

**KONTROLMATİK
TEKNOLOJİ ENERJİ VE
MÜHENDİSLİK
ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2023
TOGETHER WITH AUDITOR'S REVIEW REPORT**

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

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

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

	Notes	Unaudited Current Period 30.09.2023	Audited Prior Period 31.12.2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	351.239.055	1.182.097.226
Financial Investments	7	3.351.321	134.898.212
Trade Receivables	10	1.188.222.249	835.359.403
<i>Third Parties</i>	10	1.155.842.186	822.445.455
<i>Related Parties</i>	10, 38	32.380.063	12.913.948
Contract Assets	15	197.344.684	33.228.406
Other Receivables	11	128.992.652	80.668.631
<i>Third Parties</i>	11	128.578.564	51.041.129
<i>Related Parties</i>	11, 38	414.088	29.627.502
Derivative Instruments	12	213.723	-
Inventories	13	771.685.021	408.767.348
Prepaid Expenses	24	784.756.055	406.968.657
Current Income Tax Assets	25	286.650	7.149.520
Other Current Assets	26	158.354.127	19.337.085
Total		3.584.445.537	3.108.474.488
Non-Current Assets Held for Sale		-	-
Non-Current Assets			
Financial Investments	7	130.717.289	7.113.162
Other Receivables	11	70.242.839	-
<i>Third Parties</i>	11	584.276	-
<i>Related Parties</i>	11, 38	69.658.563	-
Investments Accounted for Using the Equity Method	16	99.905.104	45.029.843
Right of Use Assets	9	75.958.585	1.188.669
Investment Properties	17	75.397.000	89.123.000
Property, Plant and Equipment	18	2.611.033.805	627.574.369
Intangible Assets	19	665.052.336	38.270.168
<i>Other intangible assets</i>	19	101.499.431	32.315.827
<i>Goodwill</i>	19	563.552.905	5.954.341
Prepaid Expenses	24	32.455.212	292.324.509
Deferred Tax Assets	36	499.966.102	167.764.377
Other Non-Current Assets	26	557.805.488	-
TOTAL ASSETS		8.402.979.297	4.376.862.585

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

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

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

	Notes	Unaudited Current Period 30.09.2023	Audited Prior Period 31.12.2022
LIABILITIES			
Current Liabilities			
Short-Term Borrowings	8	485.862.435	389.504.408
Short-Term Portion of Long-Term Borrowings	8	980.329.407	100.948.567
Lease Liabilities	9	14.371.784	564.333
Trade Payables	10	1.416.190.430	473.489.379
<i>Third Parties</i>	10	1.362.972.979	467.458.287
<i>Related Parties</i>	10, 38	53.217.451	6.031.092
Employee Benefits	22	61.396.171	13.797.327
Other Payables	11	477.723.505	5.411.456
<i>Third Parties</i>	11	476.642.106	5.411.456
<i>Related Parties</i>	11, 38	1.081.399	-
Contract Liabilities	15	9.265.666	38.234.757
Deferred Income	24	438.475.671	82.336.729
Current Income Tax Liabilities	36	47.406.122	36.361.640
Short-Term Provisions	21,22	12.751.563	2.678.165
<i>Other short-term provisions</i>	21, 22	2.715.692	-
<i>Provisions for employee benefits</i>	22	10.035.871	2.678.165
Other Current Liabilities	26	221.556	9.352.682
Total		3.943.994.310	1.152.679.443
Liabilities related to non-current assets held for sale		-	-
Non-Current Liabilities			
Long-Term Borrowings	8	821.569.518	688.028.518
Lease Liabilities	9	64.319.526	853.370
Other Payables	11	1.472.798.423	1.201.854.561
<i>Third Parties</i>	11	31.833.409	-
<i>Related Parties</i>	11, 38	1.440.965.014	1.201.854.561
Long-Term Provisions	21, 22	6.873.691	2.700.297
<i>Other long-term provisions</i>	21	419.125	27.400
<i>Provisions for employee benefits</i>	22	6.454.566	2.672.897
Deferred Tax Liabilities	36	37.609.526	31.865.949
EQUITY			
Equity Holders of the Parent			
Paid-in share capital	27	200.000.000	200.000.000
Other Capital Reserves	27	164.267.004	-
Treasury shares	27	-	(14.150.000)
Share premium	27	400.502.133	438.587.602
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	27	150.441.303	151.647.319
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss	27	40.919.440	3.542.197
Restricted Reserves	27	9.321.255	11.129.389
Retained Earnings	27	415.348.422	18.916.769
Profit for the Period	37	553.691.679	469.060.654
Non-Controlling Interests	27	121.323.067	20.146.517
TOTAL LIABILITIES AND EQUITY		8.402.979.297	4.376.862.585

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

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2023 AND 2022

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

		<i>Unaudited Current Period 01.01.2023 30.09.2023</i>	<i>Unaudited Current Period 01.07.2023 30.09.2023</i>	<i>Unaudited Prior Period 01.01.2022 30.09.2022</i>	<i>Unaudited Prior Period 01.07.2022 30.09.2022</i>
Revenue	28	1.801.833.686	896.612.729	855.407.683	341.742.899
Cost of Sales (-)	28	(1.574.110.903)	(719.148.927)	(541.040.293)	(191.455.329)
Gross Profit		227.722.783	177.463.802	314.367.390	150.287.570
General Administrative Expenses (-)	29, 30	(170.737.424)	(78.219.390)	(44.383.650)	(20.441.713)
Marketing, Sales and Distribution Expenses (-)	29, 30	(62.831.213)	(35.333.142)	(30.392.766)	(11.991.450)
Research and Development Expenses (-)	29, 30	(92.228.195)	(60.622.600)	(6.256.979)	(2.356.123)
Other Operating Income	31	626.395.127	175.177.745	260.166.317	74.748.629
Other Operating Expenses (-)	31	(286.954.520)	(100.188.218)	(157.359.954)	(57.752.915)
OPERATING PROFIT		241.366.558	78.278.197	336.140.358	132.493.998
Share of profit/loss of investments accounted for using the equity method	16	3.621.012	1.050.394	8.186.631	43.678
Gains from Investment Activities	32	332.742.962	117.836.896	40.226.707	13.230.406
Losses from Investment Activities (-)	32	(142.254.748)	(281.190)	(2.625.543)	(363.157)
OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE		435.475.784	196.884.297	381.928.153	145.404.925
Financial Income	34	163.968.214	70.083.217	10.941.656	4.527.347
Financial Expenses (-)	33	(255.437.248)	(77.878.394)	(146.584.437)	(47.925.584)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		344.006.750	189.089.120	246.285.372	102.006.688
Tax income/(expense)	36	245.723.243	73.173.551	(51.040.122)	(26.292.029)
Current period tax expense (-)	36	(80.332.899)	(39.756.506)	(49.463.830)	(24.966.563)
Deferred income tax / (expense)	36	326.056.142	112.930.057	(1.576.292)	(1.325.466)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	37	589.729.993	262.262.671	195.245.250	75.714.659
DISCONTINUED OPERATIONS					
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS				-	-
PROFIT FOR THE PERIOD	37	589.729.993	262.262.671	195.245.250	75.714.659
Attributable to					
Non-Controlling Interests		36.038.314	10.519.577	217.630	225.047
Equity Holders of the Parent		553.691.679	251.743.094	195.027.620	75.489.612
Earnings per share	37	2,77	1,26	0,98	0,38
Earnings per share continuing operations	37	2,77	1,26	0,98	0,38

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

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2023 AND 2022

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

OTHER COMPREHENSIVE INCOME

		<i>Unaudited Current Period</i>	<i>Unaudited Current Period</i>	<i>Unaudited Prior Period</i>	<i>Unaudited Prior Period</i>
	Notes	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
PROFIT FOR THE PERIOD	36	589.729.993	262.262.671	195.245.250	75.714.659
Items not to be reclassified to profit or loss		(1.206.016)	(2.092.041)	(2.054.858)	(2.016.409)
Property, plant and equipment revaluation surplus		-	-	(1.013.691)	-
Gains/(losses) on remeasurements of defined benefit plans, tax effect		(1.608.022)	(2.789.388)	1.440.786	240.064
Taxes relating to other comprehensive income not to be reclassified to profit/(loss)		402.006	697.347	(2.481.953)	(2.256.473)
<i>Deferred income tax / (expense)</i>		<i>402.006</i>	<i>697.347</i>	<i>(2.481.953)</i>	<i>(2.256.473)</i>
Items to be reclassified to profit or loss		37.377.243	14.983.948	2.486.421	670.250
Currency translation differences		37.377.243	14.983.948	2.486.421	670.250
OTHER COMPREHENSIVE INCOME		36.171.227	12.891.907	431.563	(1.346.159)
TOTAL COMPREHENSIVE INCOME		625.901.220	275.154.578	195.676.813	74.368.500
Attributable to		625.901.220	275.154.578	195.676.813	74.368.500
Non-controlling interests		36.038.314	10.519.577	217.630	225.047
Equity holders of the parent		589.862.906	264.635.001	195.459.183	74.143.453

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2023 AND 2022

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

Unaudited Current Period	Notes	Paid-in share capital	Share premium	Premiums / Discounts Related to Shares	Treasury shares	Property, plant and equipment revaluation surplus	Gains/(losses) on remeasurements of defined benefit plans	Currency translation differences	Restricted reserves	Prior years' income	Profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balances at 1 January 2023 (Beginning of the period)	27	200.000.000	-	438.587.602	(14.150.000)	152.190.469	(543.150)	3.542.197	11.129.389	18.916.769	469.060.654	1.278.733.930	20.146.517	1.298.880.447
Transfers	27	-	-	-	-	-	-	-	-	469.060.654	(469.060.654)	-	-	-
Capital Advance		-	164.267.004	-	-	-	-	-	-	-	-	164.267.004	-	164.267.004
Dividend		-	-	-	-	-	-	-	-	(30.000.000)	-	(30.000.000)	-	(30.000.000)
Gains/losses on treasury share transactions		-	-	-	14.150.000	-	-	-	-	-	-	14.150.000	-	14.150.000
Gains/losses on share-based payments and transactions		-	-	(38.085.469)	-	-	-	-	(1.808.134)	-	-	(39.893.603)	(6.499.908)	(46.393.511)
Acquisition or disposal of a subsidiary		-	-	-	-	-	-	-	-	(42.629.001)	-	(42.629.001)	71.638.144	29.009.143
Total Comprehensive Income		-	-	-	-	-	(1.206.016)	37.377.243	-	-	553.691.679	589.862.906	36.038.314	625.901.220
- Profit for the Period	27	-	-	-	-	-	-	-	-	-	553.691.679	553.691.679	36.038.314	589.729.993
- Other Comprehensive Income/(Expense)		-	-	-	-	-	(1.206.016)	37.377.243	-	-	-	36.171.227	-	36.171.227
Balances at 30 September 2023 (End of the period)	27	200.000.000	164.267.004	400.502.133	-	152.190.469	(1.749.166)	40.919.440	9.321.255	415.348.422	553.691.679	1.934.491.236	121.323.067	2.055.814.303
Unaudited Prior Period														
Balances at 1 January 2022 (Beginning of the period)	27	38.062.500	-	59.331.875	-	33.135.234	(280.003)	469.174	1.617.443	23.573.794	130.667.738	286.577.755	(177.946)	286.399.809
Transfers	27	-	-	-	-	-	-	-	7.702.205	122.965.532	(130.667.738)	-	-	-
Capital Advance	27	161.937.500	-	(49.000.000)	-	-	-	-	-	(112.937.500)	-	-	-	-
Dividend		-	-	-	-	-	-	-	-	(12.429.627)	-	(12.429.627)	-	(12.429.627)
Gains/losses on treasury share transactions		-	-	-	-	-	-	-	-	(177.946)	-	(177.946)	177.946	-
Gains/losses on share-based payments and transactions		-	-	329.107	-	-	-	-	1.809.740	12.682	-	2.151.529	2.352.474	4.504.003
Acquisition or disposal of a subsidiary		-	-	-	-	-	-	-	-	3.185	-	3.185	246.814	249.999
Total Comprehensive Income		-	-	-	-	(3.164.264)	1.109.406	2.486.421	-	-	195.027.620	195.459.183	217.630	195.676.813
- Profit for the Period	27	-	-	-	-	-	-	-	-	-	195.027.620	195.027.620	-	195.027.620
- Other Comprehensive Income/(Expense)		-	-	-	-	(3.164.264)	1.109.406	2.486.421	-	-	-	431.563	217.630	649.193
Balances at 30 September 2022 (End of the period)	27	200.000.000	-	10.660.982	-	29.970.970	829.403	2.955.595	11.129.388	21.010.120	195.027.620	471.584.079	2.816.918	474.400.997

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

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2023 AND 2022
(Amounts on tables expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Unaudited Current Period</i>	<i>Unaudited Prior Period</i>
		01.01.2023	01.01.2022
	Notes	30.09.2023	30.09.2022
A) CASH FLOWS FROM OPERATING ACTIVITIES		763.496.390	(283.493.659)
PROFIT FOR THE PERIOD		589.729.993	195.245.250
Profit for the Period from Continuing Operations		589.729.993	195.245.250
Adjustments to reconcile profit for the period to cash generated from operating activities		(256.922.423)	93.058.774
Depreciation and amortisation	17,18,19	56.169.626	10.601.782
Adjustments for impairment loss/(reversal of impairment loss)		3.146.233	-
<i>Adjustments for receivables impairment (Reversal)</i>	10	5.558.840	-
<i>Adjustments for inventory impairment (Reversal)</i>	13	(2.412.607)	-
Adjustments for provisions		11.531.100	4.113.834
<i>Adjustments for provisions for employee benefits (reversal)</i>	24	11.139.375	3.914.414
<i>Adjustments for provisions for lawsuits and penalties</i>	22	391.725	199.420
Adjustments for interest income/expense		44.638.361	33.846.415
<i>Adjustments for interest income</i>	33	(14.128.827)	(7.077.711)
<i>Adjustments for interest expenses</i>	33	84.625.973	40.924.126
<i>Adjustments for Deferred Financial Expense from Term Purchases</i>	10	(38.265.022)	-
<i>Adjustments for Unearned Financial Income from Term Sales</i>	10	12.406.237	-
Adjustments for fair value gains/(losses)		(185.931.783)	-
<i>Adjustments for fair value gains/(losses) on financial assets</i>	7,32	(185.718.060)	-
<i>Adjustments for fair value gains/(losses) on derivative instruments</i>	32	(213.723)	-
Lease Liabilities		-	(491.224)
Adjustments for undistributed profits of investments accounted for using the equity method	16	(3.621.012)	(8.186.631)
Adjustments for tax income/expense	35	(245.723.243)	51.040.122
Adjustments for losses/(gains) on disposal of non-current assets		(2.269.941)	(4.759.319)
<i>Adjustments for losses/(gains) on disposal of property, plant and equipment</i>	16,17,32	(2.269.941)	(5.081.705)
<i>Adjustments for gains/(losses) on from disposal of associates and joint ventures and financial investments or changes in ownership interests</i>		-	322.386
Other adjustments to reconcile the profit or loss		65.138.236	6.893.795
Changes in Working Capital		215.729.497	(536.742.876)
Changes in Financial Investments	7	7.942.764	(80.577.957)
Changes in Trade Receivables	10	(370.827.921)	(137.144.587)
Changes in Other Receivables Related to Operations	11	(118.566.862)	(59.912.301)
Changes in Inventories	13	(360.505.066)	(232.188.835)
Changes in Trade Payables	10	1.090.472.876	336.814.175
Changes in Other Payables Related to Operations	11	633.749.109	156.043.228
Changes in Prepaid Expenses	15	(117.918.101)	(419.528.733)
Changes in Deferred Income	15	356.138.942	(135.279.500)
Changes in payables due to employee benefits	20	47.598.844	4.326.691
Changes in other assets		(696.822.531)	(7.664.028)
Changes in other liabilities		(62.447.185)	935.058
Changes in contract assets		(164.116.278)	37.433.913
Changes in contract liabilities		(28.969.091)	-
Cash Flows from Operating Activities		548.537.067	(248.438.852)
Income tax refund/paid	25	256.767.725	(34.817.598)
Dividends paid		(30.000.000)	-
Payments within provisions for employee benefits	22	(11.808.402)	(237.209)
B) CASH FLOWS FROM INVESTING ACTIVITIES		(2.710.410.889)	(253.917.875)
Cash outflows from acquisition of interests in associates and/or joint ventures or capital increases	16	(51.254.248)	(15.500.000)
Cash outflows from purchase of property, plant and equipment and intangible assets	18,19	(2.104.288.710)	(239.921.739)
Cash inflows from sale of property, plant and equipment and intangible assets	18,19	2.730.633	7.668.582
Cash Outflows Related to Purchases to Obtain Control of Subsidiaries		-	(6.164.718)
Cash Outflows for the Acquisition of Shares or Debt Instruments of Other Enterprises or Funds		(557.598.564)	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		1.116.056.329	590.128.476
Cash inflows from borrowings		1.186.553.474	636.404.518
<i>Cash inflows from loans</i>	8	1.067.738.199	636.404.518
<i>Cash inflows from other borrowings</i>		118.815.275	-
Cash outflows from lease liabilities		-	(12.429.627)
Interest paid		(84.625.973)	(40.924.126)
Interest received		14.128.827	7.077.711
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(830.858.170)	52.716.942
D) EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
Net Increase/(Decrease) in Cash and Cash Equivalents		(830.858.170)	52.716.942
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	1.182.097.226	77.148.996
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	351.239.056	129.865.938

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

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

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

Kontrolmatik works with 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, underground and surface rail and transportation facilities in the public or private sector in Türkiye and abroad. Kontrolmatik carries out electrical, electromechanical, mechanical and construction works of the highway transportation systems, air and sea ports, land and railway tunnels, canals, bridges, hospitals, factories and shipyards on a turnkey or non-turnkey basis. Kontrolmatik ensures the activities of designing projects, makes architectural design, manages projects administratively and technically, deploys facilities, provides engineering and consultancy services, designs, commissions and maintains facilities, designs all kinds of electronic measurement, test, monitoring, protection and control systems of the facilities, ensures the integration of systems with each other and makes them ready for operation.

