement plans	(1.200.722)	140.293
Balance at the end of the period	912.725	1.248.281

The movement table for permit provisions is as follows:

	30.06.2022	31.12.2021
Provision as of 1 January	1.224.037	649.258
Provisions made during the period	566.051	574.779
Balance at the end of the period	1.790.088	1.224.037

Note 23 – Retirement Plans

Apart from the legal regulations explained in Note 22, there is no regulation for retirement commitments.

Note 24 – Prepaid Expenses and Deferred Income

	30.06.2022	31.12.2021
Prepaid expenses to related parties (*)	236.311	415.487
- Order advances given	134.407	403.093
- Business advances	101.904	12.394
Prepaid expenses to third parties	194.006.714	71.569.182
- Order advances given	189.353.683	68.205.825
- Expenses for the next months	2.068.529	1.725.333
- Business advances	2.584.502	1.638.024
Prepaid Expenses (Classified under Current Assets)	194.243.025	71.984.669

(*)The details are explained in Note 38.

	30.06.2022	31.12.2021
Prepaid expenses to third parties	98.979.725	11.575.852
- Expenses for future years	1.012.480	47.670
- Order advances given	97.967.245	11.528.182
Prepaid Expenses (Classified as Fixed Assets)	98.979.725	11.575.852

	30.06.2022	31.12.2021
Deferred income from third parties	128.812.232	175.210.959
Received advances	128.812.232	175.210.959
Deferred Revenues Except for Liabilities Arising from Customer Agreements (Short Term)	128.812.232	175.210.959

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 25 –Assets Related to Current Period Tax

	30.06.2022	31.12.2021
Prepaid Taxes And Funds (Short Term)	16.545	-
Prepaid Taxes And Funds (Long Term)(*)	1.832.468	672.776
Assets Related to Current Period Tax	1.849.013	672.776

(*)Long-term prepaid taxes and funds consist of contracting business withholding tax deductions.

Note 26 –Other Assets and Liabilities

	30.06.2022	31.12.2021
Deferred VAT	12.252.104	19.922.343
Other Current Period Assets	12.252.104	19.922.343

	30.06.2022	31.12.2021
Taxes, fees and other deductions payable	5.037.758	3.596.364
Overdue, deferred or installment tax and premium debts	193.378	773.511
Other Short-Term Liabilities	5.231.136	4.369.875

Note 27 –Capital, Reserves and Other Equity Items

A. Paid-in Capital

The shareholding structure of the Group as of 30.06.2022 and 31.12.2021 is as follows:

Name	30.06.2022		31.12.2021	
	Share Rate %	Share Amount (TRY)	Share Rate %	Share Amount (TRY)
Sami Aslanhan	33,1035	12.600.000	38,095	14.500.000
Ömer Ünsalan	33,1035	12.600.000	38,095	14.500.000
Public Part	33,7930	12.862.500	23,810	9.062.500
Total	100,00	38.062.500	100,00	38.062.500

The company does not have any preferred shares.

The paid-in capital of the Company as of 31.06.2022 is 38.062.500 TRY (31.12.2021: 38.062.500 TRY). The company switched to the registered capital system at the general assembly meeting dated 21.05.2020.

The company consists of 38.062.500 shares with a capital of 1 TRY each (31.12.2021: 38.062.500 shares).

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

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

With the Board of Directors' Decision dated 08.06.2022, the Group decided to increase its issued capital from 38.062.500.-TRY to 200.000.000.-TRY by covering all from internal resources. Within the scope of his application to the Capital Markets Board to increase the capital to 200.000.000 TRY by way of capital increase, he updated his application in accordance with the revision of the amounts to be met from internal resources previously determined in accordance with the Turkish Commercial Code, the process continues.

Sami Aslanhan sold the shares of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi to domestic and foreign institutional investors via a special order with a total nominal amount of TRY 1.900.000 at a price of TRY 150, on 26/04/2022. With this transaction, Sami Aslanhan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi reached the limit of 33.10% as of 26/04/2022.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Ömer Ünsalan sold the shares of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi to domestic and foreign institutional investors via a special order with a total nominal amount of TRY 1.900.000 at a price of TRY 150, on 26/04/2022. With this transaction, Ömer Ünsalan shares in the capital of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi reached the limit of 33.10% as of 26/04/2022.

Premiums / Discounts Related to Shares

As a result of the public offering made in 2020, the company provided a capital increase of 8.062.500 TRY with the sale of 8.062.500 shares with a nominal value of 1 TRY, and an additional cash inflow of 59.331.875 TRY due to the fact that the sale was above the nominal value. are included in the financial statements as share issue premium

	30.06.2022	31.12.2021
Premiums / Discounts Related to Shares	59.331.875	59.331.875
Total	59.331.875	59.331.875

B. Other Accumulated Comprehensive Income/Expenses that Will Not Be Reclassified to Profit or Loss

Accumulated other comprehensive income / expenses that will not be reclassified to profit or loss consist of revaluation increases of tangible fixed assets and remeasurement gains / losses of defined benefit plans. Movement tables are as follows;

