

Kontrolmatik
Technologies



2Q21 Investor Presentation

September 9, 2021



DISCLAIMER

This presentation reflects the opinions of the Company management regarding the future events, including the future expectations, as well as the analysis of the information and financial statements about Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. ("Kontrolmatik" or the "Company"). Although it is believed that the information and analyzes given are accurate and that the expectations are true, future results may deviate from the projections given here, depending on the change in the factors underlying the projections. The Company, its directors or employees or other relevant persons cannot be held responsible for any damages that may arise from the use of the information in this presentation. Except for the statements made in this bulletin, all statements, including but not limited to, the launches of our new business, our operations, our financial position and our business strategies, may contain forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are currently reasonable, it cannot give any assurance that these expectations will be realized accurately. The Company does not accept any responsibility or liability for the accuracy or completeness of the information contained in this presentation or other written and oral information provided by its subsidiaries, board of directors, management, employees or agencies, or other written and oral information given to related parties or consultants.

Executive Summary

Revenue Performance

The high revenue growth seen in 1Q21 continued in 2Q21. With the relaxation of pandemic restrictions, the reduction of supply problems and new projects taken in the first 6 months of 2021 supported the financials. The base effect of the pandemic has been reflected to a significant extent in the 2nd quarter.

Financials & Share Performance

High growth in net sales and EBITDA was maintained in 2Q21. Gross margin, EBITDA margin and net profit margin increased compared to 2Q20. Positive EVA and 61.7% ROIC indicate the efficiency of investments. With a rise of 671% from the IPO to August 31 2021, KONTR shares yielded well above the market..

Leverage

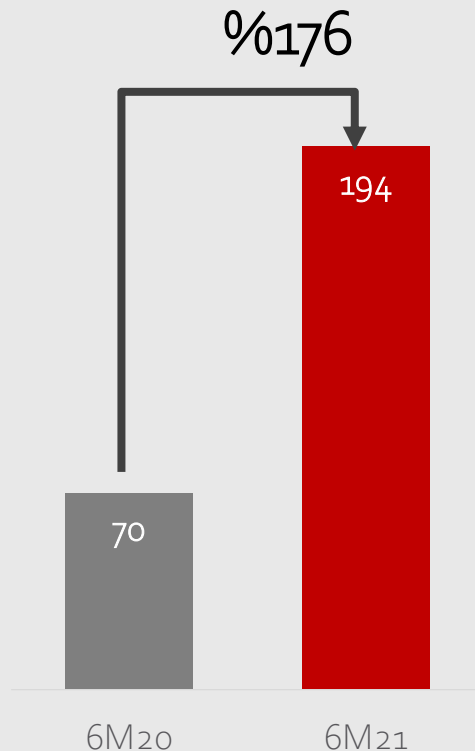
Parallel to the rapid growth in operations, the need for working capital enhanced the net debt partially, and the cash cycle time raised. Equity augmented to TL 176.2 mn. The Short Term Financial Debt/Equity ratio is 59% and Net Debt/EBITDA is 0.3x, well below the risky level.

Expectations

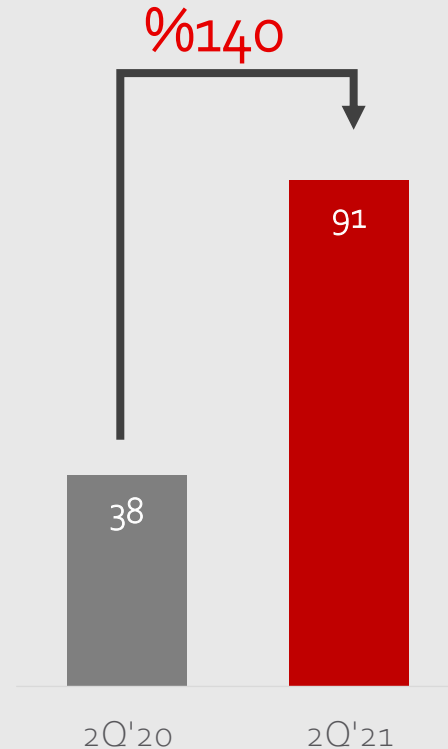
By the end of 2021, net sales of more than 550 mTL with ~175% growth and more than 120 mTL EBITDA with a 20%-25% EBITDA margin are expected.

140% Revenue Growth in 2Q21

Top-Line – 6 Months (MTL)



Top-Line – 2nd Quarter (MTL)



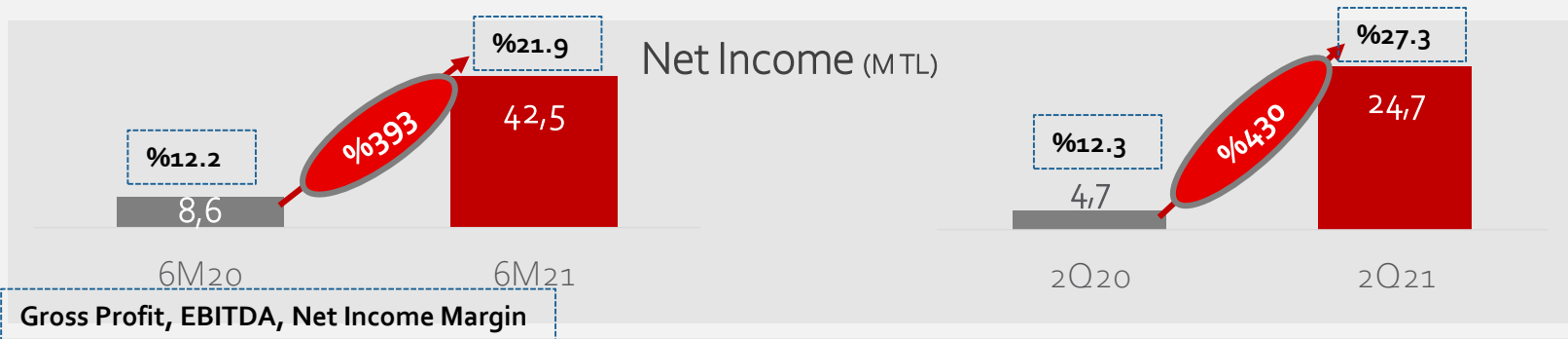
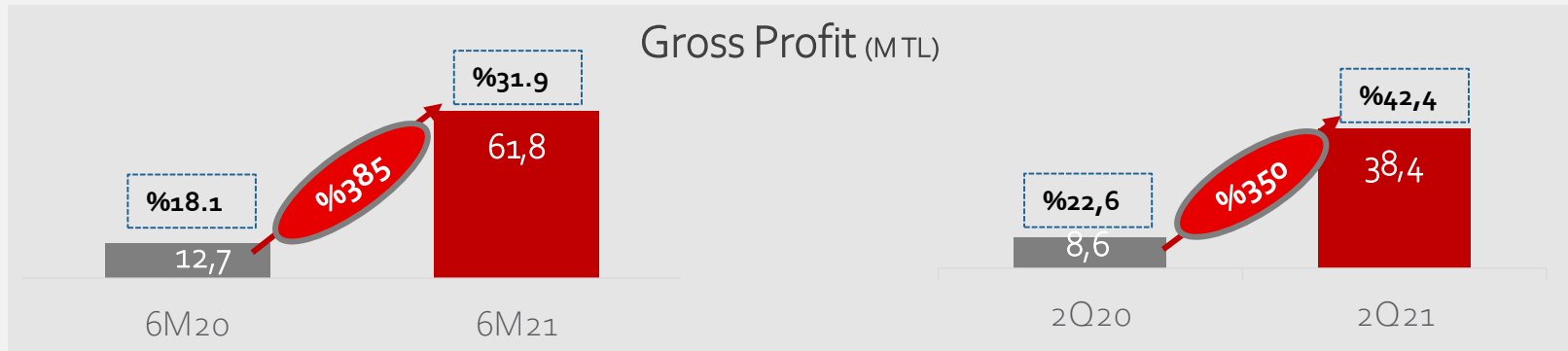
176% Growth in 6M21