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

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

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

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

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

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

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

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

The Group obtained ISO 9001:2000 - Quality management systems certificate on 10 November 2008.

In accordance with the authorisation of the Capital Markets Board on 3 April 2020 numbered 29833736-110.03.03-E.3913 and the authorisation of the Directorate General for Domestic Trade of Ministry of Trade on 21 April 2020 numbered 50035491-431.02, the Group adopted the share capital system. The registered capital ceiling of the Group has been determined as TL 150.000.000. Accordingly, the Group has held an extraordinary General Assembly meeting for the decision of the necessary amendments to the Articles of Association in order to amend the

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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

Articles of Association in compliance with the Capital Markets Board regulations and the purposes and principles of the Capital Market Law. The registered capital ceiling was completed on 29 May 2020 and published in the Official Gazette on 3 June 2020 numbered 10089 on page 196.

Total end of period personnel employed by Kontrolmatik is 761 (31 December 2022: 496).

The registered address of Kontrolmatik is as follows:

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

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

As of 30 September 2023 and 31 December 2022, the principal shareholders and their respective shareholding rates in Kontrolmatik are as follows:

Shareholders	Share %	30.09.2023	Share %	31.12.2022
		Amount (TL)		Amount (TL)
Sami Aslanhan	28,96%	57.926.444	29,00%	58.181.444
Ömer Ünsalan	28,96%	57.926.444	29,00%	58.181.444
Other	42,08%	84.147.122	42,00%	83.637.112
Total paid-in share capital	100,00%	200.000.000	100,00%	200.000.000

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

As of 30 September 2023, the Group’s paid-in share capital amounts to TL 200.000.000 (31 December 2022: TL 200.000.000). Kontrolmatik adopted the registered share capital system at the General Assembly meeting on 21 May 2020.

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

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

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

Subsidiaries

As of 30 September 2023, the subsidiaries (“Subsidiaries”), included in the consolidation scope of Kontrolmatik, their nature of business and their effective ownership interests are as follows:

30.09.2023

Subsidiaries	Direct ownership interest held by Kontrolmatik (%)	Effective ownership interest (%)	Non-controlling interests (%)
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	89,00	89,00	11,00
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95,00	95,00	5,00
Enwair Enerji Teknolojileri Anonim Şirketi	50,10	50,10	49,90
Mcfly Robot Teknolojileri A.Ş. (Mcfly)	75,00	75,00	25,00
Kontrolmatik Tashkent LLC(Kontr Taşkent)	100,00	100,00	-
Pomega Energy Storage Technologies Inc. (Pomega USA)	50,00	66,40	33,60
Kontrolmatik Technologies Inc. (Kontrolmatik USA)	100,00	100,00	-
Llc Controlmaticrus	100,00	100,00	-
Kontrolmatik Libya Şubesi	100,00	100,00	-
Nextopia Enerji Üretim A.Ş.(Nextopia)	100,00	100,00	-
Prolectric Enerji Üretim A.Ş.(Prolectric)	100,00	100,00	-
Üç Yıldız Antimon Madencilik A.Ş. (Üç Yıldız)	50,10	50,10	49,90

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

Total end of period personnel employed by Pomega Enerji is 131.

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

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

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

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

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

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

Enwair Enerji Teknolojileri Anonim Şirketi (Enwair): The Group acquired the shares of Enwair constituting 50.1% ownrshp interest amounting to TL 6.164.718 on 1 July 2022. Enwair is an research and development company that develops anode and cathode material for battery technologies. The team of Enwair consists of materials engineers and chemists who have master's and doctorate degrees on battery technologies. Enwair works on flexible silicon anodes, self-healing anodes, lithium-rich cathodes, and various polymer binder solutions. Enwair completed 1 “Kosgeb”, 1 “Tubitak 1501” and 1 “Era-Net project of European Union and Works on 1 “Tubitak 1501” and 1 “Era-Net Horizon project of European Union. Furthermore, 1 PCT and 1 TR patents have been registered, and there exists 3 ongoing studies in the patent process.

Total end of period, personnel employed by Enwair is 7.

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

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

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

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

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

Total end of period, personnel employed by Mcfly is 48.

Fc Kontrolmatik Toshkent Llc(Kontr. Taşkent): Fc Kontrolmatik Toshkent was established in Uzbekistan in 2021. Kontrolmatik is the ultimate controlling party of Fc Kontrolmatik Toshkent with 100% effective ownership interest. Fc Kontrolmatik Toshkent’s business activities include providing engineering activities and services of all kinds of electrical and mechanical systems, equipment and automation systems for industrial facilities, mining facilities, oil and gas facilities, transportation systems, smart buildings, power plants, gas insulated transformer centers required for electricity transmission and distribution, open switchgear substations. In addition, Fc Kontrolmatik Toshkent provides project design, technological designs, research and development activities, installation and relevant services.

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

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

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Kontrolmatik Technologies Inc: The branch was established in 2021 in the United States.

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

Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret Anonim Şirketi : The Group was acquired Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret Anonim Şirketi with 50.1% effective ownership interest according to the horizontal and vertical integration investment strategy implemented by the Group. Üç Yıldız Antimon Madencilik's business activities include ensuring the production of Antimony, Lead, Zinc and Copper and mine ore production used in various industrial production, mainly energy storage. The acquired Üç Yıldız Antimon Madencilik owns 783 hectares of antimony field and flotation facility located in Gediz, Kütahya. The relevant facility has an annual antimony ore processing capacity of 75,000 tons with its 250 tons/hour Antimony Flotation production line. In addition, Üç Yıldız Antimon Madencilik has its own smelting facility has an annual production capacity of 1,500 tons of antimony trioxide and 1,000 tons of antimony metal annually. Furthermore, Üç Yıldız Antimon Madencilik is in process of establishing a lead-zinc-copper flotation facility with an annual operating capacity of 200,000 tons of lead-zinc-copper with a daily capacity of 500 tons/hour. Üç Yıldız Antimon Madencilik has 11 mining field operating licenses in various cities in Turkey. Installation and commissioning of the flotation facility is still in progress as of the reporting period.

Total end of period, personnel employed by Üç Yıldız Antimon is 71.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying consolidated financial statements for the period ended 30 September 2023 have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS/TAS") with additions and interpretations as issued by POA.

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

Group accounting and basis of consolidation

The accompanying consolidated financial statements include financial statements of 1 subsidiary with 95% effective ownership interest, 4 subsidiaries with 100% effective ownership interest, a subsidiary with 89% effective ownership interest, a subsidiary with 50.1% effective ownership interest and a subsidiary with 66.40% effective ownership interest and a subsidiary with 75% effective ownership interest including the financial statements of parent company "Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş.". The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with "TFRS" and the application of uniform accounting policies and presentation.

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

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

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

The balance sheets and income statements of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Kontrolmatik and its Subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Kontrolmatik and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Kontrolmatik in its Subsidiaries and the associated dividends are eliminated from equity and income for the period, respectively.

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Subsidiaries

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

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

As of 30 September 2023 and 31 December 2022, subsidiaries included in the scope of the consolidation, their effective interests, direct and indirect ownership interests are as follows:

30.09.2023 Subsidiaries	Direct ownership interest held by Kontrolmatik (%)	Effective ownership interest (%)	Non-controlling interests (%)
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	89,00	89,00	11,00
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95,00	95,00	5,00
Enwair Enerji Teknolojileri Anonim Şirketi	50,10	50,10	49,90
Mcfly Robot Teknolojileri A.Ş. (Mcfly)	75,00	75,00	25,00
Kontrolmatik Toshkent LLC(Kontr Taşkent)	100,00	100,00	-
Pomega Energy Storage Technologies Inc. (Pomega USA)	50,00	66,40	33,60
Kontrolmatik Technologies Inc. (Kontrolmatik USA)	100,00	100,00	-
Llc Controlmaticurus	100,00	100,00	-
Kontrolmatik Libya Şubesi	100,00	100,00	-
Nextopia Enerji Üretim A.Ş.(Nextopia)	100,00	100,00	-
Prolectric Enerji Üretim A.Ş.(Prolectric)	100,00	100,00	-
Üç Yıldız Antimon Madencilik A.Ş. (Üç Yıldız)	50,10	50,10	49,90

31.12.2022 Subsidiaries	Direct ownership interest held by Kontrolmatik (%)	Effective ownership interest (%)	Non-controlling interests (%)
Pomega Enerji Depolama Teknolojileri A.Ş. (Pomega)	89,00	89,00	11,00
Progresiva Enerji Yatırımları Ticaret A.Ş. (Progresiva)	95,00	95,00	5,00
Enwair Enerji Teknolojileri Anonim Şirketi	50,10	50,10	49,90
Mcfly Robot Teknolojileri A.Ş. (Mcfly)	75,00	75,00	25,00
Kontrolmatik Toshkent LLC(Kontr Taşkent)	100,00	100,00	-
Nextopia Enerji Üretim A.Ş.(Nextopia)	-	95,00	5,00
Prolectric Enerji Üretim A.Ş.(Prolectrik)	-	95,00	5,00

Equity method

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

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

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As of 30 September 2023 and 31 December 2022, associates and joint ventures accounted for using the equity method and their effective ownership interests are as follows:

	30.09.2023	31.12.2022
	Effective ownership interest held by Kontrolmatik %	Effective ownership interest held by Kontrolmatik %
Associates and joint ventures		
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
Mint Elektrikli Araç Teknolojileri A.Ş.	40,00	40,00
Kontrolmatik Tek.Ene. ve Müh. A.Ş. Ve Siterm Isı San. A.Ş. İş Ort (Siterm)	50,00	50,00
Teknovus Şarj Teknolojileri A.Ş.	40,00	40,00
Signum Teknoloji Tanıtım ve Eğitim A.Ş.	49,00	49,00

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

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

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

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

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

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

Financial investments not included in the scope of consolidation

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

As of 30 September 2023, the Company is not included in the scope of consolidation since the Company has no operations and does not generate significant amount of cash flows. The Group has no liability other than the share capital invested in the Company.

Related parties

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

For the purpose of these consolidated financial statements, shareholders, parents of Kontrolmatik Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and

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

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

significant influence, are considered and expressed as “related parties”. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity (Note 38).

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

Comparatives and adjustment of prior period’s financial statements

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

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

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

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

Reporting currency

The consolidated financial statements are presented in TL, which is Kontrolmatik’s functional and presentation currency. As of 30 September 2023, the accompanying consolidated financial statements, including the consolidated financial statements and prior period financial information for ensuring comparability, are presented in Turkish Lira TL.

The functional currency of “Kontrolmatik Taşkent” is Uzbekistani sum (“UZS”). Regarding the translation of the financial statements of Kontrolmatik Taşkent into functional and presentation currency, current and non-current assets and liabilities are translated using the exchange rate as of the balance sheet date, share capital at historical cost and statement of profit or loss are translated using the average exchange rate. Differences arising from relevant translations are recognised under “currency translation differences”. As of 30 September 2023, TL 0.00225 considered as the exchange rate as of the balance sheet date, and TL 0.00173 was considered as the average exchange rate for the year 2023.

As of 30 September 2023 and 31 December 2022, spot exchange buying and selling rates published by the Central Bank of Türkiye (“CBRT”) are as follows:

Currency	Foreign exchange rate -buying (TL/Foreign currency)	
	30.09.2023	31.12.2022
USD	27,3767	18,6983
EUR	29,0305	19,9349
CHF	29,9837	20,2019
AED	7,4116	5,0627

Currency	Foreign exchange rate -selling (TL/Foreign currency)	
	30.09.2023	31.12.2022
USD	27,4260	18,7320
EUR	29,0828	19,9708
CHF	30,1762	20,3316
AED	7,5086	5,1289

Going concern

As of 30 September 2023, the Group has prepared its consolidated financial statements with the assumption on the Group’s ability to continue its operations in the foreseeable future on a going concern basis of accounting.

Offsetting

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

The new standards, amendments, and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 September 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TFRS/TAS”) and interpretations effective as of 1 January 2023 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective from 30 September 2023 are as follows:

Amendments to TAS 1 - Classification of Liabilities as Current or Non-current

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

The Group is assessing the potential significant material impact of the amendments on its financial position or performance.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 12, that narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

Standards, amendments and interpretations that are issued but not effective as at 30 September 2023:

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

Amendment to TAS 1 – Non-current liabilities with covenants

The amendment is effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements

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

Amendment to TFRS 16 – Lease liability in a sale and leaseback

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

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

The standard is effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

TFRS S2 - Climate-related disclosures

The standard is effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

B. Changes in accounting policies, estimates and errors

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

C. Summary of significant accounting policies

Financial instruments

The Group classifies its financial assets in three categories of financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit of loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The appropriate classification of financial assets is determined at the time of the purchase.

"Financial assets measured at amortised cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortised cost comprise "cash and cash equivalents", "trade receivables" and "other receivables". Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the consolidated statement of income.

"Financial assets measured at fair value through profit or loss", are assets that are not measured at amortised cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the consolidated statement of income.

Cash and cash equivalents

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

Bank deposits include time and demand deposits and accrued interests. Deposits denominated in Turkish Lira are carried at cost, and foreign currency denominated deposits are translated into Turkish Lira using the CBRT's foreign exchange buying rate at the balance sheet date. As of the balance sheet date, time deposits include accrued interests.

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

The cheques with maturity exceeding the balance sheet date are included in trade receivables and are discounted using Libor rates.

If it is probable that the trade receivables will not be collected, a provision for trade receivables is recognised in the consolidated financial statements. Provision is the amount estimated by the Group management, considering the guarantees received from the customer, and estimated to cover the possible losses arising from the economic conditions or the risk inherent in the account. Receivables that cannot be collected are written-off from the records when they are determined. The provision for doubtful receivables is recognised as an expense in the period in which they are determined.

In case of collection of all or part of the doubtful receivable amount following the provision for the doubtful receivable amount, the collected amount is deducted from the provision for doubtful receivables and recognised as and income in the statement of comprehensive income. Group has preferred to apply “simplified approach” for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to “lifetime expected credit losses” except incurred credit losses in which trade receivables are already impaired for a specific reason.

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

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading and it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL.

Other financial liabilities

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

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

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

In accordance with “IFRS 15 Revenue from Contracts with Customers” the entity reflects the proceeds to the consolidated financial statements from an amount that reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers and the relevant standard is effective from 1 January 2018. Revenue is accounted for in the consolidated financial statements within the scope of the five-step model below in accordance with the IFRS 15 standard.