	30.06.2022	31.12.2021
Property, plant and equipment revaluation increases		
Balance as of 1 January	33.135.234	4.477.856
Revaluation increases / decreases in tangible fixed assets that occurred during the period	(1.013.691)	30.424.906
Taxes on other comprehensive income that will not be reclassified to profit or loss during the period	50.685	(1.767.528)
Balance at the end of the period	32.172.228	33.135.234
Remeasurement Gains (Losses)of the Defined Benefit Plan		
Balance as of 1 January	(280.003)	(178.677)
Revaluation increases / decreases in tangible fixed assets that occurred during the period	1.200.722	(165.772)
Taxes on other comprehensive income that will not be reclassified to profit or loss during the period	(276.165)	64.446
Balance at the end of the period	644.554	(280.003)

C. Other Accumulated Comprehensive Income/Expenses that Reclassified to Profit or Loss

Accumulated other comprehensive income/expenses to be reclassified to profit or loss consist of foreign currency translation differences and the movement tables are as follows;

	30.06.2022	31.12.2021
Foreign Currency Translation Differences		
Balance as of 1 January	469.174	-
Foreign currency translation differences that consist of during period	1.816.171	469.174
Balance at the end of the period	2.285.345	469.174

D. Restricted Reserves Allocated from Profit

According to the Turkish Commercial Code, legal reserves are divided into first and second legal reserves. The first-order reserves are set aside at the rate of 5% of the net profit in the statutory financial statements, until the total reaches 20% of the revalued paid-in capital. Second order legal reserves are set aside as 10% of the total dividend distributions exceeding 5% of the revalued capital. Legal reserves can only be used to offset losses and cannot be used for other purposes unless they exceed 50% of the paid in capital.

	30.06.2022	31.12.2021
Balance as of 1 January	1.617.443	10.299
Reserves allocated during the period with the decision of the general assembly	7.548.622	1.607.144
Reserves allocated during the period (R&D)	153.583	-
Total	9.319.648	1.617.443

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

E. Retained Earnings/Loss

According to the Communiqué Serial: XI, No: 29, which entered into force as of January 1, 2008, and the CMB announcements explaining it, "Paid-in Capital", "Restricted Reserves from Profit" and "Share Premiums" must be shown over the amounts in the legal records. Differences in valuations during the implementation of the aforementioned communiqué;

-Arise from the "Paid in Capital" and have not been added to the capital yet, the "Capital Adjustment Differences Account" to be submitted after the "Paid in Capital" account,

-Arise from "Restricted Reserves Allocated from Profit" and "Share Premiums" and if they have not been subject to dividend distribution or capital increase yet, they are associated with "Retained Years Profit/Loss".

	30.06.2022	31.12.2021
Balance as of 1 January	23.573.794	8.108.635
Prior period profit/(loss)	130.667.738	23.978.951
Dividend payment	(12.429.627)	(6.906.648)
Transfer to profit reserves restricted by the decision of the general assembly (R&D Design Fund) allocated during the term	(7.548.622)	(1.607.144)
Increase/Decrease Due to Share Ratio Changes in Subsidiaries Not Resulting in Loss of Control ⁽¹⁾	3.185	-
Merger/Division/Liquidation Effect ⁽²⁾	(177.946)	-
Balance at the end of the period	133.934.939	23.573.794

⁽¹⁾ The effect on the account of retained earnings and losses of the parent arising from the sale of 5% of Progresiva's shares.

⁽²⁾ The effect of the Group on retained earnings and losses of the parent company due to the liquidation of 6 joint ventures, which were included in the consolidation in previous periods, between 01.01.2022 and 30.06.2022.

F. Non-Controlling Interests

The details of the non-controlling interests are as follows:

	30.06.2022	31.12.2021
Balance as of 1 January	(177.946)	(64.314)
Effect of Change in Ownership Rate of Non-Controlling Shares	246.814	-
Subsidiaries out of consolidation	177.946	-
Profit/loss of Non-Controlling Shares	(7.417)	(113.632)
Balance at the end of the period	239.397	(177.946)

Note 28 – Revenue and Cost of Sales

A. Gross Profit/Loss Arising from Operations

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Domestic Sales	221.635.269	174.534.828	81.684.730	25.553.750
Export Sales	294.990.670	127.978.876	112.723.065	65.365.666
Other Sales	500.563	62.622	43.656	43.297
Total Gross Revenues	517.126.502	302.576.326	194.451.451	90.962.713
Sales Discounts(-)	(3.461.718)	(2.108.862)	(427.457)	(427.457)
Net Gross	513.664.784	300.467.464	194.023.994	90.535.256
Cost Of Sales(-)	(349.584.964)	(191.055.442)	(132.212.908)	(52.177.238)
Gross Profit on Sales	164.079.820	109.412.022	61.811.086	38.358.018

B. Gross Profit/Loss Arising from Financial Sector Operations

Current Period: None (Prior Period: None).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 29 – Operating Expenses

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
General administrative expenses	(23.941.937)	(10.671.683)	(9.897.398)	(4.140.181)
Marketing expenses	(18.401.316)	(10.139.613)	(10.887.341)	(8.113.179)
Research and development expenses	(3.900.856)	(2.636.343)	(1.337.856)	(930.497)
Total	(46.244.109)	(23.447.639)	(22.122.595)	(13.183.857)