- * Pandemic Base Effect
- * Rise in Project Sizes
- * More than 85% Currency Income
- * Growth in Project Completions
- * Reputation Increase
- * Contribution of R&D Projects to Income

140% Growth in 2Q21

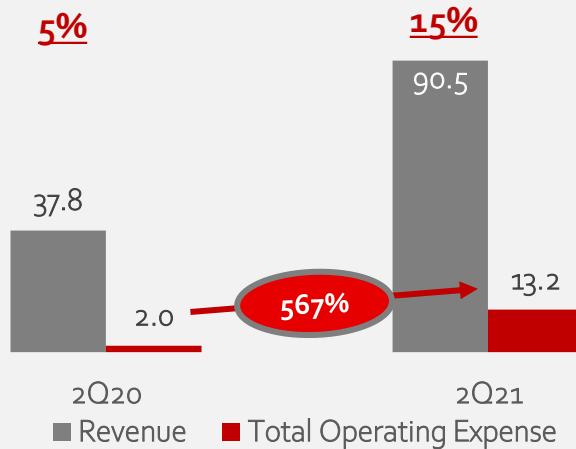
- * Focusing on Profitable Projects
- * Newly Acquired Projects
- * Reputation Increase
- * Devaluation of TL
- * Pandemic Base Effect