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

In accordance with IFRS 15, when the entity fulfils its operating obligations, in other words, the control of the goods or services specified in a performance obligation is transferred to the customer; the revenue is recognized in the consolidated financial statements. IFRS 15 provides more guidance on more specific scenarios.

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

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

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

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

- a) Presence of Group’s collection right in consideration of the goods or services,
- b) Customer’s ownership of the legal title on goods or services,

- c) Physical transfer of the goods or services,
- d) Customer's ownership of significant risks and rewards related to the goods or services,
- e) Customer's acceptance of goods or services.

Revenue and expenses from contracts with customers are recognized as income and expense when the return of the contract with the customer can be estimated reliably. Revenue is reflected in the consolidated financial statements in accordance with the percentage of completion of the contract. As of the reporting period, the ratio of the total expenses incurred to the total estimated cost of the contract indicates the completion percentage of the contract, and the ratio is used in the consolidated financial statements of the part of the total revenue corresponding to the current period.

Contract costs include all raw materials and supplies, direct and indirect labor costs related to contract performance, materials, repairs and depreciation costs. Sales and general administrative expenses are recognized in the period when they are incurred. Provisions for estimated losses on incomplete contracts are separated in the periods in which these losses are determined. Changes in estimated profitability due to business performance, business conditions, provisions for compensation for delays or cancellations and final agreements may cause cost and revenue adjustments. The aforementioned adjustments are reflected in the consolidated financial statements in the period when they have been determined. Customer incentives for revenues are included in the revenue when the occurrence is reasonably estimated.

Contractual assets arising from ongoing contractual commitments indicate how much the revenue reflected in the consolidated financial statements exceeds the invoice amount and contractual liabilities arising from ongoing contractual commitment show how much the invoice amount has exceeded the revenue reflected in the consolidated financial statements.

The Group management has recognized additional receivables within the scope of compensation that may be subject to litigation, which are not within the scope of the contract, as income when negotiations with the customer regarding the relevant additional receivables are at the stage of approval of the collection and the collections to be made can be measured reliably.

The Group recognises the gross receivables from customers regarding the ongoing contractual commitments as a liability if the progress payment amount exceeds the amount obtained as a result of adding the profit reflected to the closing accounts to the costs incurred (less the loss).

Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. The cost of inventories includes all procurement costs, conversion costs and other costs incurred to bring the inventories to their present state and position. The unit cost of inventories is determined by the weighted average method.

Fixed production overheads are allocated to the cost of inventories based on normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. If the actual production level is close to normal capacity, this capacity can be considered normal capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The replacement costs of raw materials and supplies may be the best measure of net realizable value.

The acquisition costs of inventories are reduced to their net realizable values for each item. Relevant reduction is made by allocating a provision for an inventory impairment in the consolidated financial statements. If the cost of the inventories is greater than the net realizable value, the cost value is reduced to the net realizable value by allocating a provision for impairment. If inventories are acquired on a deferred payment basis, if the difference between the purchase price and the prepaid price includes the significant finance component, these components are recognized as interest expense in the period in which they are financed.

Investment properties

Investment properties are real estate held (held by the lessee according to ownership or lease contract) (land or building or both) in order to obtain rent income or value increase gain or both.

- a) capital appreciation for properties not held for the production or supply of goods or services or for administrative purposes; or
- b) sale in the ordinary course of business.

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property".

An investment property is recognized as an asset if the following conditions are met:

- a) Investment property should be recognised as an asset when it is probable that the future economic benefits that are associated with the

property will impact the entity,

- b) the cost of the property can be reliably measured.

Investment property is initially measured at cost. Transaction costs are also included in the initial measurement. Investment property acquired through finance leases are accounted for at fair value less the present value of the minimum lease payments.

In subsequent periods, the investment property is valued using either the fair value method or the cost method.

Fair value of an investment property is determined as the price to be paid between market participants in an ordinary transaction at the measurement date, on the sale of an asset, or based on a payback period. The fair value is determined based on the best estimate even if the property does not have a active market. From this point of view, fair value can change depending on the forecast and changes in market conditions. Factors such as the inherent risks of the asset, market conditions, and depreciation are taken into account in determining the fair value.

Gains or losses arising from changes in the fair value of the investment property are included in profit or loss in the period in which they are incurred and are recognized in the "Gains/losses from investment activities".

The Group prepares appraisal reports at the end of the period to be used in the consolidated financial statements for the land and buildings included in the investment properties and relevant land and buildings are included in the consolidated financial statements over these amounts.

Property, plant, equipment and intangible assets

An item of property, plant, equipment and intangible asset that meets the criteria for recognition as an asset is measured at cost at initial recognition. In subsequent periods, they are valued using either cost or revaluation method, if the following criteria are met:

- a) it is probable that future economic benefits will impact to the entity; and
b) relevant item can be measured reliably.

The initial costs of property, plant, equipment and intangible assets are comprised of the purchase price including the customs taxes, non-refundable purchase taxes, direct costs incurred until the asset becomes operational and the asset is returned to its use. In the cost model, presentations are made with a deduction of accumulated depreciation and impairment losses from the cost of property, plant, equipment and intangible assets.

In the revaluation model, the fair value is the value based on the revalued amount of a property, plant, equipment and intangible asset that can be measured reliably, after the asset is accounted for as an asset. The revaluation gross or net value method is used. Revaluations are made at the balance sheet date in such a way that the amount to be obtained by using the fair value is not significantly different from the carrying amount. Appreciation of the resulting value is attributable to the property, plant and equipment revaluation surplus under equity, while the value decreases are deducted from the pre-existing value increases if any, otherwise they are recognised in "Losses from investment activities".

The Group prepares appraisal reports at the end of the period to be used in the consolidated financial statements for the properties in the property, plant and equipment category and relevant properties are included in the consolidated financial statements based on these amounts.

When an item of property, plant and equipment is subject to revaluation, the accumulated depreciation at the revaluation date is adjusted in proportion to the change in the gross carrying amount of the asset, so that the carrying amount of the asset after revaluation equals its revalued amount.

Provisions of TAS 2 "Inventories" and TAS 16 "Property, Plant and Equipment" are applied in the transfers of the Group to property, plant and equipment assets for use in operating activities. Accordingly, the value at the date of transfer is based on fair value.

Depreciation is measured by the straight-line method basis on a pro-rata basis according to the economic useful lives and methods are as follows:

	Economic useful lives (year)
Buildings	50
Plant, machinery and equipment	5, 15
Motor vehicles	4, 5
Furniture and fixtures	2, 20
Leasehold improvements	5
Rights	3, 15
Other intangible assets	1, 3

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. Property, plant and equipment are reviewed for impairment losses whenever

events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

If there are any events or changes in the existing conditions that the carrying values of the property, plant and equipment cannot be recovered, the value of the property, plant and equipment is examined. In the event that such indications exist or the carrying amount exceeds the recoverable amount, the related assets are reduced to their recoverable amount. Realizable value is the higher of net selling price and value in use. When carrying value is determined, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects the risks specific to that asset. For assets that do not independently generate cash inflows in large amounts, the recoverable amount is calculated for the cash-generating unit to which that asset belongs. The related tangible asset is depreciated over the remaining estimated useful life. Depreciation amounts of property, plant and equipment are associated with operating expenses and cost of sales in the statement of comprehensive income.

The Group test assets for impairment and determines net selling prices by taking into consideration "second hand market values" of some assets and "amortized replacement costs" for non-second-hand assets. Since the net selling prices for these assets are equal to or greater than the net carrying amount of the assets, the calculation of the value in use is not required and no provision for impairment is made. For certain assets (i.e., goodwill), if it is not possible to determine the net selling prices, the impairment test is performed based on the carrying values.

Intangible assets represent rights and computer software. Intangible assets are reflected to the purchases before January 1, 2005 by deducting the accumulated amortization and impairment losses from the purchase cost values for items purchased after December 31, 2004 and the cost values adjusted for the effect of inflation as of 31 December 2004.

Intangible assets are initially recognised at acquisition cost and amortised on a straight-line basis over their estimated useful lives. Depreciation for intangible assets is recognised in operating expenses in statement of profit or loss and cost of sales.

Gains or losses on disposals of property, plant and equipment and intangible assets are determined by comparing proceeds with their net carrying amounts and are classified under "gains/losses from investing activities" in the current period under consolidated statement of profit or loss.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or disposal) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. These assets may be a component of an entity, a held-for-disposal asset or an individual non-current asset. The sale of assets held for sale (or disposal) is expected to occur within the following 12 months from the balance sheet date. Events or circumstances may extend the period to complete the sale (or disposal) beyond one year. An extension of the period required to complete a sale (or disposal) does not preclude an asset from being classified as held for sale (or disposal) if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or dispose of it).

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

- a) represents either a separate major line of business or a geographical area of operations
- b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- c) is a subsidiary acquired exclusively with a view to resale and the disposal involves loss of control.

Non-current assets or held-for-disposal assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

Impairment of assets

If there are events or situations which the book value of assets subject to amortization may not be recoverable, the impairment test is applied. Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Taxation and deferred taxes

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income). Current year tax liability is calculated over the taxable profit for the period. 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 excludes items that cannot be taxed or

deducted. The Group's liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow to benefit from some or the entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized (Note 36).

Deferred tax assets and deferred tax liabilities are offset against each other if the same entity is subject to taxation and there is a legally enforceable right to offset current tax assets against current tax liabilities.

50% of the profits arising from the sale of shares of associates, real estates, pre-emption rights, founder shares and usufruct shares in the assets of the institutions held for at least two full years are exempt from corporate tax. In order to benefit from the exclusion, the earning must be recognised in liabilities in a fund account and not withdrawn for 5 years from the entity. The sales price must be collected until the end of the second calendar year following the year in which the sale is realised.

Goodwill

TFRS 3 establishes the accounting and reporting requirements (the "acquisition method") for the acquirer in a business combination. The key steps in applying the acquisition method are summarised below:

- a) Identification of the 'acquirer'
- b) Determination of the 'acquisition date'
- c) Recognition and measurement of the identifiable assets acquired, the liabilities assumed and any non-controlling interest (NCI, formerly called minority interest) in the acquiree

Over the fair value of net assets acquired with purchase price, the difference is reflected in the statement of financial position as goodwill. If the purchase price is less than the fair value of the acquired net assets, the difference is reflected in the statement of comprehensive income as a bargain purchase gain (negative goodwill).

In accordance with the TFRS 3 "Business Combinations", at each balance sheet date, the Group assesses goodwill for any indication that there is an impairment loss related to the cash-generating units that are related to the goodwill. If such an indicator exists, the recorded value of that asset is compared with the net realizable value that is higher than the amounts that would be obtained through use or sale. If the value of the asset or any cash generating unit that the asset belongs to is higher than the net realizable value, the value becomes impaired. Impairment losses are recognized in the statement of comprehensive income. Significant changes in the activities of the acquired entity, significant differences between the forward-looking estimates made at the date of acquisition and the actual results, the product, service or technology of the acquired entity is out of use, and other similar matters indicating that the carrying value of the asset is not recoverable are considered as an indication of impairment.

Leases

Group - as a lessee

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

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

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

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

Right of use asset

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

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

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

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

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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

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

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

Options to extend and terminate

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

Variable lease payments

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

Practical expedients

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

Group - as a lessor

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

Provisions for employee benefits

In accordance with Turkish Labor Law, the provision for employment termination benefits shall be made in accordance with the completion of at least one year of service, calling for military service, and represents the discounted value of the estimated total liability of future liabilities at the balance sheet date. The actuarial valuation method has been used to reduce the retirement benefit liability. Actuarial assumptions have been made for this accordingly. The most important of these is the discount rate used in discounting.

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

In this context, financial institutions subject to labor law have accounted for the provision for employment termination benefits at the actuarial method in the financial statements for the retirement benefits for all personnel or for the termination of the business relationship by calling for military service or for the future probable obligations amounts in case of death and the provision for employment termination benefits was calculated using the actuarial method in accordance with the Employee Benefits ("TAS 19") and accounted for in the accompanying consolidated financial statements.

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

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash outflow. In case of the cash outflow is probable, provision is set forth in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

One of three methods is used according to the situation which is subject to compensation in the case of provisioning. This method is applied when the time value of money is important. When the value of money is significant over time, the provisions are reflected by the reduced value of the possible future costs incurred on the balance sheet date. When discounted value is used, increases due to the passage of time are recorded

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

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

Deferred financial income/expenses

Deferred financial income/expenses represent imputed financial income/expenses on credit sales and purchases. Such income /expenses are calculated over the period of credit sales and purchases by the effective interest rate method and included in other operating income and expenses.

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned. In Türkiye, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Financial risk management

Collection risk

Collection risk of the Group mainly arising from trade receivables. The Group evaluates the trade receivables and the payment performance of customers and determines the provision for doubtful receivables in the accompanying consolidated financial statements. Provision for doubtful receivables is an accounting estimate based on past payment performances and financial position of customers reflected in the consolidated financial statements as of the reporting date (Note 39).

Foreign exchange risk

Foreign exchange risk arises when the value of any financial instrument changes depending on the change in the exchange rate. The balances of foreign currency denominated transactions arising from the Group's operating, investment and financial activities are disclosed in Note 39 as of the reporting date.

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements and fulfil its requirements regarding financial instruments. Liquidity risk is managed by matching the cash in- and outflow volume supported by committed lending limits from qualified credit institutions (Note 39).

Foreign currency translation

The consolidated financial statements are presented in TL, which is Kontrolmatik's functional and presentation currency. The Group records foreign currency (currencies other than the functional currency of the related entity) transactions using exchange rates of the date the transaction is completed. Foreign currency monetary items are evaluated with exchange rates as of the reporting date and arising foreign exchange income/expenses are recorded in statement of income. All monetary assets and liabilities are evaluated with exchange rates of the reporting date and related foreign currency translation differences are transferred to statement of income. Non-monetary foreign currency items that are recognized at cost are evaluated with historic exchange rates. Non-monetary foreign currency items that are recognized at fair value are evaluated with exchange rates of the dates when their fair values are determined.

Dividends

Dividend receivables are recognised as an income in the period when they declared. Dividend payables are recognised as an appropriation of profit in the period in which they approved and declared.

Paid-in share capital

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

Events after the reporting period

Events after the reporting period are those events, which occur between the balance sheet date and the date when the financial statements are authorized for issue. In accordance with the TAS 10, the Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements (Note 41).

Government grants

Government grants are recognized at fair value when there is assurance that these grants and incentives will be received and the Group has met all conditions required. Government grants are recognized as revenue during the periods when they are matched with the costs they will cover.

Segment reporting

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions.

In accordance with the provisions of TFRS 8 "Operating Segments", considering that the legislation and laws affecting the Group's activities, the Group has single reportable operating segment, and accordingly, financial information is not reported according to operating segments.

Statement of cash flows

The statement of cash flows analyses changes in cash and cash equivalents during a period. Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. Guidance notes indicate that an investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition. Equity investments are normally excluded, unless their substance is equivalent to cash.

Accordingly, investments with a duration of 3 months or less are considered cash equivalent investments. Investments made in respect of securities representing equity are not considered cash equivalents unless they are essentially cash equivalents.

The Group prepares statement of cash flows to inform users of the ability to direct changes in the amount and timing of their changes in net assets, financial structure and cash flows according to changing circumstances.

In the statement of cash flows, the cash flows related to the turnover are reported in a form that is based on operations, investment and financing activities. Cash flows from operating activities represent cash flows arising from the entries in the Group's operating area. Cash flows from investing activities represent the cash flows from investment activities the Group uses in its investment activities (fixed investments and financial investments). Cash flows related to financing activities represent the resources used by the Group in its financing activities and repayments of those resources.

D. Significant accounting judgements, estimates and assumptions and key sources of estimation uncertainty

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

The key assumptions concerning the future and other key resources of estimation at the consolidated balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

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

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The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

- Deferred tax is recognized to the extent that it is probable that future taxable profit will be available. If it is probable that future taxable profit will be available, deferred tax assets are accounted for over the deductible temporary differences, financial losses and tax advantages resulted from investment incentives that enables the Group pay lower corporate tax (Note 36).
- The Group management utilises same estimates and assumptions for the determination of the economic useful lives of provision for doubtful trade receivables (Note 10 and 39) and provision for employment termination benefits (Note 22).