Not 30 – Expenses By Nature

As of 01.01-30.06.2022 and 01.01-30.06.2021, the details of expenses according to their nature are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Personnel Expenses	(1.809.385)	(1.263.189)	-	-
Depreciation Expenses	(1.225.296)	(818.462)	(1.337.295)	(946.048)
Reserved Provision Expenses	(70.546)	37.043	(561)	15.551
Severance Pay Provision Expenses	(48.857)	33.330	-	-
Other Miscellaneous Expenses	(746.772)	(625.065)	-	-
Research and Development Expenses	(3.900.856)	(2.636.343)	(1.337.856)	(930.497)

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Travel accommodation expenses	(5.782.903)	(4.667.090)	(1.152.548)	(978.356)
Freight expenses	(4.304.224)	-	(1.936.137)	(1.017.369)
Advertising and promotion expenses	(3.217.675)	(2.357.215)	(1.524.766)	(1.312.892)
Personnel expenses	(2.170.921)	(1.200.847)	(814.850)	(466.899)
Customs clearance expenses	(1.140.960)	(801.303)	(4.610.021)	(3.653.596)
Consulting expenses	(1.088.391)	(781.799)	(638.206)	(569.041)
Vehicle expenses	(328.986)	(132.985)	(134.403)	(67.460)
Outsourced benefits and service expenses	(305.453)	(198.870)	(3.421)	(2.309)
Severance Pay Provision Expenses	(61.803)	496	(40.615)	(32.943)
Other miscellaneous expenses	-	-	(32.374)	(12.314)
Marketing Expenses	(18.401.316)	(10.139.613)	(10.887.341)	(8.113.179)

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Outsourced Benefits And Service Expenses	(6.375.216)	(798.627)	(1.930.822)	(1.106.277)
Personnel Expenses	(5.340.201)	(2.895.155)	(2.751.734)	(1.384.590)
Depreciation Expense	(3.399.874)	(1.974.900)	(814.382)	(526.696)
Tax Duties And Fees	(3.166.178)	(1.820.521)	(799.461)	(192.534)
Doubtful Trade Receivables Provision Expenses	(1.545.568)	(1.545.568)	(1.770.566)	(29.846)
Rent, Dues And Usage Expenses	(1.413.993)	(574.361)	(573.781)	(277.713)
Bank Charges	(922.251)	(130.294)	(303.906)	(211.181)
Vehicle Expenses	(851.105)	(292.807)	(260.355)	(146.491)
Minor Fixture Expenses Written As An Expense	(328.745)	(328.707)	(250.246)	(216.261)
Depreciation Expenses Related To Leases	(294.758)	(264.439)	-	-
Severance Pay Provision Expenses	(108.150)	3.749	-	-
Vacation Payment Provision Expenses	(107.757)	25.308	(65.986)	(36.051)
Other Receivables Expense And Provision Expenses	-	-	(207.374)	20.499
Business Advances Provision Expenses	-	-	(107.282)	(9.782)
Other Miscellaneous Expenses	(88.141)	(75.361)	(61.503)	(23.258)
General And Administrative Expenses	(23.941.937)	(10.671.683)	(9.897.398)	(4.140.181)

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
General Administrative Expenses	(3.399.874)	(1.974.900)	(814.382)	(526.696)
Cost Of Sales	(1.682.433)	(1.227.230)	(291.423)	(43.169)
Research And Development Expenses	(1.225.296)	(818.462)	(1.337.295)	(946.048)
Depreciation Expenses	(6.307.603)	(4.020.592)	(2.443.100)	(1.515.913)

The details of the Group's severance pay provision expenses are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Cost Of Sales	(628.044)	(200.847)	-	-
Financing Expenses	(142.372)	(75.457)	-	-
General And Administrative Expenses	(108.150)	3.749	-	-
Research And Development Expenses	(48.857)	33.330	-	-
Severance Pay Provision Expenses	(927.423)	(239.225)	-	-

The details of the Group's vacation payment provisions are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Cost of sales	(325.945)	(19.052)	(128.064)	(27.395)
General administrative expenses	(107.757)	25.308	(65.986)	(36.051)
Marketing expenses	(61.803)	496	(40.615)	(32.943)
Research and development expenses	(70.546)	37.043	(561)	15.551
Vacation Payment Provisions	(566.051)	43.795	(235.226)	(80.838)

Note 31 –Other Income / Expenses from Main Operations

As of 01.01-30.06.2022 and 01.01-30.06.2021, the details of income / expenses from main activities are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Foreign Exchange Gains	167.977.095	87.509.375	37.015.986	17.752.274
Interest Income	12.439.418	4.801.321	10.771.370	2.887.365
Social Security Premium And Support Income	924.826	474.588	489.302	297.151
Provision Expenses For Order Advances That Have No Longer Required	878.562	878.562	518.147	50.852
Rental Incomes	65.188	32.802	2.000	800
Bank protocol revenues	-	-	90.000	90.000
Provision Expenses For Litigation That Have No Longer Required	-	-	49.277	-
Provision Expenses For Severance Pay That Have No Longer Required	-	-	409.449	194.197
Other Income	3.132.599	1.522.757	313.279	214.627
Total Other Operating Income	185.417.688	95.219.405	49.658.810	21.487.266

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Foreign Exchange Expenses	(79.645.877)	(44.747.775)	(22.653.717)	(11.193.912)
Interest Expenses	(16.538.802)	(13.095.805)	(8.188.337)	(2.302.163)
Vehicle expenses that cannot be written off	(1.285.756)	(725.058)	(302.498)	(159.899)
Donation and aid expenses	(275.000)	(275.000)	(115.000)	(115.000)
Litigation provision expense	(199.420)	-	(17.400)	-
Other expenses	(1.662.184)	(464.277)	(930.665)	(581.823)
Total Other Operating Expenses	(99.607.039)	(59.307.915)	(32.207.617)	(14.352.797)