High EBITDA & Net Profit Growth in 2Q21

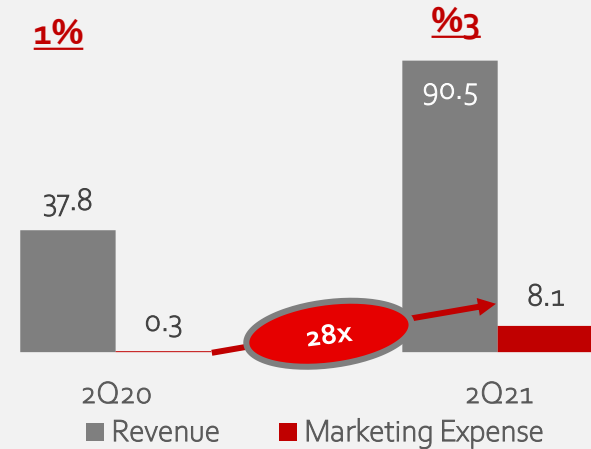


Operating Expenses, MTL

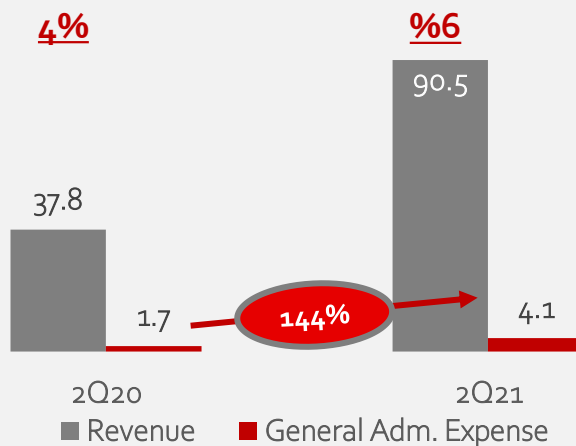
Total Operating Expenses & % of Revenue



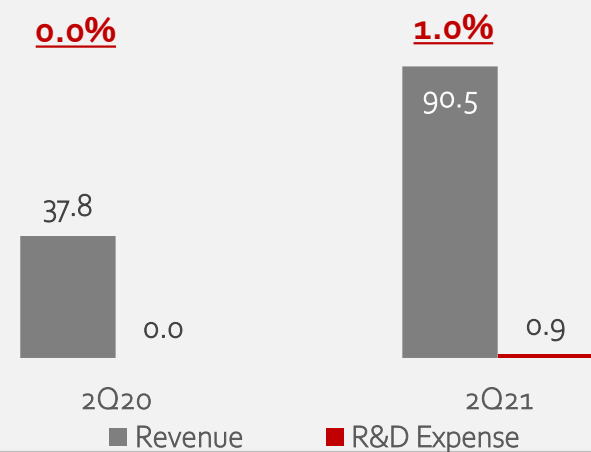
Sales Marketing Expenses & % of Revenue



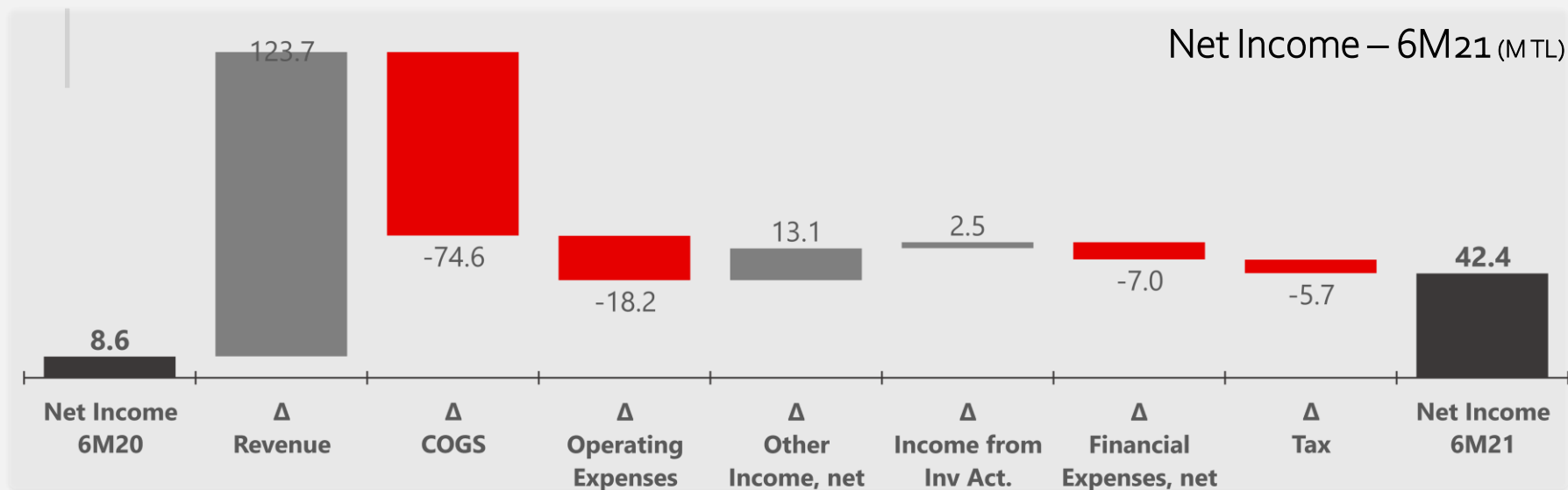
General Adm. Expenses & % of Revenue



R&D Expenses & % of Revenue

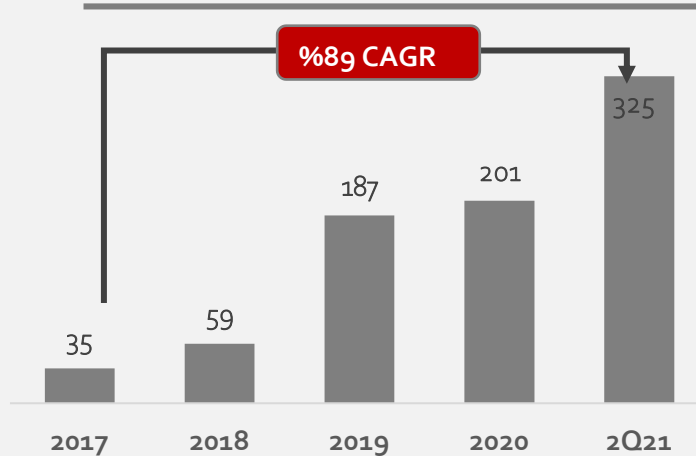


Revenue & Gross Profit Growth Reflected on Net Profit in 2Q21

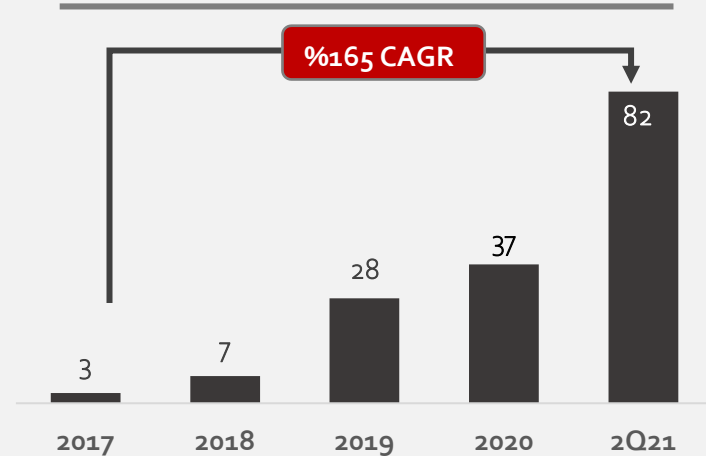


Solid Growth

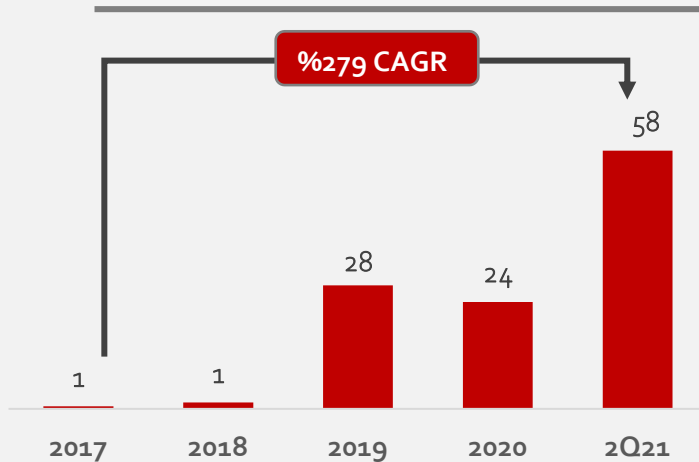
Revenue, MTL



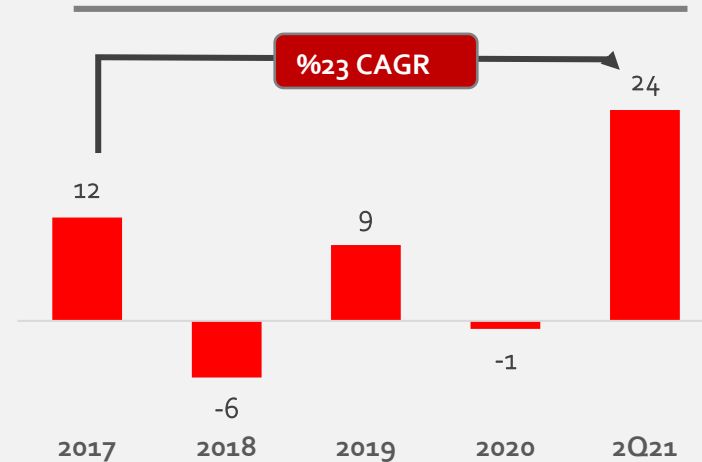
EBITDA, MTL



Net Income, MTL



Net Debt (Cash), MTL



2Q21 data are annualised. Other income/expenses are included in the EBITDA calculation, and IPO expenses are excluded.

Summary Financial Figures

M TL	6M'20	6M'21	Change
Revenue	70.4	194.0	176%
Gross Profit	12.7	61.8	385%
EBIT	13.2	57.1	334%
EBITDA*	14.0	59.6	325%
Net Income	8.6	42.5	393%
Gross Margin	18.1%	31.9%	13.7%
EBIT Margin	18.7%	29.4%	10.7%
EBITDA Margin	19.9%	30.7%	10.8%
Net Income Margin	12.2%	21.9%	9.6%

*Other income/expenses are included in the EBITDA calculation

M TL	31.12.2020	30.6.2021	Change
Cash and Cash Equivalents	52.1	84.2	62%
Total Assets	320.1	432.7	35%
Current Assets	281.0	377.9	34%
Fixed Assets	39.1	54.8	40%
Total Liabilities	186.3	256.6	38%
Short-Term Liabilities	174.8	242.1	38%
Long-Term Liabilities	11.5	14.5	26%
Equity	133.8	176.2	32%
Net Debt (Cash)	-0.9	23.9	a.d.