NOTE 3 – BUSINESS COMBINATIONS

In accordance with the special circumstances' disclosure on 1 August 2023, the acquisition of Üç Yıldız Antimon Madencilik İthalat İhracat Sanayi ve Ticaret Anonim Şirketi with 50.1% effective ownership interest was announced in line with the horizontal and vertical integration investment strategy implemented by the Group. Üç Yıldız Antimon Madencilik's business activities include production of Antimony, Lead, Zinc and Copper and mine ore production used in various industrial applications, mainly energy storage.

The acquired Üç Yıldız Antimon Madencilik owns 783 hectares of antimony field and flotation facility located in Gediz, Kütahya. The relevant facility has an annual antimony ore processing capacity of 75,000 tons with 250 tons/hour Antimony Flotation production line. In addition, Üç Yıldız Antimon Madencilik has its own smelting facility with an annual production capacity of 1,500 tons of antimony trioxide and 1,000 tons of antimony metal. Furthermore, Üç Yıldız Antimon Madencilik is in process of establishing a lead-zinc-copper flotation facility with an annual operating capacity of 200,000 tons of lead-zinc-copper with a daily capacity of 500 tons/hour.

In accordance with the aforementioned disclosure, the relevant acquisition has been recognised in accordance with TFRS 3 "Business Combination" in the accompanying consolidated financial statements. As of 30 September 2023, the fair value of the acquired net identifiable assets and liabilities could not be determined and measured reliably under relevant business combination. Accordingly, those net identifiable assets and liabilities are reported within temporary accounts. The period for realising additional relevant adjustments to the fair values of contingent liabilities and net identifiable assets and liabilities is limited to 12 months from the date of acquisition.

The net identifiable assets and liabilities acquired in accordance with business combination on 1 August 2023 are carried at acquisition cost in the relevant notes.

	Acquisition cost	Adjustments for fair value	Temporary amount of fair value
Cash and cash equivalents	131.269	-	131.269
Trade receivables	10.344.270	-	10.344.270
Other receivables	1.488.681	-	1.488.681
Inventories	22.271.864	-	22.271.864
Prepaid expenses	3.169.250	-	3.169.250
Other current assets	9.721.437	-	9.721.437
Other receivables	54.522.100	-	54.522.100
Right of use assets	3.808.020	-	3.808.020
Property, plant and equipment	233.243.903	-	233.243.903
Intangible assets	13.149.873	-	13.149.873
Prepaid expenses	34.734	-	34.734
Financial liabilities	(28.954.970)	-	(28.954.970)
Trade payables	(43.585.668)	-	(43.585.668)
Employee benefits	(1.774.440)	-	(1.774.440)
Other payables	(10.691.608)	-	(10.691.608)
Deferred income	(5.806.746)	-	(5.806.746)
Current income tax liabilities	(73.528)	-	(73.528)
Provisions for employee benefits	(124.319)	-	(124.319)
Financial liabilities	(3.759.158)	-	(3.759.158)
Other payables	(105.708.407)	-	(105.708.407)
Long-term provisions for employee benefits	(861.183)	-	(861.183)
Deferred tax liabilities	(225.040)	-	(225.040)
Net identifiable assets	150.320.332		
Acquired assets (A)	-	-	75.310.486
Amount of non-controlling interests	-	-	75.009.846
Cash transferred (B)	-	-	(632.909.050)
Cash and cash equivalents acquired (C)	-	-	131.269
Total net cash transferred (B+C)	-	-	(632.777.781)
Goodwill (A+B), (Note 19)	-	-	557.598.564

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NOTE 4 – DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. joint venture (“IOT”) on 4 September 2018 (during its establishment).

In addition, the Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. joint venture (“SAY”) on 10 October 2018 (during its establishment).

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

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

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

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Siterm Isı Sanayi A.Ş joint venture.

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

NOTE 5 – SEGMENT REPORTING

The Group has single reportable operating segment. Accordingly, financial information is not reported in accordance with the operating segments in the accompanying consolidated financial statements. The Group discloses its information in single geographical area in which it operates. Therefore, reportable segments by geographical areas with an expanded requirement are not included in the consolidated financial statements.

NOTE 6 – CASH AND CASH EQUIVALENTS

	30.09.2023	31.12.2022
Cash on hand	848.581	716.537
Banks	346.757.328	860.385.155
Demand deposits	215.613.854	659.153.050
- Unblocked deposits	199.972.187	658.835.847
- Turkish lira	24.863.203	26.001.890
- Foreign currency	175.108.984	632.833.957
- Blocked deposits	15.641.667	317.203
- Turkish lira	2.947.013	317.203
- Foreign currency	12.694.654	-
Time deposits	131.143.474	201.232.105
- Unblocked deposits	47.588.833	189.473.105
- Turkish lira	18.558.333	189.473.105
- Foreign currency	29.030.500	-
- Blocked deposits	83.554.641	11.759.000
- Turkish lira	67.939.427	11.759.000
- Foreign currency	15.615.214	-
Short-term bonds, treasury bills and liquid funds	3.633.146	320.995.534
Cash and cash equivalents, net	351.239.055	1.182.097.226

The Group has blocked deposits under time deposits arising from its borrowings and letters of guarantee obtained. As of 30 September 2023, annual interest rates of time deposits denominated in TL is between 4%-39% (31 December 2022: 5.75%-22% for time deposits denominated in TL. The Group has no time deposits denominated in USD).

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

NOTE 7 – FINANCIAL INVESTMENTS

	30.09.2023	31.12.2022
Financial assets at fair value through other comprehensive income	3.351.321	134.898.212
- Equity securities (*)	70.214.592	25.900.195
- Equity securities appreciation / depreciation (*)	(70.214.558)	44.314.397
- Foreign currency/Gold/Currency-protected TL time deposit accounts	-	43.880.298
- Blocked foreign currency/Gold/Currency-protected TL time deposit accounts	3.351.287	20.803.322
Total short-term financial investments, net	3.351.321	134.898.212
Financial assets available for sale	130.717.289	7.113.162
- Kontrolmatik Libya branch	-	968.950
- Llc Controlmaticrus	-	1.167.660
- Kontrolmatik Cameroun	301.977	301.977
- Kontrolmatik Technologies Inc.	-	4.674.575
- Üç Yıldız Antimon Madencilik İth.İhr.San.Ve Tic.A.Ş.	130.415.312	-
Total long-term financial investments, net	130.717.289	7.113.162

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

NOTE 8 – BORROWINGS

	30.09.2023	31.12.2022
Short-term borrowings	485.862.435	389.504.408
Bank borrowings	485.595.355	389.504.408
Other	267.080	-
Short-term portion of long-term borrowings	980.329.407	100.948.567
Bank borrowings	956.035.130	99.201.975
Finance lease liabilities	24.294.277	1.746.592
Long-term borrowings	821.569.518	688.028.518
Bank borrowings	801.344.587	686.530.490
Finance lease liabilities	20.224.931	1.498.028

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

30.09.2023	Currency	Weighted average interest rate (%)		Maturity	TL equivalent
		Minimum (%)	Maximum (%)		
Short-term borrowings	TL	12.00%	33.00%	Revolving credits	464.642.765
	TL	12.00%	33.00%	Up to 3 months	17.823.253
	EUR	-	-	3-12 months	3.129.337
	EUR	-	-	Up to 3 months	-
	USD	-	-	3-12 months	-
	USD	-	-	Up to 3 months	-
					485.595.355
Short-term portion of long-term borrowings	TL	12.00%	33.00%	Up to 3 months	114.054.973
	TL	12.00%	33.00%	3-12 months	420.072.319
	EUR	6.00%	12.00%	Up to 3 months	77.114.818
	EUR	6.00%	12.00%	3-12 months	312.798.863
	USD	6.00%	13.00%	Up to 3 months	3.643.133
	USD	6.00%	13.00%	3-12 months	28.351.024
					956.035.130
Long-term borrowings	TL	12.00%	33.00%	1-10 years	567.823.799
	EUR	6.00%	12.00%	1-10 years	206.012.812
	USD	6.00%	13.00%	1-10 years	27.507.976
					801.344.587

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31.12.2022	Currency	Weighted average interest rate (%)		Maturity	TL equivalent
		Minimum (%)	Maximum (%)		
Short-term borrowings	TL	18.43%	21.95%	Revolving credits	173.712.806
	TL	18.43%	21.95%	Up to 3 months	14.838.220
	TL	18.43%	21.95%	3-12 months	41.718.400
	EUR	2.82%	8.66%	Up to 3 months	53.255.155
	EUR	2.82%	8.66%	3-12 months	92.320.140
	USD	3.18%	8.71%	Up to 3 months	7.468.144
	USD	3.18%	8.71%	3-12 months	6.191.543
					389.504.408
Short-term portion of long-term borrowings	TL	7.61%	29.82%	Up to 3 months	6.342.300
	TL	7.61%	29.82%	3-12 months	23.441.709
	EUR	2.57%	8.58%	Up to 3 months	20.280.929
	EUR	2.57%	8.58%	3-12 months	49.056.051
	USD	6.66%	6.66%	Up to 3 months	80.986
	USD	6.66%	6.66%	3-12 months	-
					99.201.975
Long-term borrowings	TL	7.61%	29.82%	1-10 years	597.524.291
	EUR	2.57%	8.58%	1-10 years	83.011.959
	USD	6.66%	6.66%	1-10 years	5.994.240
					686.530.490

Interest rates of revolving credits denominated in TL, USD and EUR are 7%-38%, 9% and 7%-10%, respectively (31 December 2022: Interest rates of revolving credits denominated in TL, USD and EUR are 13.42%-21.95%, 3.18%-8.66% and 2.82%-8.66%, respectively).

As of 30 September 2023 and 31 December 2022, redemption schedule and maturity analysis of bank borrowings are as follows:

	30.09.2023	31.12.2022
Revolving credits	464.642.765	173.712.806
Up to 3 months	212.636.177	102.265.734
3-12 months	764.351.543	212.727.843
1-10 years	801.344.587	686.530.490
	2.242.975.072	1.175.236.873

As of 30 September 2023 and 31 December 2022, repayment schedule of long-term bank borrowings is as follows:

Year	30.09.2023	31.12.2022
2024	388.454.025	162.156.731
2025	152.005.481	84.060.438
2026	88.628.120	81.252.800
2027	63.396.390	76.495.697
2028	41.085.640	60.835.935
2029 and subsequent years	67.774.931	221.728.889
TOTAL	801.344.587	686.530.490

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

30.09.2023	Currency	Maturity	TL equivalent
Short-term portion of long-term finance lease liabilities	TL	Up to 3 months	6.684.872
	TL	3-12 months	15.404.515
	EUR	Up to 3 months	658.150
	EUR	3-12 months	1.546.740
			24.294.277
Long-term finance lease liabilities	TL	1-5 years	19.953.061
	EUR	1-5 years	271.870
			20.224.931

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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31.12.2022	Currency	Maturity	TL equivalent
Short-term portion of long-term finance lease liabilities	TL	Up to 3 months	31.756
	TL	3-12 months	115.960
	EUR	Up to 3 months	391.132
	EUR	3-12 months	1.207.744
	USD	Up to 3 months	-
	USD	3-12 months	-
			1.746.592
Long-term finance lease liabilities	TL	1-5 years	537.731
	EUR	1-5 years	960.297
	USD	1-5 years	-
			1.498.028

As of 30 September 2023 and 31 December 2022, redemption schedule and maturity analysis of finance lease liabilities are as follows:

	30.09.2023	31.12.2022
Up to 3 months	7.343.022	422.888
3-12 months	16.951.255	1.323.704
1-5 years	20.224.931	1.498.028
TOTAL	44.519.208	3.244.620

As of 30 September 2023 and 31 December 2022, repayment schedule of long-term finance lease liabilities is as follows:

Year	30.09.2023	31.12.2022
2024	4.030.277	1.498.028
2025	11.426.276	-
2026	4.124.594	-
2027	643.784	-
TOTAL	20.224.931	1.498.028

NOTE 9 – RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets

	30.09.2023	31.12.2022
Beginning of the period – 1 January	1.188.669	788.294
Additions / disposals, net	84.885.358	1.076.810
Current period depreciation (Note 30)	(10.115.442)	(676.435)
End of the period	75.958.585	1.188.669

Lease liabilities

	30.09.2023	31.12.2022
	78.691.310	1.417.703
Short-term	14.371.784	564.333
Long-term	64.319.526	853.370
	30.09.2023	31.12.2022
Beginning of the period – 1 January	1.417.703	720.467
Increases / decreases, net	84.656.322	873.434
Payments during the period	(14.171.379)	(503.664)
Interest expenses during the period (Note 33)	6.788.664	327.466
End of the period	78.691.310	1.417.703

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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NOTE 10 – TRADE RECEIVABLES AND PAYABLES

	30.09.2023	31.12.2022
Trade receivables due from related parties (*)	32.380.063	12.913.948
- Customers	32.380.063	12.913.948
Trade receivables due from third parties	1.155.842.186	822.445.455
- Customers	1.136.970.435	830.531.098
- Post-dated cheques and notes receivables	19.237.322	12.426.170
- Doubtful trade receivables	36.787.418	31.228.578
- Discount on receivable notes (-)	(495.808)	(20.511.813)
- Provision for doubtful trade receivables (-)	(36.787.418)	(31.228.578)
- Other	130.237	-
Total short-term trade receivables, net	1.188.222.249	835.359.403
Total long-term trade receivables, net	-	-

(*) The detailed analysis is disclosed in Note 38.

As of 30 September 2023, average turnover period for trade receivables is between 120-150 days (31 December 2022: 120-150 days).

The aging analysis and provision for doubtful receivables for past due but not impaired trade receivables and past due but impaired trade receivables are disclosed in Note 39-E.

The net maturity analysis of not past due trade receivables is disclosed in Note 39-E.

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

	30.09.2023	31.12.2022
Beginning of the period – 1 January	(31.228.578)	(11.991.983)
Additions during the period (Note 31)	(5.558.840)	(19.236.595)
End of the period	(36.787.418)	(31.228.578)

	30.09.2023	31.12.2022
Trade payables due to related parties (*)	53.217.451	6.031.092
- Suppliers	53.217.451	6.358.717
- Discount on payable notes (-)	-	(327.625)
Trade payables due to third parties	1.362.972.979	467.458.287
- Suppliers	576.259.577	282.273.561
- Post-dated cheques and payable notes	323.855.394	196.747.961
- Discount on payable notes (-)	(16.309.697)	(11.563.235)
- Other	479.167.705	-
Total short-term trade payables, net	1.416.190.430	473.489.379

(*) The detailed analysis is disclosed in Note 38.

As of 30 September 2023, average turnover period for trade payables is between 60-90 days (31 December 2022: 60-90 days).

NOTE 11 – OTHER RECEIVABLES AND PAYABLES

	30.09.2023	31.12.2022
Other receivables due from related parties (*)	414.088	29.627.502
- Related parties	414.088	29.627.502
Short-term other receivables due from third parties	128.578.564	51.041.129
- Deposits and guarantees given	101.341.724	40.282.180
- Receivables from tax office	24.546.441	9.559.758
- Due from employees	509.721	14.715
- Other	2.180.678	1.184.476
Total short-term other receivables, net	128.992.652	80.668.631
Long-term other receivables due from related parties (*)	69.658.563	-
- Related parties	69.658.563	-
Other receivables due from third parties	584.276	-
- Deposits and guarantees given	597.490	-
- Other Receivable	(13.214)	-
Total long-term other receivables, net	70.242.839	-

(*) The detailed analysis is disclosed in Note 38.

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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	30.09.2023	31.12.2022
Short-term other payables due to related parties (*)	1.081.399	-
Short-term other payables due to third parties	476.642.106	5.411.456
- Deposits and guarantees received	11.544.168	5.181.609
- <i>Deferred liabilities</i>	28.603.366	-
- Taxes payable	8.005.861	-
- Other	428.488.711	229.847
Total short-term other payables, net	477.723.505	5.411.456
Long-term other payables due to related parties (*)	1.440.965.014	1.201.854.561
- Due to shareholders	1.358.081.775	1.201.854.561
- Hermaksan Madencilik A.Ş.	56.945.000	-
- Kayasu Elektrik A.Ş.	25.938.239	-
Long-term other payables due to third parties (*)	31.833.409	-
- <i>Deferred liabilities</i>	9.011.243	-
- Other	22.822.166	-
Total long-term other payables, net	1.472.798.423	1.201.854.561

(*) The detailed analysis is disclosed in Note 38. Amounts due to shareholders are arising from payables to the shareholders of the Group, Sami Aslanhan and Ömer Ünsalan.