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

Note 32 – Income and Expenses from Investment Activities

As of 01.01-30.06.2022 and 01.01-30.06.2021 the details of income / expenses from investment activities are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Equity sales profits and value increases	12.883.863	2.588.853	2.603.323	258.817
Income from foreign currency/gold conversion currency-protected/price-protected TRY deposit accounts	8.716.664	6.091.644	-	-
Fixed Assets sales profits	4.603.326	4.603.326	782.178	782.178
Securities sales profits	792.448	743.570	51.978	26.661
Rental income from investment properties	-	-	39.038	21.758
Total Income from Investment Activities	26.996.301	14.027.393	3.476.517	1.089.414

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Losses from share sales and impairment provisions from shares	(1.940.000)	-	(529.833)	(483.470)
Joint venture losses	(322.386)	(322.386)	-	-
Total Expenses from Investment Activities	(2.262.386)	(322.386)	(529.833)	(483.470)

Note 33 – Financing Expenses

As of 01.01-30.06.2022 and 01.01-30.06.2021 the details of financing expenses are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Exchange Losses	(79.502.306)	(48.411.349)	(7.006.496)	(3.426.763)
Interest Expenses	(10.011.860)	(3.883.549)	(3.458.558)	(1.732.836)
Letter Of Guarantee Commission Expenses	(8.790.310)	(5.764.884)	(1.703.465)	(864.609)
Severance Pay Financial expenses	(142.372)	(75.457)	-	-
Current period interest expenses on operating leases	(212.005)	(160.594)	-	-
Total Financing Expenses	(98.658.853)	(58.295.833)	(12.168.519)	(6.024.208)

Note 34 – Financing Incomes

As of 01.01-31.06.2022 and 01.01-30.06.2021 the details of financing income are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Interest Incomes	4.466.456	2.901.775	1.564.216	801.313
Exchange Gains	1.947.853	1.892.442	344.273	232.481
Total Financing Expenses	6.414.309	4.794.217	1.908.489	1.033.794

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

A. Non-current Assets Held for Sale

Current Period: None (Prior Period: None).

B. Discontinued Operations

Current Period: None (Prior Period: None).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 36 – Income Taxes

A. Current Period Tax Assets and Liabilities

In Turkey, the corporate tax rate is 23% as of 30 June 2022. With the provisional article 13 added to the Corporate Tax Law No. 5520, with the 11th article of the Law on Collection Procedure of Public Receivables and Law No. The corporate tax rate will be 25% for corporate earnings for the 2021 taxation period, 23% for corporate earnings for the 2022 taxation period, and it is anticipated to continue to be taxed with a 20% rate again.

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

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

As of 30 June 2022 and 31 December 2021 the details of tax expenses are as follows:

	30.06.2022	31.12.2021
Current period tax provisions	24.497.267	23.480.365
Prepaid taxes (-)	(9.028.523)	(13.216.626)
Total	15.468.744	10.263.739

The details of tax expenses reflected in the income statement for the periods 01.01-30.06.2022 and 01.01-31.03.2021 are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Corporation tax for the current period	(24.497.267)	(15.625.213)	(7.825.662)	(3.692.617)
Deferred tax incomes/expenses	(250.826)	1.595.686	346.696	339.344
End of the period	(24.748.093)	(14.029.527)	(7.478.966)	(3.353.273)

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

B. Deferred tax assets and liabilities

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of 30 June 2022 and 31 December 2021, using the applicable tax rates, is as follows:

	30.06.2022		31.12.2021	
	Total Temporary Differences	Deferred Tax Asset / (Liability)	Total Temporary Differences	Deferred Tax Asset / (Liability)
Deferred Tax Related to Statement of Income				
Adjustments to trade receivables discounts	13.315.160	3.062.487	9.979.114	2.295.198
Adjustments for doubtful trade receivables provisions	13.125.481	3.018.861	11.579.912	2.663.379
Adjustments for interest accrual expenses	8.909.138	2.049.102	913.520	210.110
Corrections regarding provisions for order advances given	2.023.086	465.310	2.901.648	667.379
Adjustments to provisions for vacation payment provisions	1.790.088	411.720	1.224.037	281.528
Adjustments for provisions for impairment in inventories	1.497.423	344.407	2.263.441	520.591
Adjustments for temporary differences on intangible assets	1.377.582	275.516	1.661.795	332.622
Fixes for permission provisions	912.725	209.927	1.248.281	287.105
Non-deductible financial losses	877.268	201.772	180.044	39.610
Adjustments due to rental transactions	275.847	63.445	-	-
Adjustments to litigation provisions	245.438	56.450	46.018	10.584
Adjustments to provisions for business advance	-	-	268.534	61.763
Adjustments to other provisions for receivables	-	-	9.000	2.070
Gross deferred tax asset		10.158.997		7.371.939
Adjustments for investment property value increases (*)	(30.826.372)	(1.541.319)	(31.612.372)	(1.580.619)
Adjustments to interest income on foreign currency protected deposits	(8.716.664)	(2.004.833)	-	-
Adjustments for investments accounted for using the equity method	(7.921.603)	(396.080)	-	-
Corrections made due to the application of percent complete method in projects	(6.032.974)	(1.387.584)	(3.116.361)	(716.763)
Adjustments to trade payables discounts	(2.391.802)	(550.114)	(3.223.642)	(741.437)
Adjustments to foreign exchange gain and expense	(1.273.317)	(292.865)	-	-
Adjustments for temporary differences on property, plant and equipment	(61.172)	(12.234)	(523.478)	(104.696)
Adjustments for interest accrual income	(59.360)	(13.653)	(7.318)	(1.683)
Adjustments due to rental transactions	-	-	(67.827)	(15.600)
Gross deferred tax liability		(6.198.682)		(3.160.798)
Net deferred tax assets / (liability)		3.960.315		4.211.141