	2Q'20	2Q'21	Change
	37.8	90.5	140%
	8.5	38.4	350%
	8.2	32.3	293%
	8.7	33.8	291%
	4.6	24.6	429%
	22.6%	42.4%	19.8%
	21.8%	35.7%	13.9%
	22.9%	37.4%	14.5%
	12.3%	27.1%	14.9%

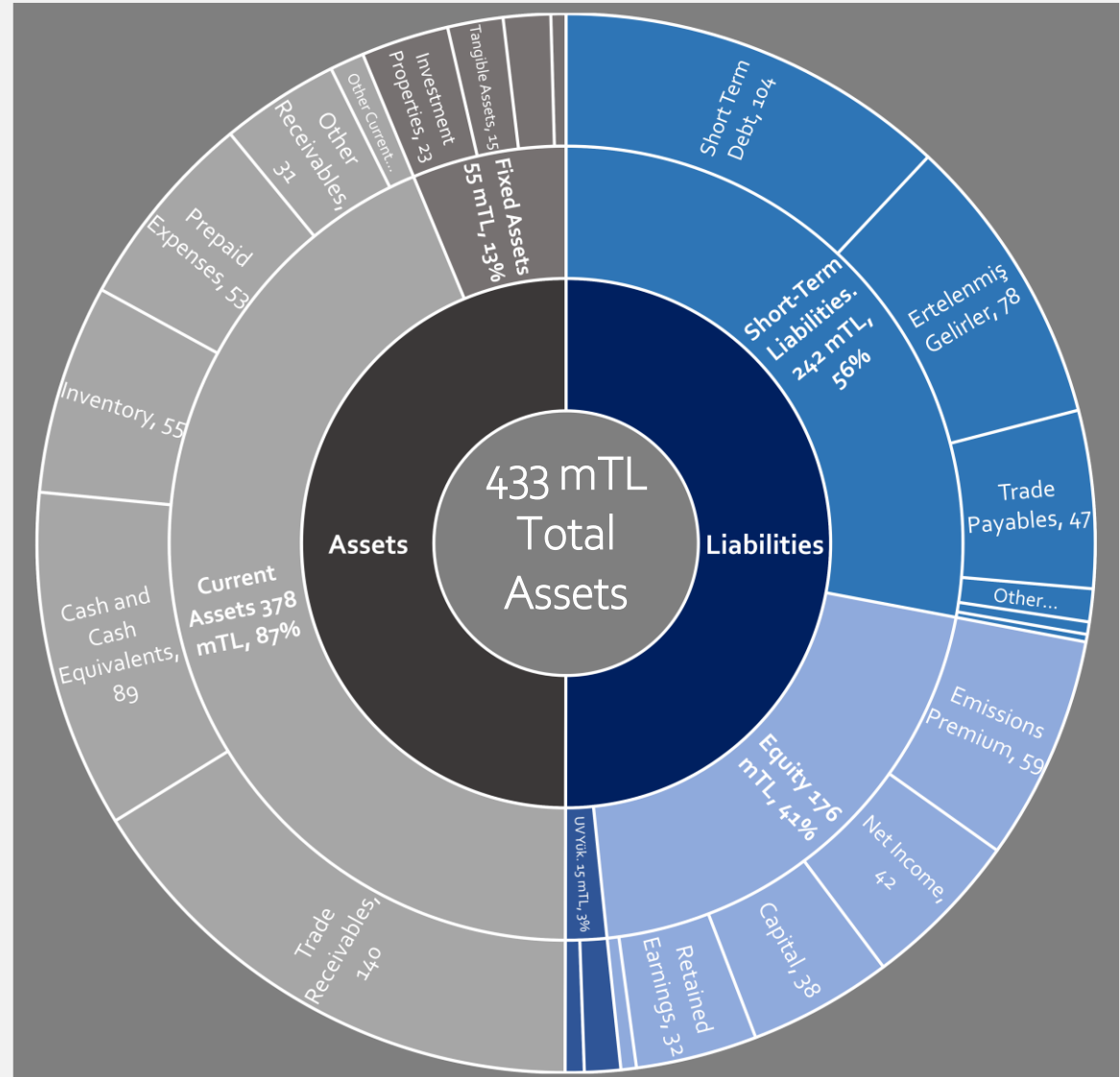
Sound Growth

- The growth momentum captured in gross profit, EBITDA and net profit in 1Q21 continued in 2Q21.
- Parallel to the rising volume of operations, the need for working capital increased and the net cash position of TL 0.9 mn at the end of 2020 turned to TL 23.9 mn of net debt in 2Q21.
- Equity reached TL 176.2 mn in 2Q21.

*Company defines EBITDA as 'Gross Profit - Operating Expenses + Other Income from Main Activity - Other Expense from Main Activity + Depreciation.

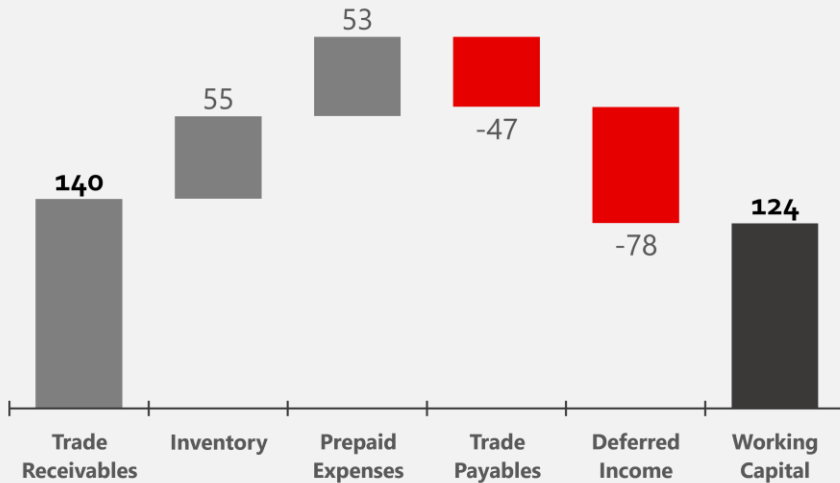
Liquid and Low Leverage Balance Sheet Structure

As of 2Q 2021,
Current Assets
comprise **%87** and
Equity comprise
%41 of Total
Assets of 433 m TL