NOTE 12 – FINANCE SECTOR OPERATIONS

	30.09.2023	31.12.2022
Derivative assets	213.723	-
Total	213.723	-
Derivative liabilities	-	-
Total	-	-

(*) Derivative instruments of Kontrolmatik include forward exchange contracts.

NOTE 13 – INVENTORIES

	30.09.2023	31.12.2022
Raw materials and supplies	73.135.818	8.382.846
Semi-finished goods	52.332.601	21.472.891
Finished goods	24.609.224	-
Merchandise	624.178.556	386.939.923
Less: Provision for inventory impairment (-)	(6.075.028)	(8.487.635)
Other inventories	3.503.850	459.323
TOTAL	771.685.021	408.767.348

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

	30.09.2023	31.12.2022
Beginning of the period – 1 January	(8.487.635)	(2.263.441)
Additions/reversals, net	2.412.607	(6.224.194)
End of the period	(6.075.028)	(8.487.635)

NOTE 14 – BIOLOGICAL ASSETS

As of 30 September 2023 and 31 December 2022, the Group has no biological assets.

NOTE 15 – CUSTOMER CONTRACTS

	30.09.2023	31.12.2022
Contract assets	197.344.684	33.228.406
Contract liabilities	(9.265.666)	(38.234.757)
Total assets/liabilities	188.079.018	(5.006.351)

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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	30.09.2023	31.12.2022
Realised		
Cost	410.081.924	110.952.328
Progress payment	293.936.406	137.586.941
Estimated revenue recognition		
Cost	1.285.219.631	410.518.786
Progress payment	1.533.338.703	492.364.186
	30.09.2023	31.12.2022
Revenue under TFRS (A)	482.015.424	132.580.590
Contract cost (B)	(410.081.924)	(110.952.328)
Profit/loss in accordance with TFRS 15 (C=A+B)	71.933.500	21.628.262
Progress payment received (D)	293.936.406	137.586.941
Total contract assets / liabilities, net (E=A-D)	188.079.018	(5.006.351)

NOTE 16 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. joint venture (“IOT”) on 4 September 2018 (during its establishment).

In addition, the Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Skysens Tek. A.Ş. joint venture (“SAY”) on 10 October 2018 (during its establishment).

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

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

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

The Group has acquired effective ownership interest of 50% belonging to shares of Kontrolmatik Enerji ve Müh. A.Ş. and Siterm Isı Sanayi A.Ş joint venture.

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

		30.09.2023	
Associates and joint ventures (Accounted for using the equity method)	Effective ownership interest %	Amount	Net carrying value
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	218.797
Plan S Uydu ve Uzay Teknolojileri A.Ş.	25	37.500.000	51.237.952
Mint Elektrikli Araç Teknolojileri A.Ş.	40	12.000.000	20.076.219
Kontrolmatik Tek. Ene. Ve Müh. A.S. Ve Siterm Isı San. A.Ş. İş Ortaklığı	50	25.000	1.562.136
Signum Teknoloji Tanıtım ve Eğitim A.Ş.	49	26.810.000	26.810.000
TOPLAM		76.345.000	99.905.104
			31.12.2022
Associates and joint ventures (Accounted for using the equity method)	Effective ownership interest %	Amount	Net carrying value
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (IOT)	50	5.000	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. Joint venture (SAY)	50	5.000	-
Plan S Uydu ve Uzay Teknolojileri A.Ş.	25	37.500.000	36.656.700
MİNT Elektrikli Araç Teknolojileri A.Ş.	40	8.000.000	8.373.143
Kontrolmatik Tek. Ene. Ve Müh. A.S. Ve Siterm Isı San. A.Ş. Joint venture	50	-	-
TOTAL		45.510.000	45.029.843
Associates and joint ventures		30.09.2023	31.12.2022
Beginning of the period – 1 January		45.029.843	4.788.649
Additions/Disposals		26.810.000	40.500.000
Capital increases		24.500.000	-
Increases/decreases during the period		(55.751)	-
Share of profit for the period		3.621.012	(258.806)
End of the period		99.905.104	45.029.843

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NOTE 17 – INVESTMENT PROPERTIES

01.01.2023 - 30.09.2023

	Opening balance 1 January 2023	Additions	Disposals	Transfers	Closing balance 30 September 2023
Cost					
Land	80.628.752	-	-	(13.726.000)	66.902.752
Buildings	8.525.042	-	-	-	8.525.042
Total	89.153.794	-	-	(13.726.000)	75.427.794
Less: Accumulated depreciation					
Buildings	(30.794)	-	-	-	(30.794)
Total	(30.794)	-	-	-	(30.794)
Investment properties, net	89.123.000	-	-	-	75.397.000

01.01.2022 - 30.09.2022

	Opening balance 1 January 2022	Additions	Disposals	Transfers	Closing balance 30 September 2022
Cost					
Land	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
Less: 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

The fair value of investment properties has been determined by independent appraisal firm Emek Taşınmaz Değerleme ve Danışmanlık A.Ş. and the detailed list of investment properties is as follows. The independent appraisal firm determined the fair value of investment properties in the appraisal reports on 31 December 2022 in accordance with the “Peer comparison” and “Income approach”.

Investment properties	Date of acquisition	30 September 2023			31 December 2022		
		Net book value			Net book value		
		Land	Building	TOTAL	Land	Building	TOTAL
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	116.000	-	116.000	116.000	-	116.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	57.000	-	57.000	57.000	-	57.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	68.000	-	68.000	68.000	-	68.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	206.000	-	206.000	206.000	-	206.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	428.000	-	428.000	428.000	-	428.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	10.000	-	10.000	10.000	-	10.000
Kırklareli ili Kofçaz ilçesi - Land	28 December 2016	43.000	-	43.000	43.000	-	43.000
İstanbul ili Amavutköy ilçesi - Land	11 September 2017	1.083.000	-	1.083.000	1.083.000	-	1.083.000
İstanbul ili Amavutköy ilçesi - Land	11 September 2017	276.000	-	276.000	276.000	-	276.000
İstanbul ili Amavutköy ilçesi - Land (*)	29 January 2018	4.164.000	-	4.164.000	4.164.000	-	4.164.000
Kocaeli ili Çayirova ilçesi - Land	17 January 2019	37.800.000	-	37.800.000	37.800.000	-	37.800.000
İstanbul İli Silivri İlçesi- Land	15 June 2022	-	-	-	2.581.000	-	2.581.000
İstanbul İli Silivri İlçesi- Land	15 June 2022	-	-	-	3.640.000	-	3.640.000
İstanbul İli Silivri İlçesi- Land	15 June 2022	-	-	-	7.505.000	-	7.505.000
İstanbul ili Beşiktaş ilçesi - Apartment	17 July 2019	3.187.500	562.500	3.750.000	3.187.500	562.500	3.750.000
İstanbul ili Beşiktaş ilçesi - Apartment	17 July 2019	3.187.500	562.500	3.750.000	3.187.500	562.500	3.750.000
Sakarya ili Serdivan ilçesi - Store	16 August.2019	3.117.354	1.382.646	4.500.000	3.117.354	1.382.646	4.500.000
Sakarya ili Serdivan ilçesi - Store	2 August 2019	3.705.291	1.644.709	5.350.000	3.705.291	1.644.709	5.350.000
Sakarya ili Serdivan ilçesi - Store	16 August 2019	3.199.380	1.365.620	4.565.000	3.199.380	1.365.620	4.565.000
Sakarya ili Serdivan ilçesi - Store	17 September 2019	3.998.727	1.707.273	5.706.000	3.998.727	1.707.273	5.706.000
Ankara ili Etimeskut ilçesi - Land	26 September 2019	2.256.000	1.269.000	3.525.000	2.256.000	1.269.000	3.525.000
TOTAL		66.902.752	8.494.248	75.397.000	80.628.752	8.494.248	89.123.000

(*) In accordance with the appraisal report in the current period regarding the aforementioned land, the statement that it is the “defendant” in the land registry creates a risk of loss of ownership for the potential buyers of the land.

As of 30 September 2023, the Group has mortgage risk on its investment properties amounting to TL 63.895.139 (31 December 2022: TL 63.895.139). The relevant mortgages are also on the properties and classified under property, plant and equipment.

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NOTE 18 – PROPERTY, PLANT AND EQUIPMENT

01.01.2023 – 30.09.2023

	Opening balance 1 January 2023	Additions	Disposals	Acquisition of a subsidiary	Transfers	Currency translation differences	Closing balance 30 September 2023
Cost							
Land	63.426.051	-	-	2.815.170	13.726.000	-	79.967.221
Land improvements	-	-	-	30.148	-	-	30.148
Buildings	506.692.951	107.677.307	-	-	-	-	614.370.258
Plant, machinery and equipment	16.184.689	99.468.646	-	154.998.969	-	-	270.652.304
Motor vehicles	31.566.793	50.219.893	(2.513.001)	26.635.125	1.100.390	370.335	107.379.535
Furniture and fixtures	21.819.696	33.785.503	(169.890)	5.967.256	140.846	33.702	61.577.113
Leasehold improvements	370.937	106.379	-	1.403.899	-	-	1.881.215
Constructions in progress	-	1.349.974.174	-	172.099.682	-	-	1.522.073.856
Depreciable assets	-	2.337.096	-	2.596.791	-	-	4.933.887
Total	640.061.117	1.643.568.998	(2.682.891)	366.547.040	14.967.236	404.037	2.662.865.537
Less: Accumulated depreciation							
Land improvements	-	(2.255)	-	(5.476)	-	-	(7.731)
Buildings	-	(4.169.942)	-	-	-	-	(4.169.942)
Plant, machinery and equipment	(4.850.249)	(12.543.906)	-	-	-	-	(17.394.155)
Motor vehicles	(3.524.558)	(12.136.200)	501.054	(4.362.796)	-	(33.244)	(19.555.744)
Furniture and fixtures	(3.882.736)	(5.298.908)	33.174	(641.034)	-	(5.069)	(9.794.572)
Leasehold improvements	(229.205)	(28.194)	-	-	-	-	(257.399)
Depreciable assets	-	(652.188)	-	-	-	-	(652.188)
Total	(12.486.748)	(34.831.593)	534.228	(5.009.306)	-	(38.313)	(51.831.732)
Property, plant and equipment, net	627.574.369	1.608.737.405	(2.148.663)	361.537.734	14.967.236	365.724	2.611.033.805

01.01.2022 – 30.09.2022

	Opening balance 1 January 2023	Additions	Disposals	Acquisition of a subsidiary	Transfers	Currency translation differences	Closing balance 30 September 2023
Cost							
Land	17.839.180	-	(478.740)	-	-	-	17.360.440
Buildings	37.081.511	75.000.000	(469.260)	-	-	-	111.612.251
Plant, machinery and equipment	7.146.349	4.221.794	-	-	-	-	11.368.143
Motor vehicles	4.569.786	20.338.959	(1.411.020)	-	-	-	23.497.725
Furniture and fixtures	6.064.017	8.456.139	(77.521)	-	8.456.139	-	14.442.635
Leasehold improvements	238.417	132.520	-	-	-	-	370.937
Constructions in progress	-	113.034.679	-	-	-	-	113.034.679
Total	72.939.260	221.184.091	(2.436.541)	-	-	-	291.686.810
Less: Accumulated depreciation							
Buildings	(215.691)	-	-	-	-	-	(215.691)
Plant, machinery and equipment	(3.214.919)	(1.616.558)	-	-	-	-	(4.831.477)
Motor vehicles	(1.384.830)	(1.324.583)	752.748	-	-	-	(1.956.665)
Furniture and fixtures	(2.101.275)	(1.409.490)	32.916	-	-	-	(3.477.849)
Leasehold improvements	(193.710)	(23.586)	-	-	-	-	(217.296)
Total	(7.110.425)	(4.374.217)	785.664	-	-	-	(10.698.978)
Property, plant and equipment, net	65.828.835	216.809.874	(1.650.877)	-	-	-	280.987.832

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The fair value of property, plant and equipment has been determined as at 31 December 2021 by independent appraisal firm Emek Taşınmaz Değerleme ve Danışmanlık A.Ş. and the detailed list of property, plant and equipment which include an apartment in Gaziosmanpaşa, İstanbul, two offices in Esenler, İstanbul and a factory in Polatlı Ankara, are as follows. The independent appraisal firm determined the fair value of property, plant and equipment in the appraisal reports on 31 December 2021 in accordance with the “Peer comparison” and “Income approach”. There has been no independent appraisal report incurred on 30 September 2022, land and buildings recognised in accordance with the revaluation model are recognised and presented in accordance with the amounts subject to revaluation accordingly as at 31 December 2021.

The building acquired in Sarıyer, İstanbul on 8 April 2022 is carried at fair value at the date of acquisition accordingly in the accompanying consolidated financial statements.

As of 30 September 2022, the Group has mortgage risk on its buildings classified under property, plant and equipment amounting to TL 184.556.000 (31 December 2021: 57.500.000). In addition, the Group has risk of pledge on its motor vehicles amounting to TL 5.749.287 (31 December 2021: TL 2.580.970).

There has been no change incurred on the fair value of buildings presented under property, plant and equipment.

31.12.2022				
Net book value				
Property, plant and equipment	Date of acquisition	Land	Building	TOTAL
İstanbul ili Sarıyer İlçesi - Office	8.04.2022	-	75.000.000	75.000.000
İstanbul ili Esenler ilçesi - Office	9.09.2013	5.483.000	1.020.000	6.503.000
İstanbul ili Esenler ilçesi - Office	27.09.2016	5.483.000	1.020.000	6.503.000
Ankara ili Polatlı ilçesi - Factory	18.08.2021	6.394.440	34.356.560	40.751.000
TOTAL		17.360.440	111.396.560	128.757.000

As of 30 September 2023, the Group has mortgage risk on its buildings classified under property, plant and equipment amounting to TL 438.407.000 (31 December 2022: 757.498.000). In addition, the Group has risk of pledge on its motor vehicles amounting to TL 5.565.165 (31 December 2022: TL 2.072.477).

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

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

NOTE 19 – INTANGIBLE ASSETS

A-) Goodwill

	Opening balance – 1 January 2023	Additions	Disposals	Impairment	Closing balance – 30 September 2023
Cost					
Goodwill	5.954.341	557.598.564	-	-	563.552.905
Total	5.954.341	557.598.564	-	-	563.552.905
	Opening balance – 1 January 2022	Additions	Disposals	Impairment	Closing balance – 31 December 2022
Cost					
Goodwill	-	5.954.341	-	-	5.954.341
Total	-	5.954.341	-	-	5.954.341

The impairment test of goodwill

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

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

The recoverable amount is considered as the higher of the market values calculated according to the net asset value method or the Discounted Cash Flow (“DNA”) method. If the recoverable amount is below the book value, the impairment of goodwill incurred. The Group has no impairment of goodwill at the end of the reporting periods.

B-) Other intangible assets

01.01.2023 - 30.09.2023

	Opening balance 1 January 2023	Additions	Disposals	Closing balance 30 September 2023
Cost				
Rights	1.853.284	32.976.370	(1.500)	34.828.154
Research and development costs (*)	19.639.712	21.373.227	-	41.012.939
Other intangible assets	23.846.548	26.097.075	(46.242)	49.897.381
Total	45.339.544	80.446.672	(47.742)	125.738.474
Less: Accumulated depreciation				
Rights	(66.482)	(1.823.264)	395	(1.889.351)
Research and development costs	(934.551)	(56.085)	-	(990.636)
Other intangible assets	(12.022.684)	(9.343.243)	6.871	(21.359.056)
Total	(13.023.717)	(11.222.592)	7.266	(24.239.043)
Intangible assets, net	32.315.827	69.224.080	(40.476)	101.499.431

01.01.2022 – 30.09.2022

	Opening balance 1 January 2022	Additions	Disposals	Closing balance 30 September 2022
Cost				
Rights	24.800	774.289	-	799.089
Computer software and design center expenditures	21.428.714	1.595.768	-	23.024.482
Research and development costs (*)	6.007.026	9.397.991	-	15.405.017
Total	27.460.540	11.768.048	-	39.228.588

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Less: Accumulated depreciation				
Rights	(5.218)	(31.476)	-	(36.694)
Computer software and design center expenditures	(4.848.178)	(5.283.359)	-	(10.131.537)
Research and development costs		(912.730)		(912.730)
Total	(4.853.396)	(6.227.565)	-	(11.080.961)
Intangible assets, net	22.607.144	5.540.483	-	28.147.627

(*) Represents research and development costs incurred by the Group. Research and development projects completed are subject to amortisation and development costs that are capitalised only after technical and commercial feasibility of the asset for sale or use have been established and not subject to amortisation.