	30.06.2022		31.12.2021	
	Total Temporary Differences	Deferred Tax Asset / (Liability)	Total Temporary Differences	Deferred Tax Asset / (Liability)
Deferred Tax Related to Equity				
Adjustments for remeasurement gains / (losses) of defined benefit plans	-	-	363.640	83.636
Adjustments for property, plant and equipment revaluation increases	-	-	363.640	83.636
Gross deferred tax asset				
Adjustments for property, plant and equipment revaluation increases	(33.865.503)	(1.693.275)	(34.879.194)	(1.743.960)
Adjustments for remeasurement gains / (losses) of defined benefit plans	(837.082)	(192.529)	-	-
Gross deferred tax liability	(34.702.585)	(1.885.804)	(34.879.194)	(1.743.960)
Net deferred tax assets/(liabilities)		(1.885.804)		(1.660.324)

Movement of net deferred tax assets is as follows:

	30.06.2022	31.12.2021
Balance of 1 January	2.550.817	(1.112.771)
Deferred tax income / (expense) written to the income statement	(250.826)	5.132.905
Deferred tax income/(expense) attributed to equity	(225.480)	(1.469.317)
Balance at the end of the period	2.074.511	2.550.817

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 37 – Earnings and Losses Per Share

The weighted average of the Group's shares for the periods 01.01-30.06.2022 and 01.01-30.06.2021 and calculation of earnings per unit share are as follows:

	1.01.2022- 30.06.2022	1.04.2022- 30.06.2022	1.01.2021- 30.06.2021	1.04.2021- 30.06.2021
Earnings / (loss) per share from continuing operations:				
Net profit / (loss) from continuing operations	119.530.591	76.298.883	42.351.338	24.577.213
Weighted average number of shares with a nominal value of 1 TRY each	38.062.500	38.062.500	38.062.500	38.062.500
Earnings per share / (loss) from discontinued operations (TRY)	3,14	2,00	1,11	0,65
Earnings / (loss) per share:				
Net profit for the period / (loss)	119.530.591	76.298.883	42.351.338	24.577.213
Net profit / (loss) of non-controlling interests	(7.417)	(8.543)	(111.058)	(102.660)
Net profit for the period / (loss) on the shares of the parent	119.538.008	76.307.426	42.462.396	24.679.873
Weighted average number of shares with a nominal value of 1 TRY each	38.062.500	38.062.500	38.062.500	38.062.500
Earnings / (Loss) Per Share (TRY)	3,14	2,00	1,12	0,65

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

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

The reconciliation of the number of shares of the Group at the beginning and end of the period is as follows:

	30.06.2022	31.12.2021
Number of weighted shares at the beginning of the period	38.062.500	28.942.111
Number of weighted shares issued during the period	-	9.120.389
Number of weighted shares at the end of the period	38.062.500	38.062.500

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

In the current period, dividend accrued amounting to 12.429.627 TRY (Previous period: 6.906.648 TRY dividend was paid). There are no share-based payments (Previous period: None).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Note 38 – Related Party Disclosures

- A. As of 30.06.2022 and 31.12.2021, the current account balances (net book values) of the Group with its partners, certain companies with which it has indirect capital, management and business relations through its partners and key personnel are as follows:

	30.06.2022	31.12.2021
Trade Receivables From Related Parties		
Kmt International Projects Dmcc.	6.704.896	5.220.152
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	238.166	466.385
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	25.177	19.792
Dcd Enerji ve Teknoloji A.Ş. (*)	-	1.062.166
Total	6.968.239	6.768.495

(*)As of 30.06.2022 Dcd Enerji ve Teknoloji A.Ş was subtracted from in scope of related parties.

	30.06.2022	31.12.2021
Other Receivables From Related Parties		
Fc Kontrolmatik Toshkent Llc	36.338.420	11.030.875
Kontrolmatik Cameroon	4.964.735	-
Kontrolmatik Libya şubesi	1.906.637	551.544
Llc Controlmaticrus	56.165	30.280
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	30.069	22.738
Biserwis Ulaşım ve Mobil Teknolojileri A.Ş.	27.674	11.074
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	5.735	404
Boyut Mak. San. Taş. Ltd. Şti. (**)	-	100.000
Total	43.329.435	11.746.915

(**)As of 30.06.2022 Boyut Mak. San. Taş. Ltd. Şti was subtracted from in scope of related parties.