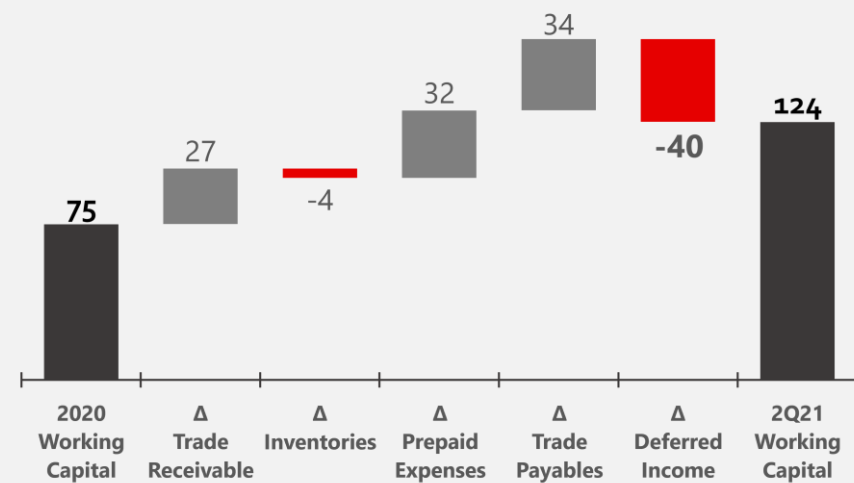


Working Capital Rises Parallel to Increasing Business Volume in 2Q21

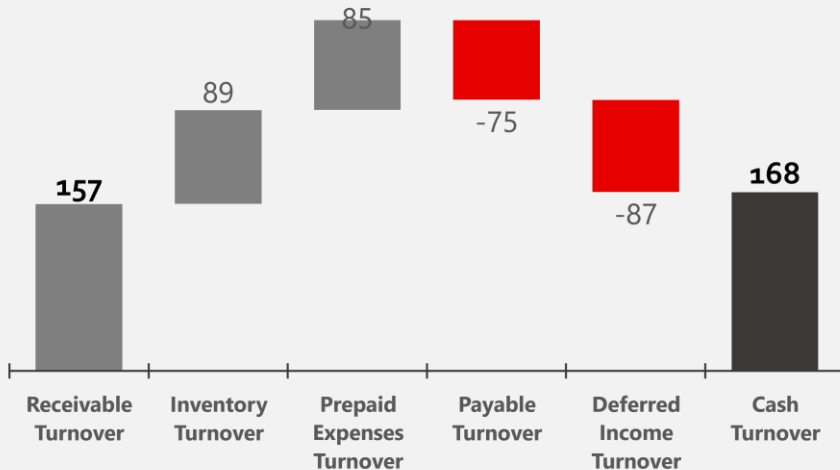
124 mTL Working Capital in 2Q21



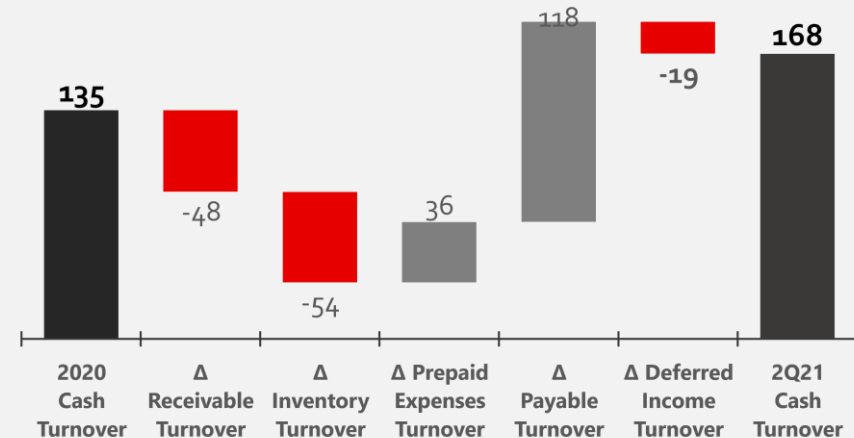
Receivables, Prepaid Expenses and Trade Payables Increased



168 Days of Cash Turnover in 2Q21



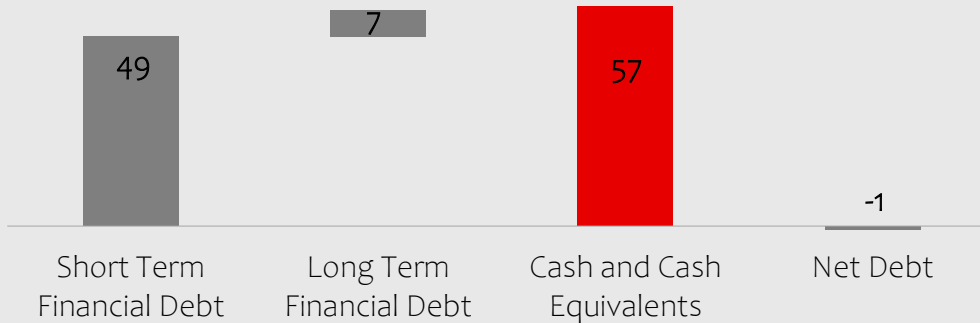
Receivable Turnover Decreased by 48 Days while Payable Turnover Decreased by 118 Days



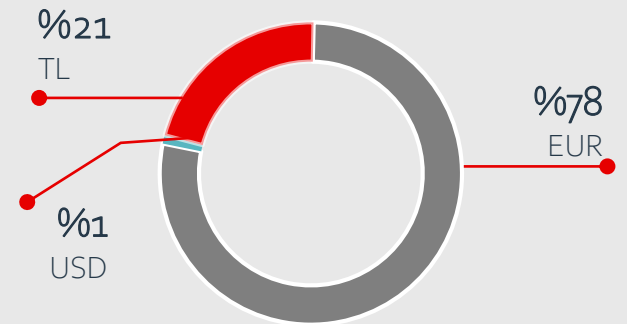
Debt Profile

Debt Profile as of 4Q'20 (M TL)

1 mTL Net Cash



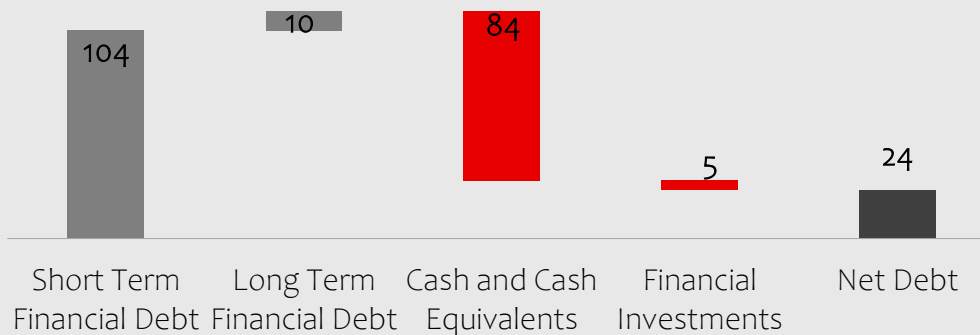
Currency Breakdown (As of Q2'21)