NOTE 20 – GOVERNMENT GRANTS

As of 30 September 2023 and 31 December 2022, the Group has no government grants.

NOTE 21 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Commitments, collaterals, pledges and mortgages given by the Group

As of 30 September 2023 and 31 December 2022, the Group's collaterals/pledge/mortgage ("C&P&M") position is as follows:

30.09.2023				
Collaterals, pledges and mortgages given by the Group	USD	EUR	TL	TOTAL (TL equivalent)
A. Total amount of CPM's given in the name of its own legal personality	10.859.977	121.654.791	941.443.621	998.123.621
B. i. Total amount of CPM's given on behalf of the fully consolidated subsidiaries	210.000.000	-	734.248.778	6.483.355.778
B. ii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favour of each other	156.650.000	-	535.347.025	4.823.907.080
B. iii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favour of parent company	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	377.509.977	121.654.791	2.211.039.424	12.305.386.479
Total equity				2.055.814.303
The ratio of other CPM's to equity given by the Group				-

31.12.2022				
Collaterals, pledges and mortgages given by the Group	USD	EUR	TL	TOTAL (TL equivalent)
A. Total amount of CPM's given in the name of its own legal personality	9.282.719	25.055.040	577.668.718	1.250.709.488
B. i. Total amount of CPM's given on behalf of the fully consolidated subsidiaries	-	-	498.890.000	498.890.000
B. ii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favour of each other	-	100.000	499.197.225	501.190.715
B. iii. Total amount of CPM's given on behalf of the fully consolidated subsidiaries in favour of parent company	-	-	-	-
C. Total amount of CPM's given on behalf of third parties for ordinary course of business	-	-	-	-
D. Total amount of other CPM's given	-	-	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-	-	-
ii. Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C	-	-	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-
Total	9.282.719	25.155.040	1.575.755.943	2.250.790.203
Total equity				1.298.880.447
The ratio of other CPM's to equity given by the Group				-

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As of 30 September 2023 and 31 December 2022, the details of contingent liabilities, contingent assets and commitments' ("CPM") risk presented in the abovementioned statements are as follows:

30.09.2023

Type	TL	USD	EUR
Mortgages given	959.652.593	645.000	89.040.000
Letter of guarantee given	510.739.313	9.755.141	32.614.791
Bill of guarantees given	734.248.778	366.650.000	-
Blocked deposits	5.233.574	459.836	-
Vehicle pledges given	1.165.165	-	-
Total CPM's, net	2.211.039.424	377.509.977	121.654.791

31.12.2022

Type	TL	USD	EUR
Mortgages given	821.393.139	-	-
Letter of guarantee given	220.520.801	9.142.719	25.155.040
Letter of credit	-	140.000	-
Bill of guarantees given	498.890.000	-	-
Blocked deposits	32.879.526	-	-
Vehicle pledges given	2.072.477	-	-
Total CPM's, net	1.575.755.943	9.282.719	25.155.040

Provisions

The movement of provision for lawsuits is as follows:

	30.09.2023	31.12.2022
Beginning of the period – 1 January	27.400	46.018
Additions (Note 31)	391.725	-
Provisions no longer required (Note 31)	-	(18.618)
End of the period	419.125	27.400

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

As of 30 September 2023, the Group has allocated provision for lawsuits amounting to TL 390.078 in the accompanying consolidated financial statements for the lawsuits and execution proceedings filed against the Group for the possible cash outflows (31 December 2022: TL 27.400).

As of 30 September 2023 and 31 December 2022, the breakdown of lawsuits, litigations and ongoing execution proceedings filed in favour/against the Group is as follows:

Lawsuits, litigations and ongoing execution proceedings	30.09.2023		31.12.2022	
	Number of cases	Amount	Number of cases	Amount
Litigations and lawsuits filed by the Group	8	675.198	8	675.198
Ongoing execution proceedings in favour of the Group	6	357.252	6	357.252
Litigations and lawsuits against the Group	5	419.125	3	27.400

NOTE 22 – EMPLOYEE BENEFITS

	30.09.2023	31.12.2022
Due to employees	26.457.234	7.862.453
Taxes payable	27.583.143	5.934.874
Social security premiums payable	7.337.807	-
Deferred liabilities	17.987	-
Employee benefits, net	61.396.171	13.797.327

	30.09.2023	31.12.2022
Provision for employment termination benefits	6.454.566	2.672.897
Provision for unused vacation	10.035.871	2.678.165

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

As of 30 September 2023, the amount payable consists of one month's salary limited to a maximum of TL 23.490 (31 December 2022: TL 15.371) for each year of service.

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

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

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

	<u>30.09.2023</u>	<u>31.12.2022</u>
Net discount rate	3.36%	2.55%
Employment termination benefit non-payment rate	5%	5%

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

	<u>30.09.2023</u>	<u>31.12.2022</u>
Beginning of the Period – 1 January	2.672.897	1.248.281
Additions during the period	2.853.606	1.526.021
Payments during the period and provisions no longer required	(669.027)	(416.700)
Gains/(losses) on remeasurements of defined benefit plans	1.597.090	315.295
End of the period	6.454.566	2.672.897

The movement of provision for unused vacation is as follows:

	<u>30.09.2023</u>	<u>31.12.2022</u>
Beginning of the Period – 1 January	2.678.165	1.224.037
Additions during the period	7.357.706	1.454.128
End of the period	10.035.871	2.678.165

NOTE 23 – RETIREMENT BENEFIT PLANS

Except for the legal regulations and legislations disclosed in Note 22, there is no regulation for retirement benefit plans.

NOTE 24 – PREPAID EXPENSES AND DEFERRED INCOME

	<u>30.09.2023</u>	<u>31.12.2022</u>
Prepaid expenses due to related parties (*)	3.974.473	4.501.579
- Advances given	3.974.473	4.389.224
- Cash advances	-	112.355
Prepaid expenses due to third parties	780.781.582	402.467.078
- Advances given	752.673.389	400.197.041
- Short-term prepaid expenses	28.108.193	578.830
- Cash advances	-	1.691.207
Prepaid expenses, net (Classified under current assets)	784.756.055	406.968.657

(*) The detailed analysis is disclosed in Note 38.

	<u>30.09.2023</u>	<u>31.12.2022</u>
Prepaid expenses due to third parties	32.455.212	292.324.509
- Long-term prepaid expenses	12.679.889	5.484.822
- Advances given	-	286.839.687
Prepaid taxes	19.775.323	-
Prepaid expenses, net (Classified under non-current assets)	32.455.212	292.324.509

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	30.09.2023	31.12.2022
Deferred income due from related parties	50.045.610	9.749.987
- Advances received (*)	50.045.610	9.749.987
Deferred income due from third parties	388.430.061	72.586.742
- Advances received	388.430.061	72.586.742
Deferred income except for contract liabilities (Short-term)	438.475.671	82.336.729
Deferred income except for contract liabilities (Long-term)	-	-

(*) The detailed analysis is disclosed in Note 38.

NOTE 25 – CURRENT INCOME TAX ASSETS

Short-term current income tax assets

Account Name	30.09.2023	31.12.2022
Prepaid taxes (Short-term)	286.650	7.149.520
Prepaid taxes (Long-term)	19.775.323	-
Total	20.061.972	7.149.520

NOTE 26 – OTHER ASSETS AND LIABILITIES

	30.09.2023	31.12.2022
Deferred VAT	146.013.014	19.337.085
Other VAT	1.016.670	-
Advances given to employees	425.757	-
Cash advances	10.472.254	-
Inventory shortages and deficit	8.376	-
Other	418.056	-
Other current assets, net	158.354.127	19.337.085

	30.09.2023	31.12.2022
Other fixed assets	557.805.488	-
Other fixed assets, net	557.805.488	-

	30.09.2023	31.12.2022
Taxes payable	-	9.352.682
Inventory surplus	205.206	-
Expense accruals	16.350	-
Other current liabilities, net	221.556	9.352.682

NOTE 27 – EQUITY

As of 30 September 2023 and 31 December 2022, the principal shareholders and their respective shareholding rates in Kontrolmatik are as follows:

Shareholders	Share %	30.09.2023	Share %	31.12.2022
		Amount (TL)		Amount (TL)
Sami Aslanhan	28,96%	57.926.444	29,00%	58.181.444
Ömer Ünsalan	28,96%	57.926.444	29,00%	58.181.444
Other	42,08%	84.147.112	42,00%	83.637.112
Total paid-in share capital	100,00%	200.000.000	100,00%	200.000.000

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

As of 30 September 2023, the Group has paid-in share capital amounting to TL 200.000.000 (31 December 2022: TL 200.000.000). Kontrolmatik adopted the registered share capital system at the General Assembly meeting on 21 May 2020.

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

The Group increased its current share capital through bonus issues amounting to TL 200.000.000 from its internal funds and resources on 25 July 2022.

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B. Share Premium

As a result of the initial public offering of Kontrolmatik in 2020, the Group increased its current share capital of TL 8.062.500 through selling 8,062,500 number of shares with a nominal value of TL 1. In addition, the Group has additional cash inflow amounting to TL 59.331.875 arising from the sale realized above the nominal amount considered. The relevant amount classified as “share premium” in the accompanying consolidated financial statements. The capital increase amounting to TL 49.000.000 was paid from its internal funds and resources from “share premium” on 8 June 2022. As a result of the acquisition of ENWAIR's shares in the current period, which is also included in the scope of consolidation, equity holding of the parent amounting to TL 329.107 was included in a “share premium” account. Share premium is arising from the disposal of Pomega's shares with 11% effective ownership interest, the subsidiary of the Group, in the current period.

Share premium	30.09.2023	31.12.2022
Beginning of the period – 1 January	438.587.602	59.331.875
Capital increase / capital reduction	-	(49.000.000)
Increases / (decreases) during the period (*)	(38.085.469)	-
Share premium from gain on bargain purchase	-	427.926.620
Acquisition of a subsidiary	-	329.107
End of the Period	400.502.133	438.587.602

(*) In accordance with the law numbered 7440 and the additional tax applied to the emission premiums, the emission premium of Pomega Energy, the subsidiary of the Group, has been subject to withholding tax at the share of effective ownership interest of its partners.

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

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

Property, plant and equipment revaluation surplus	30.09.2023	31.12.2022
Beginning of the period – 1 January	152.190.469	33.135.234
Revaluation surplus during the period	-	134.221.327
Taxes relating to other comprehensive income or expenses not to be reclassified to profit or loss during the period	-	(15.166.092)
End of the Period	152.190.469	152.190.469

Gains/(losses) on remeasurements of defined benefit plans	30.09.2023	31.12.2022
Beginning of the period – 1 January	(543.150)	(280.003)
Gains/(losses) on remeasurements of defined benefit plans during the period	(1.608.022)	(315.297)
Taxes relating to other comprehensive income or expenses not to be reclassified to profit or loss during the period	402.006	52.150
End of the Period	(1.749.166)	(543.150)

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

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

Currency translation differences	30.09.2023	31.12.2022
Beginning of the period – 1 January	3.542.197	469.174
Total comprehensive income	37.377.243	3.073.023
End of the Period	40.919.440	3.542.197

E. Restricted reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. From the remaining amount, in other words distributable net income for the period, first dividend shall be allocated after addition of donations made within the year, if any, in accordance with Turkish Commercial Code and Capital Markets Legislation. First dividend amount of the Group cannot be less than 20% of the remaining distributable profit after deducting previous years' losses, if any, and legal reserves, taxes, funds and financial payments that are necessary to be allocated from net period profit in accordance with related legislation. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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	30.09.2023	31.12.2022
Beginning of the period - 1 January	11.129.389	1.617.443
Restricted reserves during the period	-	7.548.622
Acquisition or disposal of a subsidiary	-	1.809.740
Research and development fund during the period	(1.808.134)	153.584
End of the Period	9.321.255	11.129.389

F. Retained earnings

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

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

As of 30 September 2023 and 31 December 2022, retained earnings include following items:

	30.09.2023	31.12.2022
Beginning of the period - 1 January	18.916.769	23.573.794
Share of profit/loss from prior period	469.060.654	130.667.738
Dividends paid	(30.000.000)	(12.429.627)
Transfer to restricted reserves	-	(7.548.622)
Capital increases	-	(112.937.500)
Research and development fund during the period	-	(153.584)
Acquisition or disposal of a subsidiary (3)	(42.629.001)	(2.080.670)
Gains/losses on changes in ownership interest in a subsidiary without resulting in a loss of control (1)	-	3.186
Business combination/Demerger/Liquidation, net (2)	-	(177.946)
Gains/losses on share buyback transactions	-	-
End of the Period	415.348.422	18.916.769

(1) Represents the effect on the retained earnings of the parent company resulting from the disposal of 5% of Progresiva's shares

(2) Represents the effect of the Group on retained earnings of the parent company due to the liquidation of 6 joint ventures, that were included in the scope of consolidation in prior periods, between 1 January – 31 December 2022

(3) Represents the result of the acquisition of Enwair as a subsidiary

G. Non-controlling interests

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

	30.09.2023	31.12.2022
Beginning of the period - 1 January	20.146.517	(177.946)
Changes in ownership interests of non-controlling interests, net	-	3.062.249
Acquisition of a subsidiary	71.638.144	2.352.474
Subsidiaries not included in the scope of consolidation	-	177.946
Share of profit/loss of non-controlling interests	36.038.314	14.731.794
Gains/(losses) on share-based payments and transactions	(6.499.908)	-
Other comprehensive income or expenses not to be reclassified to profit or loss	-	-
End of the Period	121.323.067	20.146.517

H. Treasury shares

	30.09.2023	31.12.2022
Beginning of the period - 1 January	(14.150.000)	-
Gains/losses on share buyback transactions	14.150.000	(14.150.000)
End of the Period	-	(14.150.000)

In accordance with the share buy-back program for a period of one year initiated pursuant to the Capital Markets Board's Communiqué on Share Buy-Back No. II-22.1 and the related announcements dated July 21, 2016 and July 25, 2016, which was initiated with the decision taken by the Group management on 6 December 2022 with the aim of eliminating the negative effects that may be caused by the price movements

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in the shares of the Group traded in Borsa Istanbul A.Ş. ("Borsa Istanbul") on investors in the short term, and in order to protect the value of all shareholders' investments and to support price stability in the share value of the Group, and also to use them within the framework of the share acquisition plans of the employees when deemed appropriate and necessary by the Group management, based on the transactions as of 30 September 2023, shares with a nominal value of TL 683.038, corresponding to 0.646% of the Group's share capital, were subject to buyback for a total of TL 95.957.844, including transaction costs.