	30.06.2022	31.12.2021
Prepaid Expenses (On Current Assets)		
Rektus Dış Tic. Ltd. Şti.	131.462	131.323
Osman Şahin Köşker	101.904	12.394
İnfinia Mühendislik Ltd. Şti.	2.945	250.000
Nennkraft Energie Gmbh	-	21.770
Total	236.311	415.487

	30.06.2022	31.12.2021
Trade Payables To Related Parties		
İnfinia Mühendislik Ltd. Şti.	-	279.466
Ali Ünsalan	-	60.495
Total	-	339.961

	30.06.2022	31.12.2021
Other Payables To Related Parties(*)		
Sami Aslanhan	126.884.683	1.981.248
Ömer Ünsalan	81.087.244	149.292
Public Part	4.200.357	-
Total	212.172.284	2.130.540

(*)A part of the debt balance to Sami Aslanhan and Ömer Ünsalan and the entire publicly held part includes dividend accruals.

- B. The Group's sales and purchases (paid, received, interest, rent and other income expenses and maturity dates) with its partners and major companies with which it has indirect capital, management and business relations between 01.01-30.06.2022 and 01.01-30.06.2021 including differences):

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

	1.01.2022-	1.04.2022-	1.01.2021-	1.04.2021-
	30.06.2022	30.06.2022	30.06.2021	30.06.2021
Goods and Services Sales				
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort.(Say)	317.130	121.021	153.790	76.067
Total	317.130	121.021	153.790	76.067
Goods and Services Purchases				
İnfinia Mühendislik Ltd. Şti.	11.425.458	11.425.458	-	-
Nennkraft Energie Gmbh	582.319	408.578	108.378	-
Ali Ünsalan	-	-	89.222	89.222
Total	12.007.777	11.834.036	197.600	89.222
Rental invoices that have been cut				
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	1.200	600	1.000	400
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	1.200	600	1.000	400
Total	2.400	1.200	2.000	800
Deducted Adat Bills				
Ömer Ünsalan	294.128	-	28.553	7.338
Sami Aslanhan	22.120	-	51.282	6.057
Total	316.248	-	79.835	13.395

Salaries, attendance fees and similar short-term benefits provided to key management personnel in the 01.01-30.06.2022 and 01.01-31.03.2021 periods:

01.01-30.06.2022: 977.902 TRY (01.01-30.06.2021: 901.970 TRY).

Benefits (compensations) to be provided after the dismissal of the Group's senior (key) managerial personnel: 01.01-30.06.2022: 82.100 TRY (01.01-30.06.2021: 47.649 TRY).

There are no long-term benefits provided to the key management personnel of the Group in the periods 01.01-31.03.2022 and 01.01-30.06.2021.

There are benefits provided to the key management personnel of the Group who have left the job and whose senior position has ended: 01.01-30.06.2022:60.500 TRY (01.01- 30.06.2021:None).

No share-based payments are made.

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Not 39 –Nature and Level of Risks Arising from Financial Instruments

A)Capital risk management

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

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

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

	30.06.2022	31.12.2021
Borrowings total (Note 8)	686.364.806	288.794.322
Minus: Cash and cash equivalents (Note 6-7)	(194.717.342)	(77.148.996)
Net financial debt	491.647.464	211.645.326
Total equity	395.528.494	286.399.809
Net financial debt/equity ratio	124%	74%

A) Significant Accounting Policies

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

B) Targets in financial risk management

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

C) Risk Management

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

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

Management of stock price changes (price risk):

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Interest rate risk management:

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

Fixed rate financial instruments		30.06.2022	31.12.2021
Financial Assets			
	Financial assets at fair value through profit or loss	-	-
Financial Liabilities	Financial assets held to maturity	19.036.321	16.558.229
Variable Rate Financial Instruments		459.566.155	181.476.469
Financial Assets			
Financial Liabilities		70.705.864	-
Fixed rate financial instruments		226.798.651	107.317.853

As of 30 June 2022 and 31 December 2021, if the interest base point had changed by 100 points, that is, if interest rates had increased by 1% and all other variables had remained constant, net interest expense would amount to TRY 5,966,226 (2021: net interest rate). expense of 2.722.361 TRY), and in this case the net profit for the period before tax would decrease by 5.966.226 TRY (2021: 2.722.361 TRY decrease).

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

Interest Rate Sensitivity Analysis Table

	30.06.2022	
	Profit/Loss	
	Increase in Base Point	Decrease in Base Points
If the base point change is 100 (1%):		
TRY	(2.200.356)	2.200.356
USD	(601.700)	601.700
EUR	(1.603.242)	1.603.242
Total Effect of Fixed Rate Financial Instruments	(4.405.298)	4.405.298
If the base point change is 100 (1%):		
TRY	(125.758)	125.758
USD	(470.697)	470.697
EUR	(964.473)	964.473
Total Effect of Variable Rate Financial Instruments	(1.560.928)	1.560.928
TOTAL	(5.966.226)	5.966.226

Interest Rate Sensitivity Analysis Table

	31.12.2021	
	Profit/Loss	
	Increase in Base Point	Decrease in Base Points
If the base point change is 100 (1%):		
TRY	(151.277)	151.277
USD	(44.174)	44.174
EUR	(1.453.731)	1.453.731
Total Effect of Fixed Rate Financial Instruments	(1.649.182)	1.649.182
If the base point change is 100 (1%):		
TRY	(395.305)	395.305
USD	(64.888)	64.888
EUR	(612.986)	612.986
Total Effect of Variable Rate Financial Instruments	(1.073.179)	1.073.179
TOTAL	(2.722.361)	2.722.361