Debt Profile as of 2Q'21 (M TL)

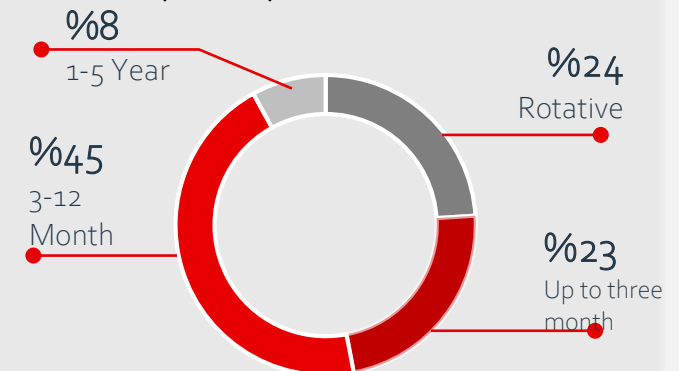
24 mTL Net Debt

0,3X Net Debt/EBITDA



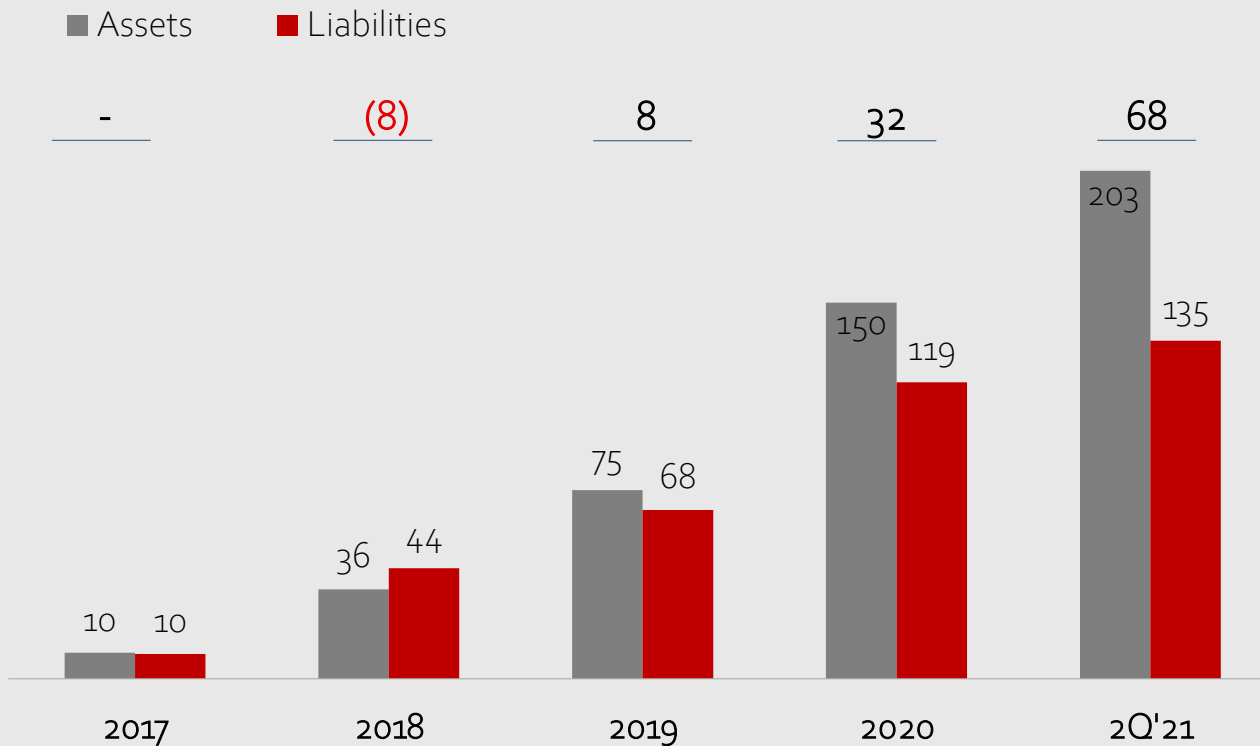
Maturity Breakdown as of

2Q'21 (M TL)



Foreign Currency Position

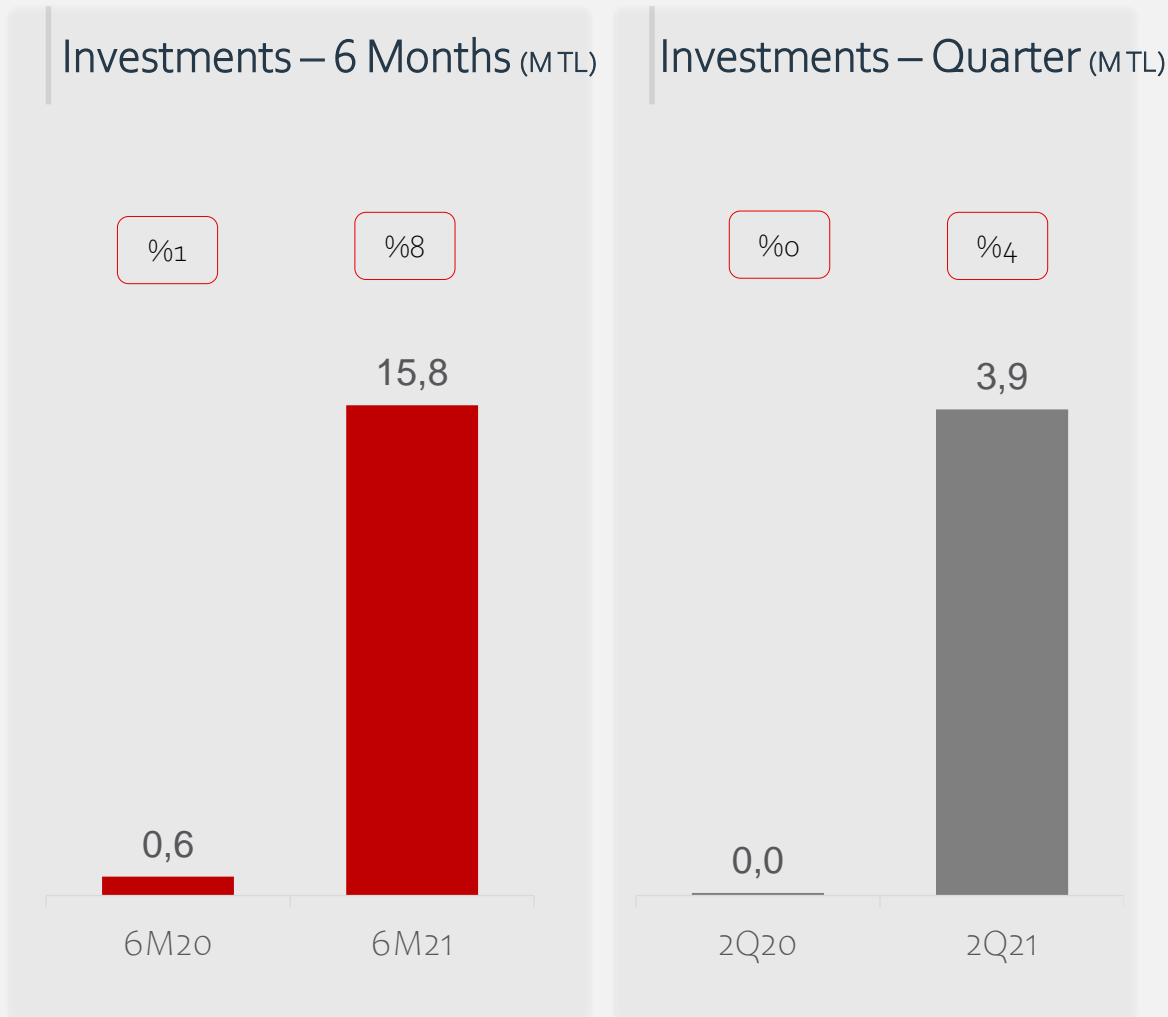
Currency Position Development (M TL)