NOTE 28 – REVENUE AND COST OF SALES

Gross profit from operating activities

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Domestic sales	1.281.664.502	557.327.337	299.620.899	77.985.630
Foreign sales	522.048.580	339.216.523	558.656.338	263.665.668
Other sales	-	-	846.040	345.477
Gross revenue, net	1.803.713.082	896.543.860	859.123.277	341.996.775
Sales discounts (-)	(1.879.396)	68.869	(3.715.594)	(253.876)
Net sales	1.801.833.686	896.612.729	855.407.683	341.742.899
Cost of sales (-)	(1.574.110.903)	(719.148.927)	(541.040.293)	(191.455.329)
Gross profit	227.722.783	177.463.802	314.367.390	150.287.570

NOTE 29 – OPERATING EXPENSES

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
General administrative expenses	(170.737.424)	(78.219.390)	(44.383.650)	(20.441.713)
Marketing expenses	(62.831.213)	(35.333.142)	(30.392.766)	(11.991.450)
Research and development expenses	(92.228.195)	(60.622.600)	(6.256.979)	(2.356.123)
Operating expenses, net	(325.796.832)	(174.175.132)	(81.033.395)	(34.789.286)

NOTE 30 – EXPENSES BY NATURE

As of 30 September 2023 and 2022, the breakdown of expenses by nature is as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Personnel expenses	(46.540.271)	(22.001.231)	(2.532.505)	(723.120)
Other Reserarch and Development Expenses	(32.495.000)	(32.495.000)	-	-
Depreciation Expenses	(4.850.211)	(1.407.700)	(1.957.987)	(732.691)
Provision for unused vacation	(2.082.856)	-	(149.916)	(79.370)
Provision for employment termination benefits	(807.813)	-	(293.855)	(244.998)
Other	(5.452.044)	(4.718.669)	(1.322.716)	(575.944)
Research and development expenses, net	(92.228.195)	(60.622.600)	(6.256.979)	(2.356.123)

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Representation and hospitality expenses	(21.429.516)	(17.133.649)	-	-
Personnel expenses	(14.580.432)	(5.936.179)	(3.745.692)	(1.574.771)
Advertisement and promotion expenses	(10.581.479)	(3.247.467)	(5.772.784)	(2.555.109)
Outsourcing expenses	(7.795.941)	(5.616.902)	(876.965)	(571.512)
Taxes, duties and charges	(2.879.180)	(140.054)	-	-
Travel and accommodation expenses	(2.147.975)	(700.963)	(7.651.293)	(1.868.390)
Provision for unused vacation	(1.418.963)	(1.418.963)	(117.611)	(55.808)
Consultancy expenses	(892.796)	(320.410)	(1.327.197)	(238.806)
Provision for employment termination benefits	(550.329)	(550.329)	-	-
Motor vehicle expenses	(550.292)	(263.916)	(493.908)	(164.922)
Freight expenses	(4.310)	(4.310)	(9.028.193)	(4.723.969)
Customs costs, fees and charges	-	-	(1.379.123)	(238.163)
Marketing expenses, net	(62.831.213)	(35.333.142)	(30.392.766)	(11.991.450)

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	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Personnel expenses	(74.714.961)	(35.586.424)	(10.602.058)	(5.261.857)
Depreciation and amortisation charges	(23.071.912)	(9.479.450)	(5.590.769)	(2.190.895)
Consultancy and audit expenses, fees and charges	(22.048.057)	(13.160.254)	-	-
Outsourcing expenses	(6.379.521)	(3.126.235)	(10.455.771)	(4.080.555)
Rent expenses	(5.770.644)	(2.063.493)	-	-
Travel and accommodation expenses	(5.583.466)	(3.355.657)	-	-
Taxes, duties and charges	(4.667.202)	(295.568)	(3.316.370)	(150.192)
Provision for unused vacation	(3.855.887)	(3.855.887)	(171.881)	(64.124)
Representation and hospitality expenses	(3.577.663)	(1.239.000)	-	-
Insurance expenses	(3.340.961)	(735.999)	-	-
Elektrik, Su ve Isıtma Giderleri	(2.140.776)	(776.927)	-	-
Motor vehicle expenses	(2.050.075)	(787.816)	(1.468.951)	(617.846)
Provision for employment termination benefits	(1.178.473)	(588.459)	(517.152)	(409.002)
Bank commissions, fees and charges	(996.695)	(431.955)	(1.978.067)	(1.055.816)
Maintenance and repair expenses	(710.207)	(250.451)	-	-
Communication expenses	(683.060)	(266.295)	-	-
Notary expenses	(537.972)	(269.945)	-	-
Dues expenses	(535.383)	(186.123)	(2.340.869)	(926.876)
IT expenses	(101.831)	(54.396)	-	-
Provision for doubtful receivables	-	-	(6.295.988)	(4.750.420)
Depreciation expenses related to leases	-	-	(587.285)	(292.527)
Small fixed assets expenses written off as expenses	-	-	(470.973)	(142.228)
Other	(8.792.678)	(1.709.055)	(587.516)	(499.375)
General administrative expenses, net	(170.737.424)	(78.219.389)	(44.383.650)	(20.441.713)

The functional breakdown of depreciation and amortisation charges in the consolidated statement of profit or loss is as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
General administrative expenses	(23.071.912)	(7.727.295)	(5.590.769)	(2.190.895)
Cost of sales	(561.990)	75.365	(3.053.026)	(1.370.593)
Marketing expenses	(914.878)	(914.878)	-	-
Research and development expenses	(4.013.134)	(1.407.700)	(1.957.987)	(732.691)
Depreciation and amortisation charges, net	(28.561.914)	(9.974.508)	(10.601.782)	(4.294.179)

NOTE 31 – OTHER OPERATING INCOME/(EXPENSES)

As of 30 September 2023 and 2022, the breakdown and details of other operating income/expenses are as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Reversal of discount	20.511.813	-	-	-
Discount income	17.753.209	10.670.549	-	-
Foreign exchange gains	524.452.209	110.918.713	234.543.810	66.566.715
Income arising from delay interest fees and charges	-	-	18.776.293	6.336.875
Provisions no longer required (Advances given)	940.774	33.600.260	1.230.920	352.358
Provisions no longer required (Employment termination benefits)	669.026	62.911	-	-
Provisions no longer required (Other)	2.412.607	212.437	-	-
Rent income	1.757.247	931.125	723.990	658.802
Income from social security premiums	-	-	1.758.705	833.879
Other	57.898.243	18.781.750	3.132.599	-
Other operating income, net	626.395.127	175.177.745	260.166.317	74.748.629

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	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Expenses arising from delay interest fees and charges	-	-	(17.724.717)	(1.185.915)
Reversal of discount	(11.890.860)	-	-	-
Foreign exchange losses	(194.663.342)	(65.340.964)	(134.730.227)	(55.084.350)
Grants and donations	(8.931.627)	-	(282.375)	(7.375)
Provision for doubtful trade receivables	(6.606.501)	-	-	-
Expenses arising from non-deductible motor vehicle expenses	-	-	(2.171.816)	(886.060)
Discount expenses	(515.377)	-	-	-
Provision for lawsuits	(391.725)	(362.679)	(199.420)	-
Commission expenses	(1.209.414)	(1.146.214)	-	-
Other	(62.745.674)	(33.338.361)	(2.251.399)	(589.215)
Other operating expenses, net	(286.954.520)	(100.188.218)	(157.359.954)	(57.752.915)

NOTE 32 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 30 September 2023 and 2022, the breakdown and details of gains/losses from investment activities are as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Gain on sale of equity securities	-	-	18.735.959	5.852.096
Gain on sale of marketable securities	327.967.246	117.301.776	1.078.528	286.080
Dividend income	2.500.213	102.456	-	-
Gain on foreign currency/Gold/Currency-protected TL time deposit accounts	-	-	15.330.515	6.613.851
Gain on disposal of property, plant and equipment and intangible assets	2.275.503	432.664	5.081.705	478.379
Gains from investment activities, net	332.742.962	117.836.896	40.226.707	13.230.406

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Loss on sale of equity securities and impairment	-	-	(2.303.157)	(363.157)
Loss on disposal of property, plant and equipment and intangible assets	(5.562)	(4.612)	-	-
Loss on disposal of joint ventures	-	-	(322.386)	-
Loss on sale of marketable securities	(142.249.186)	(276.578)	-	-
Losses from investment activities, net	(142.254.748)	(281.190)	(2.625.543)	(363.157)

NOTE 33 – FINANCIAL EXPENSES

As of 30 September 2023 and 2022, the breakdown and details of financial expenses are as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Foreign exchange losses	(164.137.047)	-	(91.759.878)	(12.257.572)
Interest expenses	(84.625.973)	(60.484.060)	(40.924.126)	(30.769.894)
Letter of guarantee commissions, fees and charges	-	-	(13.629.204)	(4.838.894)
Expenses Resulting from Derivative Transactions	-	(14.448.645)	-	-
Interest expenses from operating leases	(6.324.590)	(2.596.050)	(271.229)	(59.224)
Other	(349.638)	(349.639)	-	-
Financial expenses, net	(255.437.248)	(77.878.394)	(146.584.437)	(47.925.584)

NOTE 34 – FINANCIAL INCOME

As of 30 September 2023 and 2022, the breakdown and details of financial income are as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Interest income	14.128.827	-	7.077.711	2.611.255
Income arising from derivative instruments and relevant transactions	213.723	-	-	-
Foreign exchange gains	149.625.664	70.083.217	3.863.945	1.916.092
Financial income, net	163.968.214	70.083.217	10.941.656	4.527.347

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NOTE 35 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

NOTE 36 – INCOME TAXES

Current income tax assets and liabilities

As of 30 September 2023, the corporate tax rate in Türkiye is 25%.

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

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

As of 30 September 2023 and 31 December 2022, the breakdown of current income tax liabilities is as follows:

	30.09.2023	31.12.2022
Provision for taxes	80.480.323	87.049.217
Prepaid taxes (-)	(33.074.201)	(50.687.577)
Current income tax liabilities, net	47.406.122	36.361.640

As of 30 September 2023 and 2022, the breakdown and detailed analysis of income taxes are as follows:

	01.01.2023	01.07.2023	01.01.2022	01.07.2022
	30.09.2023	30.09.2023	30.09.2022	30.09.2022
Current period tax expense (-)	(80.332.899)	(39.756.506)	(49.463.830)	(24.966.563)
Deferred income tax / (expense)	326.056.142	112.930.057	(1.576.292)	(1.325.466)
Total tax income/(expense)	245.723.243	73.173.551	(51.040.122)	(26.292.029)

Deferred tax assets and liabilities

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

As of 30 September 2023, the corporate tax rate in Türkiye is 25%.

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

The accounting policies used by the Group in calculating deferred tax are consistent with those used in the audited financial statements prepared as of 31 December 2022, except for the use of the new rates enacted in the accounting period ending as of 30 September 2023.

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As of 30 September 2023 and 31 December 2022, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	30.09.2023		31.12.2022	
Deferred tax assets and liabilities under statement of profit or loss	Cumulative temporary differences	Deferred tax assets/liabilities	Cumulative temporary differences	Deferred tax assets/liabilities
Provision for doubtful trade receivables	35.738.399	8.934.600	30.687.351	6.083.561
Discount on trade receivables	515.377	128.844	20.511.813	4.102.362
Provision for advances given	3.722.728	930.682	4.663.502	932.700
Provision for impairment on inventories	6.075.028	1.518.757	8.487.635	1.697.527
Intangible assets	-	-	713.011	142.602
Provision for employment termination benefits	6.955.026	1.738.757	2.048.799	409.760
Provision for unused vacation	10.035.871	2.508.969	2.711.100	540.573
Expenses arising from interest accruals	-	-	22.639.813	4.527.962
Discount on notes receivable	-	-	-	-
Non-deductible losses	-	-	3.207.519	641.555
Annual effective interest rate of leasing, net	2.904.243	726.061	-	-
Provision for lawsuits	-	-	27.400	5.480
Property, plant and equipment	-	-	45.551	9.110
Lease liabilities	78.691.310	19.672.828	500.237	100.047
Annual effective interest rate of borrowings	65.768.526	16.442.132	-	-
Investments accounted for using the equity method	-	-	480.156	96.031
Investment incentives (*)	1.245.768.493	521.924.921	463.109.567	148.195.062
Income arising from interest accruals	-	-	875.600	131.340
Application of percentage of completion method in projects	212.737.240	53.184.310	-	-
Gains/losses on remeasurements of defined benefit plans	(500.459)	(125.114)	743.529	148.705
Cumulative temporary differences on intangible assets	-	-	(293.863)	(58.773)
Annual effective interest rate of time deposits	-	-	-	-
Discount on notes payable	(17.753.209)	(4.438.302)	-	-
Interest income from currency-protected TL time deposits	-	-	(3.278.310)	(655.662)
Investment properties revaluation surplus (**)	(60.754.578)	(11.391.483)	(67.510.978)	(6.751.098)
Discount on trade payables	-	-	(11.890.860)	(2.378.172)
Application of percentage of completion method in projects	(284.670.740)	(71.167.685)	(21.628.262)	(4.325.652)
Cumulative temporary differences on property, plant and equipment	(20.789.381)	(5.197.346)	(2.750.670)	(550.134)
Adjustments for leases	(75.958.585)	(18.989.647)	-	-
Income accruals from derivative instruments	(213.723)	(53.431)	-	-
Annual effective interest rate of leasing, net	-	-	-	-
Adjustments for income arising from interest accruals	(47.266)	(11.817)	(1.117.437)	(223.487)
Adjustments for gains/losses on remeasurements of defined benefit plans	-	-	(64.593)	(12.919)
Property, plant and equipment revaluation surplus	(171.071.850)	(32.075.972)	(169.100.521)	(16.910.052)
Other	(87.374.079)	(21.903.490)	-	-
Deferred tax assets, net		462.356.574		135.898.428

As of 30 September 2023 and 2022, movements in deferred tax assets/(liabilities) are as follows:

	30 September 2023	30 December 2022
Beginning of the Period – 1 January	135.898.428	2.550.817
Deferred income tax / (expense)	326.056.142	148.461.553
Charge to equity	402.004	(15.113.942)
End of the Period – 30 September	462.356.574	135.898.428

(*) Pomega Enerji Depolama Sistemleri A.Ş. has an investment incentive with the upper ceiling limit of TL 1.200.000.000 in accordance with the “Priority Investments” under New Investment Incentive Program as regional incentive package for Region 5. Pomega Enerji has 80% corporate tax exemption up to 40% of the total investment amount under aforementioned incentive. Accordingly, the amount of TL 980.977.431 was considered as an expense and the amount of TL 392.390.972 was included and allocated in the consolidated financial statements as a deferred tax asset in proportion to the investment incentive certificate.

(**) In accordance with Article 5 of the “Corporate Tax Law, 25% of the property, plant and equipment revaluation surplus was not subject to deferred tax, and the 25% is subject to deferred tax.

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NOTE 37 – EARNINGS PER SHARE

As of 30 September 2023 and 2022, the calculation of basic earnings per share is based on the weighted average number of ordinary shares outstanding during the period and the relevant calculation of EPS of Kontrolmatik is as follows:

	01.01.2023 30.09.2023	01.07.2023 30.09.2023	01.01.2022 30.09.2022	01.07.2022 30.09.2022
Earnings per share from continuing operations				
Share of profit or loss from continuing operations	589.729.993	262.262.671	195.245.250	75.714.659
Weighted average number of shares with nominal value of TL 1	200.000.000	200.000.000	200.000.000	200.000.000
Earnings per share from continuing operations, net (TL)	2,95	1,31	0,98	0,38
Earnings per share from discontinued operations				
Earnings per share				
Profit or loss from discontinued operations	589.729.993	262.262.671	195.245.250	75.714.659
Profit or loss attributable to non-controlling interests	36.038.314	10.519.577	217.630	225.047
Profit or loss attributable to equity holders of the parent	553.691.679	251.743.094	195.027.620	75.489.612
Weighted average number of shares with nominal value of TL 1	200.000.000	200.000.000	200.000.000	200.000.000
Earnings per share, net (TL)	2,77	1,26	0,98	0,38

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

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

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

The Group realised a share capital increase from its funds and internal resources on 25 August 2022 and the Group's share capital increased to TL 200.000.000. The breakdown of share capital increase is as follows:

	30.09.2023	31.12.2022
Beginning of the Period – 1 January	200.000.000	38.062.500
Weighted average number of shares issued during the period		- 161.937.500
End of the Period	200.000.000	200.000.000

Diluted earnings per share have not been calculated as the Group has no dilutive potential of ordinary shares (31 December 2022: None).

As of 30 September 2023, the Group has no dividends paid (31 December 2022: TL 12.429.627).

As of 30 September 2023, the Group has no share-based payments (31 December 2022: None).