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

Exchange rate risk management:

As of 30 June 2022 and 31 December 2021, the carrying values (net) of foreign currency denominated financial assets and liabilities are as follows:

	30.06.2022	31.12.2021
A. Assets in foreign currency	841.872.877	483.074.326
B. Liabilities in foreign currency	556.397.461	436.891.290
Net foreign exchange position (A-B)	285.475.416	46.183.036

30.06.2022	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	520.959.187	23.312.959	7.170.977	1.485.784
2 a. Monetary Financial Assets (Including Cash, Bank Accounts)	86.149.509	2.713.735	2.356.705	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	191.258.312	7.699.122	3.580.322	182.500
4. Current Assets (1+2+3)	798.367.008	33.725.816	13.108.004	1.668.284
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	43.505.869	2.260.290	332.671	-
8. Fixed Assets (5+6+7)	43.505.869	2.260.290	332.671	-
9. Total Assets (4+8)	841.872.877	35.986.106	13.440.675	1.668.284
10. Trade Payables	108.208.003	4.144.756	1.971.630	262.309
11. Financial Liabilities	311.516.105	6.104.853	12.046.017	-
12a. Other Monetary Liabilities	81.275.968	2.432.158	2.324.740	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Short-Term Liabilities (10+11+12)	501.000.076	12.681.767	16.342.387	262.309
14. Trade Payables	-	-	-	-
15. Financial Liabilities	55.397.385	320.000	2.876.558	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	55.397.385	320.000	2.876.558	-
18. Total Liabilities (13+17)	556.397.461	13.001.767	19.218.945	262.309
19. Net Asset / (Liability) Position of Foreign Currency Derivative Instruments Outside the Statement of Financial Position (19a-19b)	-	-	-	-
19a. Amount of Foreign Currency Derivative Products Out of Statement of Financial Position with Active Character	-	-	-	-
19b. Amount of Foreign Currency Derivative Products Excluded from the Financial Position Statement with Liable Character	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	285.475.416	22.984.339	(5.778.270)	1.405.975
21. Monetary Items Net Foreign Currency Asset/(Liabilities) Position (1+2a+5+6a-10-11-12a-14-15-16a)	50.711.235	13.024.927	(9.691.263)	1.223.475
22. Financial Used for Currency Hedge	-	-	-	-
23. Amount of Hedged Part of Foreign Currency Assets	-	-	-	-
24. Hedged Currency Liabilities	-	-	-	-
25. Export (excluding interest discount)	294.990.670	16.005.078	2.710.811	-
26. Import	3.361.364	165.196	59.335	-

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

As of 30 June 2022 and 31 December 2021, the hedging rate of the total foreign currency liability arising from total imports is the rate of covering the foreign currency risk of the total foreign currency liability through a derivative instrument. Since the Group does not have forward transactions, there is no hedging ratio of the total foreign currency liabilities.

As of 30 June 2022 and 31 December 2021, if TRY, USD, EUR and other foreign currencies had changed by 10% at the same time and all other variables had remained constant, the net foreign exchange gain / loss arising from the assets and liabilities in these currencies before tax The net profit/loss for the period would have been higher / lower by TRY 28.547.542 (2021: TRY 4.618.304 would have been higher / lower).

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

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

Exchange Rate Sensitivity Analysis Table	30.06.2022	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
If the USD rate changes by 10%:		
1- USD net asset/(liability)	38.274.580	(38.258.586)
2- The portion protected from USD risk (-)	-	-
3- USD Net Effect (1+2)	38.274.580	(38.258.586)
If the EUR rate changes by 10%:		
4- EUR net asset/(liability)	(10.124.743)	10.124.743
5- Part protected from EURO risk (-)	-	-
6- EUR Net Impact (4+5)	(10.124.743)	10.124.743
If other exchange rates change by 10%:		
7- Other foreign currency net assets/(liabilities)	397.705	(397.705)
8- The portion protected from other foreign currency risk (-)	-	-
9- Net Effect on Other Foreign Currency Assets (7+8)	397.705	(397.705)
Total (3+6+9)	28.547.542	(28.531.548)

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

D) Credit and collection risk management

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

Credit risks exposed by types of financial instruments:

30.06.2022	Receivables				Deposits in Banks(*)	Cash and Other
	Trade Receivables		Other Receivables			
	Related Parties	Other Parties	Related Parties	Other Parties		
(A+B+C+D) Maximum Net Credit Risk As Of Balance Sheet Date (1)	6.968.239	527.091.527	43.329.435	31.813.448	194.429.470	287.872
The Part Of Maximum Risk Under Guarantee With Collateral	-	-	-	-	-	-
A. Net Book Value Of Financial Assets That Are Neither Past Due Nor Impaired (2)	6.968.239	525.075.115	43.329.435	31.813.448	194.429.470	287.872
B. Net book value of assets that are past due but not impaired (5)	-	-	-	-	-	-
C. Net Book Value Of Impaired Asset (3)	-	2.016.412	-	-	-	-
- Overdue (Gross Net Book Value)	-	15.553.963	-	-	-	-
- Impairment (-)	-	(13.537.551)	-	-	-	-
- The Part Of Net Value Under Guarantee With Collateral Etc	-	-	-	-	-	-
- Undue (Gross Net Book Value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The Part Of Net Value Under Guarantee With Collateral Etc.	-	-	-	-	-	-
D. Credit Risk off the Statement of Financial Position (4)	-	-	-	-	-	-