As of 2Q'21
68 MTL
Long Position

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

Investments



 Investments/Total Revenue

1Q21 Investment Increase

Expenditures for R&D Design Center and computer software

2.3m TL in 2Q21 R&D Investment

Electromechanical productions, Mobile Transformer Substations, Hybrid container production started in the factory with a closed area of 4,000 m2, which was rented in Ankara in April 2021.



Planned Investments: Lithium Ion Based Battery Cell Facility

Lithium Ion Based Battery Cell Investment

Calender	Phase 1	Phase 2	Phase 3	Total
Investment Start	2021 Q3	2022 Q4	2024 Q3	
Completion	2022 Q4	2023 Q4	2025 Q3	
Annual Capacity	250 MWh	250 MWh	250 MWh	750 MWh
Financing	Equity, Long-Term Loan, Partnership			

Investment is planned to start in the third quarter of 2021

- It is planned to invest in an electrochemical energy storage cell production facility using *Lithium Ion and other advanced technologies*, the process planning and infrastructure project development process of which continues. It is considered that the investment will be made within a subsidiary or Kontrolmatik.
- With the project, the entire production process, from *energy storage cell production to battery pack production, energy storage system design and turnkey solution production*, will be gathered in one hand.
- It is planned to start the investment of the *1st phase in the 3rd quarter of 2021* and to start operating with a production capacity of *250 MWh in the 4th quarter of 2022*.
- It is planned that *the equipment and technology investment part of the facility will be provided by our foreign partners and the infrastructure installation will be established within the body of Kontrolmatik*.
- It is envisaged that each phase of the facility will have a closed area of 15 thousand m2, a total of 50 thousand m2, will be established in Ankara and 450 people will be employed.
- 5-year investment calendar and 750MWh capacity are targeted
- Target Markets: Grid-level *energy storage facilities, electric vehicle technologies, electric vehicle charging support systems, new technological applications, especially marine and light electric vehicles*, energy storage solutions for industrial facilities, renewable energy applications, residential applications and island installations
- It is planned to bring the production opportunity of *Lithium Ion technology, which is a very critical and strategic issue*, to our country..
- It is foreseen that a crucial imported product can be *produced in Turkey and exported*..
- With domestic energy storage cells, security of supply will be ensured for products needed by different industries such as manufacturing, energy and defense..
- It is aimed to catch the future before it's too late for *a product whose application area is increasing and which is the key element of many technologies, especially electric vehicles*.



Planned Investments: Satellite Technologies-1

PLAN S Satellite Technologies Road Map

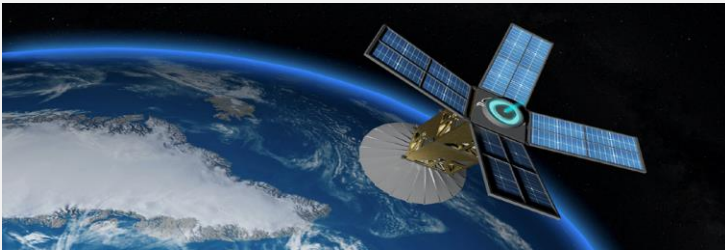
Calender	Phase 1	Phase 2	Phase 3
Investment Stages	Facility Establishment, Gathering Crew	R&D Process	Sending First LEO Satellite
Investment Start	2021	2022	2023
Completion	2022 Q1	2023	2023

PLAN S Satellite and Space Technologies Inc.
Established on July 6, 2021 with an initial capital of 20 mTL and Kontrolmatik's share is 25%*

* <https://www.kap.org.tr/tr/Bildirim/947074>

- As the first private enterprise to invest in Satellite Technologies in Turkey and to produce satellites, «PLAN S Satellite and Space Technologies Inc.» was established and Kontrolmatik's share is 25%.
- This partnership will provide turnkey *satellite solutions for national and international companies* and institutions apart from their own projects.
- The subsidiary will operate in the *Bilkent Cyberpark* in the first quarter of 2022 in the R&D building with a closed area of *4,500 m2* and a capacity of 300 people. In addition, a production and integration facility of 1,500 square meters will become operational.
- It is planned to have areas such as *clean rooms, R&D laboratories, electronic, electromagnetic and mechanical test units, integration departments*, satellite ground control center required for satellite production at the facility.
- It is planned to employ an R&D team of 60 people.

It is aimed to send the first test satellite in the last quarter of 2022, the second test satellite in the second quarter of 2023 and the first Turkish Private Enterprise Satellite in 2023.



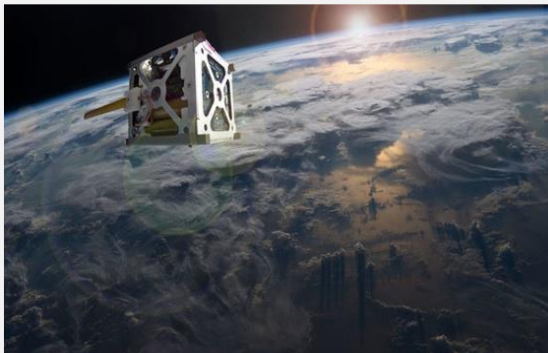
Planned Investments: Satellite Technologies-2

4Q22

Connecta Test1 Satellite



- IoT communication tests
- Testing of developed hardware in space environment
- Communication tests with the ground station



2Q23

Connecta Test2 Satellite



- Imaging with high and low resolution cameras
- Evaluation of images with image processing
- Testing of developed hardware in space environment