NOTE 38 – RELATED PARTY DISCLOSURES

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

	30.09.2023	31.12.2022
Short-term trade receivables due from related parties		
Kontrolmatik Libya Branch	-	4.476.513
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Tek. A.Ş. İş Ort. (Say)	1.259.043	898.642
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Tek. A.Ş. İş Ort. (Iot)	24.475	16.716
Kmt International	11.012.034	7.522.077
İnfinia Mühendislik A.Ş.	19.868.510	-
Cosmos Yatırım Holding A.Ş.	216.000	-
Toplam	32.380.062	12.913.948

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Short-term other receivables due from related parties	30.09.2023	31.12.2022
Kontrolmatik Tech Inc.	-	13.488.391
Kontrolmatik Libya Şubesi	-	5.885.043
Kontrolmatik Cameroon	-	10.129.360
Llc Controlmaticrus	-	45.408
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Tek. A.Ş. İş Ort. (Say)	316.844	59.860
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Tek. A.Ş. İş Ort. (Iot)	41.510	19.440
Şahıs Ortaklar	55.734	-
Total	414.088	29.627.504

Long-term trade receivables due from related parties	30.09.2023	31.12.2022
Ager Madencilik A.Ş.	22.198.696	-
Atabek Madencilik A.Ş.	369.219	-
Kolezin Metal Ve Mad. A.Ş.	14.002.780	-
İnci Metalik Madencilik A.Ş.	14.055.936	-
Cameroon	15.733.954	-
Şahıs Ortaklar	3.297.977	-
Total	69.658.563	-

Prepaid Expenses (Current Asset + Fixed Asset)	30.09.2023	31.12.2022
Panel Smart Elektromekanik ve Otomasyon Tic. A.Ş.	3.080.888	2.712.686
Cosmos Mühendislik	-	1.000.000
Mekatronik Yapı Taahhüt Sanayi A.Ş.	-	515.677
Rektus Dış Tic. Ltd. Şti.	135.389	131.659
Osman Şahin Köşker	-	112.355
Biserwis Ulaşım ve Mobil Teknolojileri A.Ş.	-	28.267
İnfinia Mühendislik Ltd. Şti.	1.369	935
Nennkraft Energie Gmbh	756.827	-
Total	3.974.473	4.501.579

Trade Payables to Related Parties	30.09.2023	31.12.2022
Short-Term Trade Payables to Related Parties	53.217.451	6.031.092
Panel Smart Elektromekanik	24.366.373	5.449.747
Cosmos Mühendislik A.Ş.	11.479.275	-
Nennkraft Energie Gmbh	-	447.823
İnfinia Mühendislik A.Ş.	7.267.828	-
Emek Elektrik Endüstri A.Ş.	8.115.046	-
Mekatronik Yapı Taahhüt Sanayi A.Ş.	1.988.929	133.522
Toplam	53.217.451	6.031.092

Other Payables to Related Parties	30.09.2023	31.12.2022
Other Short-Term Payables to Related Parties	1.081.399	-
Muratdağı Termal Turizm A.Ş.	972.500	-
Ebs Madencilik A.Ş.	69.855	-
Bs Yatırım Depolama A.Ş.	39.044	-
Other Long-Term Payables to Related Parties	1.440.965.014	1.201.854.561
Şahıs Ortak	1.358.081.775	1.201.854.561
Hermaksan Madencilik A.Ş.	56.945.000	-
Kayasu Elektrik A.Ş.	25.938.239	-
Toplam	1.440.965.014	1.201.854.561

Deferred Revenues from Related Parties	30.09.2023	31.12.2022
Kontrolmatik ve SITERM İş Ortaklığı	48.459.623	9.749.987
İnfinia Mühendislik A.Ş.	1.585.987	-
Total	50.045.610	9.749.987

As of 30 September 2023 and 2022, the Group's sales and purchases (including delay interest and charges) with its shareholders and related parties with which it has indirect shares, management and business relations are as follows:

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	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Sales of goods and services		
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Teknoloji A.Ş. İş Ortaklığı (Say)	968.715	396.920
FC Kontrolmatik Toshkent LLC	-	1.202.639
Kontrolmatik Technologies (Libya)	-	239.408
Kontrolmatik Technologies Orta Asya	2.977.853	-
İnfinia Mühendislik A.Ş.	28.921.807	-
Cosmos Mühendislik A.Ş.	198.608	-
Ard Grup Bilişim Teknolojileri A.Ş.	32.450.000	-
Total	65.516.983	1.838.967

	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Purchases of goods and services		
İnfinia Mühendislik Ltd. Şti.	10.935.587	11.425.458
Nennkraft Energie Gmbh	1.295.081	1.698.777
Emek Elektrik Endüstri A.Ş.	392.104	-
Mekatronik Yapı Taah. SanA.Ş.	15.068.509	-
Panel Smart Elektromekanik Ve Otomasyon Ticaret Anonim Şirketi	19.213.112	-
Cosmos Mühendislik A.Ş.	57.282.918	-
Total	104.187.311	13.124.235

As of 30 September 2023 and 2022, the Group's interest, rent and other income and expenses with its shareholders and related parties with which it has indirect shares, management and business relations are as follows:

	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Rent income		
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Teknoloji A.Ş. İş Ortaklığı (Say)	13.200	1.800
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Skysens Teknoloji A.Ş. İş Ortaklığı (Iot)	13.200	1.800
Kontrolmatik Enerji Ve Müh. A.Ş. Ve Siterm Isı San. A.Ş. İş Ortaklığı	18.000	1.000
Cosmos Yatırım Holding A.Ş.	270.000	-
Total	314.400	4.600

	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Interest income		
Kontrolmatik Technologies Orta Asya	3.509.815	-
Kontrolmatik Cameroon	923.804	-
Kontrolmatik Technologies Inc.	640.809	-
Sami Aslanhan	-	22.120
Ömer Ünsalan	-	294.128
Total	5.074.428	316.248

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

1 January – 30 September 2023: TL 4.129.746 (1 January – 30 September 2022: TL 1.512.215).

As of 30 September 2023 and 2022, the Group has no long-term employee benefits provided to the key management personnel.

As of 30 September 2023 and 2022, the Group has no share-based payment provided to the key management personnel.

NOTE 39 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Group consists of borrowings including loans disclosed in Note 8, cash and cash equivalents and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years disclosed in Note 27.

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

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

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Net financial debt/invested capital ratio as of 30 September 2023 and 31 December 2022 are as follows:

	30.09.2023	31.12.2022
Total borrowings (Note 8)	2.287.761.360	1.178.481.493
Less: Cash and cash equivalents (Note 6-7)	(485.307.666)	(1.246.780.846)
Net financial debt	1.802.453.694	(68.299.353)
Equity	2.055.814.303	1.298.880.447
Net financial debt/total equity ratio	87,68%	-

Significant accounting policies

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

Financial instruments and financial risk management

Financial risk management

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

Risk management

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

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

Management of changes in inventory prices (price risk)

The Group is exposed to price risk as the selling prices are affected by the price changes of the inventories. The Group has no derivative instrument that can be used in order to avoid negative price movements on sales margins and potential adverse effects. The Group monitors the placing-production-purchasing orders, considering the forward-looking inventory price movements.

Interest rate risk management

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

Interest position table

	30.09.2023	31.12.2022
Fixed-interest rate financial instruments		
Financial assets	134.776.620	522.227.639
Financial liabilities	1.647.048.578	1.004.768.687
Floating-interest rate financial instruments		
Financial assets	3.351.287	64.683.620
Financial liabilities	595.926.494	173.712.806

Foreign exchange risk management

As of 30 September 2023 and 31 December 2022, net carrying value of assets and liabilities denominated in foreign currencies are as follows:

	30.09.2023	31.12.2022
A. Assets	1.814.143.841	1.794.394.663
B. Liabilities	1.630.849.783	746.604.405
Net balance sheet position (A-B)	183.294.058	1.047.790.258

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Foreign Exchange Position (30.09.2023)				
	TL equivalent	USD	EUR	Other
1. Trade Receivables	910.397.874	21.060.748	11.119.756	1.485.784
2a. Monetary Financial Assets	443.189.164	8.374.021	7.361.186	9.863
2b. Non- Monetary Financial Assets	-	-	-	-
3. Other	88.975.681	1.350.982	1.790.884	-
4. Total Current Assets (1+2+3)	1.442.562.719	30.785.750	20.271.826	1.495.647
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	310.024.055	11.312.082	11.594	-
6b. Non-Monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Total Non-Current Assets (5+6+7)	310.024.055	11.312.082	11.594	-
9. Total Assets (4+8)	1.752.586.774	42.097.832	20.283.420	1.495.647
10. Trade Payables	316.435.157	6.369.296	4.871.974	1.995
11. Financial Liabilities	192.984.675	1.065.624	5.630.781	-
12a. Other Monetary Liabilities	66.777.605	1.999.000	411.000	-
12b. Other Non- Monetary Liabilities	152.552.956	3.571.142	1.877.771	-
13. Total Current Liabilities (10+11+12)	728.750.392	13.005.061	12.791.525	1.995
14. Trade Payables	-	-	-	-
15. Financial Liabilities	707.650.021	2.230.583	22.228.742	-
16a. Other Monetary Liabilities	109.704.000	4.000.000	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	817.354.021	6.230.583	22.228.742	-
18. Total Liabilities (13+17)	1.546.104.413	19.235.644	35.020.267	1.995
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	-	-	-	-
19a. Total Asset Amount of Hedges	-	-	-	-
19b. Total Liabilities Amount of Hedges	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	206.482.361	22.862.188	(14.736.847)	1.493.652
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	359.035.317	26.433.330	(12.859.077)	1.493.652
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-
25. Export	317.157.148	13.539.801	7.711.887	-
26. Import	437.490.608	3.551.841	701.138	384

Foreign Exchange Position (31.12.2022)				
	TL equivalent	USD	EUR	Other
1. Trade Receivables	654.421.269	22.304.054	11.099.540	1.485.784
2a. Monetary Financial Assets (including cash and banks)	632.833.957	27.674.534	5.538.490	2.249.226.000
2b. Non- Monetary Financial Assets	-	-	-	-
3. Other	227.588.565	7.645.405	4.235.025	182.500
4. Total Current Assets (1+2+3)	1.514.843.791	57.623.993	20.873.055	2.250.894.284
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary financial assets	-	-	-	-
7. Other	279.550.872	12.799.114	2.010.696	6.500
8. Total Non-Current Assets(5+6+7)	279.550.872	12.799.114	2.010.696	6.500
9. Total Assets (4+8)	1.794.394.663	70.423.107	22.883.751	2.250.900.784
10. Trade Payables	213.423.387	8.226.957	3.343.466	1.995
11. Financial Liabilities	335.900.113	3.543.769	13.525.910	-
12a. Other Monetary Liabilities	107.314.408	4.475.113	1.336.749	-
12b. Other Non- Monetary Liabilities	-	-	-	-
13. Total Current Liabilities (10+11+12)	656.637.909	16.245.839	18.206.125	1.995
14. Trade Payables	-	-	-	-
15. Financial Liabilities	89.966.496	320.577	4.212.324	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non- Monetary Liabilities	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	89.966.496	320.577	4.212.324	-
18. Total Liabilities (13+17)	746.604.405	16.566.416	22.418.449	1.995
19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	-	-	-	-
19a. Total Asset Amount of Hedges	-	-	-	-
19b. Total Liabilities Amount of Hedges	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	1.047.790.258	53.856.691	465.302	2.250.898.789
21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	540.650.822	33.412.172	(5.780.419)	2.250.709.789
22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge	-	-	-	-
23. Foreign Exchange Hedged Portion Amount of Assets	-	-	-	-
24. Foreign Exchange Hedged Portion Amount of Liabilities	-	-	-	-
25. Export (except for delay interest discount)	893.979.982	38.506.612	12.646.185	-
26. Import	69.559.448	2.707.719	720.253	-

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

As of 30 September 2023, if TL, EUR and USD had appreciated by 10% against other foreign currencies with all other variables held constant, profit before tax would have been TL 13.024.927 higher/lower (31 December 2022: TL 104.779.026 higher/lower) mainly as a result of foreign exchange gains/losses on the translation of the foreign exchange position.

Credit risk management

As of 30 September 2023 and 31 December 2022, the exposure of consolidated financial assets to credit risk is as follows:

30.09.2023	Receivables				Bank deposits (*)	Cash and cash equivalents and other
	Trade Receivables		Other Receivables			
	Related Party	Other	Related Party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	32.380.063	1.155.842.186	70.072.651	129.162.840	350.390.474	848.581
- Maximum risk, secured with guarantees and collaterals		-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets (2)	32.380.063	1.155.842.186	70.072.651	129.162.840	350.390.474	848.581
B. Net book value of past due but not impaired financial assets (5)	-	-	-	-	-	-
C. Net book value of impaired assets (3)	-	-	-	-	-	-
- Past due (gross book value)	-	36.787.418	-	-	-	-
- Impairment (-)	-	(36.787.418)	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
D. Off-balance sheet expected credit losses (4)	-	-	-	-	-	-

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

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

Credit risk details in respect of financial instrument types

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. Total credit risk is presented in the consolidated statement of financial position. The credit risk is diversified as a result of large number of entities comprising the customer bases and the penetration to different business segments.

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

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

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

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

31.12.2022	Receivables				Bank deposits (*)	Cash and cash equivalents and other
	Trade Receivables		Other Receivables			
	Related Party	Other	Related Party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D) (1)	12.913.948	822.445.455	29.627.502	51.041.129	1.246.064.309	716.537
- Maximum risk, secured with guarantees and collaterals	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets (2)	12.913.948	822.445.455	29.627.502	51.041.129	1.246.064.309	716.537
B. Net book value of past due but not impaired financial assets (5)	-	-	-	-	-	-
C. Net book value of impaired assets (3)	-	-	-	-	-	-
- Past due (gross book value)	-	31.228.578	-	-	-	-
- Impairment (-)	-	(31.228.578)	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
D. Off-balance sheet expected credit losses (4)	-	-	-	-	-	-

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

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

Liquidity risk management

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

30.09.2023

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	5.654.206.638	5.840.343.501	3.258.478.667	1.092.818.750	1.489.046.084
Bank borrowings	2.242.975.072	2.427.098.229	221.581.607	980.758.846	1.224.757.776
Finance lease liabilities	44.519.208	69.002.107	7.704.140	21.236.106	40.061.861
Trade payables	1.525.697.233	1.503.228.039	1.302.897.441	90.823.798	109.506.800
Other payables	1.841.015.126	1.841.015.126	1.726.295.479	-	114.719.647

31.12.2022

Contractual maturities	Carrying value	Total contractual cash outflows	Demand or up to 3 months	3-12 months	1-5 years
Non-derivative financial liabilities	2.859.236.889	2.871.127.749	532.914.438	431.603.662	1.906.609.649
Bank borrowings	1.175.236.873	1.175.236.873	102.265.734	386.440.649	686.530.490
Finance lease liabilities	3.244.620	3.244.620	422.888	1.323.704	1.498.028
Trade payables	473.489.379	485.380.239	430.225.816	38.427.853	16.726.570
Other payables	1.207.266.017	1.207.266.017	-	5.411.456	1.201.854.561

Hedge accounting

The Group has derivative contracts such as swaps, options and forwards, that are also used as instruments for interest rate (fixed and floating interests) risk management for hedging purposes.

NOTE 40 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

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

Fair value measurements are disclosed in the accounting policies for each financial asset and liability, and there are no other events that require any valuation. Carrying values of cash on hand and banks are considered to be similar to their fair values.

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

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

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

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

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

As of 30 September 2023 and 31 December 2022, inputs to fair value measurement and hierarchy is as follows:

30.09.2023

Financial assets at fair value through statement of financial position	Level 1	Level 2	Level 3
Cash and cash equivalents	-	-	351.144.809
Financial investments	34	-	-
Foreign currency/Gold/Currency-protected TL time deposit accounts	3.351.287	-	-

31.12.2022

Financial assets at fair value through statement of financial position	Level 1	Level 2	Level 3
Cash and cash equivalents	-	-	1.182.097.226
Financial investments	70.214.592	-	-
Foreign currency/Gold/Currency-protected TL time deposit accounts	64.683.620	-	-

NOTE 41 – EVENTS AFTER THE REPORTING PERIOD

Capital increase of the subsidiary

In accordance with the special circumstances’ disclosure on 9 October 2023, the current registered share capital of Pomega Enerji Depolama Teknolojileri Anonim Şirketi (“Pomega”), the subsidiary of the Group, has been increased from TL 20.000.000 to TL 505.102.100 through capital increase with emission premium.

The amount of TL 427.200.000 was offset from the receivable account due from Pomega and it has been disclosed that “the effective ownership interest in Pomega has been decreased to 88.10% after the registration of the capital increase through emission premium”.

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

None.