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

- (1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.
- (2) Financial assets that are not overdue or impaired are not expected to experience impairment or credit risk in the future.
- (3) The aging analysis of overdue and impaired financial assets as of 30.06.2022 is as follows

	Trade Receivables		Other Receivables	
	Overdue Amount	Provisions for Doubtful Receivables	Overdue Amount	Provisions for Doubtful Receivables
0-30 days past due	20.270	(20.270)	-	-
3-12 months past due	6.433.134	(4.416.722)	-	-
1-5 years past due	9.100.559	(9.100.559)	-	-
Total	15.553.963	(13.537.551)	-	-

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

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

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

- (1) There are no guarantees or irrevocable loan commitments received from companies that pose a credit risk.
- (2) Financial assets that are not overdue or impaired are not expected to experience impairment or credit risk in the future.
- (3) The aging analysis of overdue and impaired financial assets as of 31.12.2021 is as follows:

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

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

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

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

E) Liquidity risk management

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

Maturities as per the Contract	30.06.2022				
	Book Value	Total Cash Outs Per Contract	Less than 3 months	3-12 months	1-5 years
Non-Derivative Financial Liabilities	1.090.261.920	1.092.653.722	286.170.075	575.731.331	230.752.316
Bank credits	683.462.593	683.462.593	141.367.215	318.506.029	223.589.349
Financial Leasing Debts	2.902.213	2.902.213	331.737	1.024.341	1.546.135
Trade payables	160.600.342	162.992.144	144.471.123	12.904.189	5.616.832
Other debts	243.296.772	243.296.772		243.296.772	

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

F) Hedging Accounting

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

Note 40 –Financial Instruments (Fair Value Disclosures and Disclosures Under Hedging Accounting)

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

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022

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

As of 30.06.2022, the values and classification of financial assets and liabilities are as follows:

30.06.2022	Financial Assets and Liabilities at Fair Value at Income Statement	Financial Assets Held to Maturity	Credits and Receivables	Financial Assets Available for Sale	Other/Debts Measured at Amortized Cost	Notes
Financial Assets						
Cash and cash equivalents	104.975.157	19.036.321	-	-	-	6
financial investments	62.611.701	-	-	7.685.606	-	7
Currency-protected/price-protected TRY deposit accounts with FX/gold conversions	70.705.864	-	-	-	-	
Trade receivables	-	-	534.059.766	-	-	10
Other receivables	-	-	75.142.883	-	-	11
Financial Liabilities						
Borrowings	-	-	-	-	686.364.806	8
Trade payables	-	-	-	-	160.600.342	10
Other payables	-	-	-	-	243.296.772	11

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

Fair value measurements are disclosed in the accounting policies for each financial asset and liability, and there are no other events that require any valuation. It is accepted that the book values of cash and banks are close to their fair values.

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

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

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

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

The hierarchy table of fair value measurements as of 30 June 2022 is as follows:

30.06.2022	Level 1	Level 2	Level 3
Financial assets carried at fair value to the statement of financial position			
Cash and cash equivalents	-	-	124.011.478
financial investments	62.611.701	-	-
Currency-protected/price-protected TRY deposit accounts with FX/gold conversions	70.705.864	-	-

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

31.12.2021	Level 1	Level 2	Level 3
Financial assets carried at fair value to the statement of financial position			
Cash and Cash Equivalents	-	-	77.148.996
Financial Investments	40.979.100	-	-

Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi
Notes To The Consolidated Financial Statements As At 30 June 2022
(Amounts Expressed In Turkish Lira (TRY) unless otherwise indicated.)

Note 41 – Events After the Balance Sheet Date

Subsidiary Acquisition

The Group announced that it has purchased 50.1% of the shares of Enwair Enerji Teknolojileri A.Ş. for 6.164.718 TRY in its material event disclosure on 01.07.2022. Enwair; is an R&D company that develops anode and cathode material technologies for battery technologies.

Enwair Energy Technologies Inc. is working on flexible silicon anodes, self-healing anodes, lithium rich cathodes, various polymer binder solutions.

Capital Increase Process

With the Board of Directors' Decision dated 08.06.2022, the Group decided to increase its issued capital from 38.062.500.-TRY to 200.000.000.-TRY by covering all from internal resources. Within the scope of his application to the Capital Markets Board to increase the capital to 200.000.000 TRY by way of capital increase, he updated his application in accordance with the revision of the amounts to be met from internal resources previously determined in accordance with the Turkish Commercial Code and the process continues.

Affiliate Offer For Our Subsidiary Pomega

A binding offer was submitted to Pomega Enerji Depolama Teknolojileri A.Ş., one of the group companies, by İş Portföy Yönetimi A.Ş. on 10.08.2022 to become a 10% shareholder by way of capital increase with an emission premium over a valuation of 210.000.000 USD, and the offer was accepted by the Company and this situation has been reported to İş Portföy Yönetimi A.Ş. Within the framework of the accepted binding offer, the process of conducting a legal review, preparation of the final documentation (shareholders' agreement, etc.), obtaining the necessary permissions and approvals, has begun, and closing (capital increase) transactions will be carried out, provided that the aforementioned processes are completed.