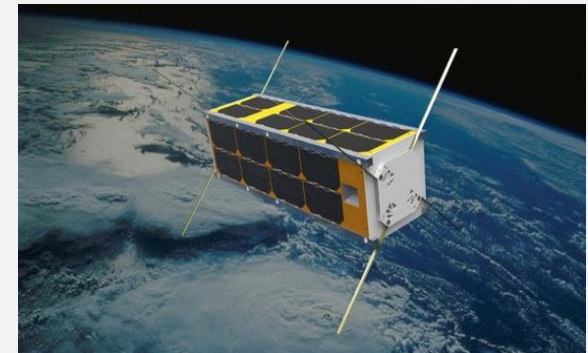


4Q23

Connecta IoT Constellation Phase A



- A large number of IoT satellites to cover Turkey and its immediate surroundings
- Narrowband IoT communication
- Direct communication between satellites
- Ground observation competence
- Imaging with high resolution cameras



Financial Ratios Indicate the Efficiency of Investments

Liquidity Ratios	2019	2020	2Q21
Current Ratio	1.13	1.61	1.56
Liquidity Ratio	1.06	1.27	1.33

Debt Ratios	2019	2020	2Q21
Total Debt/Total Assets	75.9%	58.2%	59.3%
Short-Term Fin. Debt/Equity	57.6%	36.8%	58.9%
Coverage Ratio	5.4	3.9	5.0
Net Debt/EBITDA	0.3	0.0	0.3
Short-Term Liabilities/Assets	70.8%	54.6%	56.0%
Long-Term Liabilities/Assets	5.1%	3.6%	3.4%
Equity/Assets	24.1%	41.8%	40.7%
Total Liabilities/Equity	315.0%	139.3%	145.8%
Financial Debt/Total Liabilities	22.4%	30.1%	44.1%

Profitability Ratios	2019	2020	2Q21
Gross Margin	21.1%	23.7%	29.8%
EBIT Margin	13.9%	12.5%	23.3%
EBITDA Margin	13.8%	18.2%	25.3%
Net Margin	14.8%	11.9%	17.8%
ROE**	100.5%	27.2%	50.9%
Financial Exp./Net Sales	2.6%	4.6%	5.0%

Investment Ratios	2019	2020	2Q21
Investment/Depreciation	572.0%	75.9%	493.9%
Investment/Net Sales	5.1%	0.7%	5.1%
EVA-TL	23,361,941	8,044,935	42,945,590
ROIC *	-143.7%	29.9%	61.7%
CRR	-7.7%	33.4%	30.2%

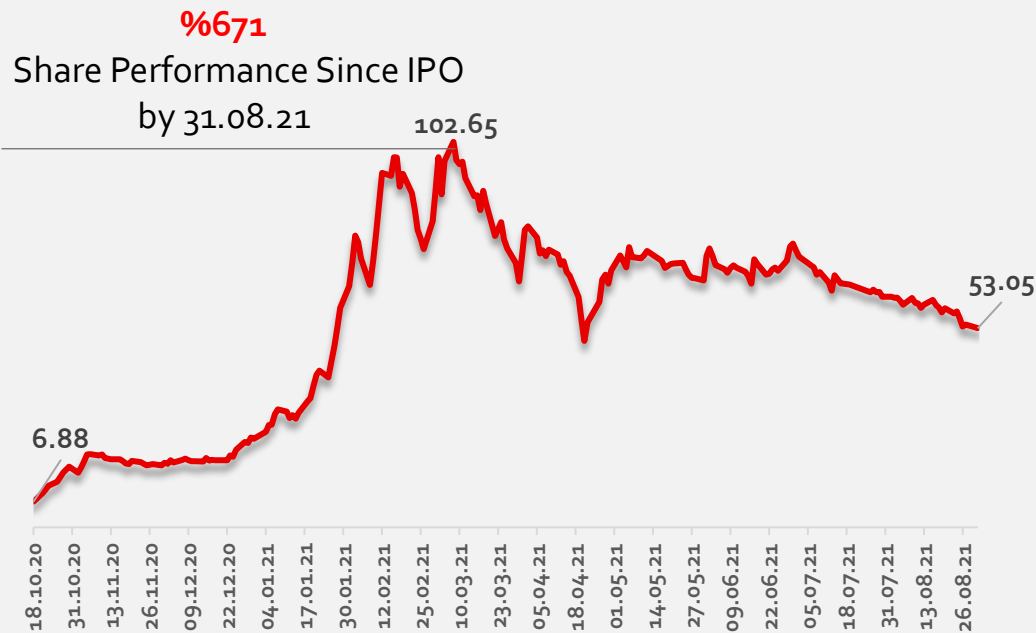
- Low Financial Leverage Ratios
- Net Debt/EBITDA of 0.3, well below the risk zone
- Additional borrowing capacity provided by low leverage
- Rise in annual profit margins in 2Q21
- Positive Economic Value Added (EVA)
- 61.7% investment return (ROIC)* in 2Q21, is well above the alternative yield

*In 2019, ROIC was calculated as negative due to excess Working Capital.

**The return on equity is calculated by the average of the equity at the beginning and end of the period.

Substantially Above Market Performance

Kontrolmatik Share Performance*



- With an increase of 671% from the date of the public offering on October 19, 2020 to the end of August 2021, KONTR provided a return well above the market for its investors.
- Strong financial data, rising operations, and taking domestic and international tenders supported the performance.

* Dividend adjustment has been made in past prices and public offering price.

Growth Strategy

In Current Markets & Industries

- To increase customer satisfaction in order to be permanent in the geographies served
- To rise the number and effectiveness of partners with whom we can work in the sectors in which we operate
- To follow new technologies in the sectors in which we do business and to try to raise the technology density
- To grow the quality of products and services and to reduce the cost of quality service by analyzing the needs of the customers and the projects they have completed.

In New Markets & Industries

- Adding new markets and geographies for operating industries
- Adding new sectors in the geographies served
- Adding new capabilities and technologies through R&D studies and investments
- Investing in high-tech project and product production.
- Making innovative technology investments through subsidiaries
- Growing in the IoT market with R&D studies

Regions of Operation



Current & Target Markets

- Turkey
- Developing Countries & Regions
 - Sub-Saharan Africa
 - Iraq & Middle East
 - Turkic Republics

Ongoing Projects

Kenya, Malawi, Burkina Faso, Iraq, Turkey, Uzbekistan, Georgia, Mali, Libya

Completed Projects

Iraq, Ethiopia, Turkey, Saudi Arabia, Turkmenistan, Uzbekistan, Jordan, Kuwait, Israel, United Kingdom, UAE, Cyprus, Sudan, Nigeria, Afghanistan, Macedonia, Germany, Albania, Kazakhstan, Azerbaijan, Libya, Armenia

Office and Agency Network



The registration process continues in Libya for the opening of a branch office in Libya, which is 100% subordinate to Kontrolmatik.

A new company has been established in the Republic of Cameroon as a 100% subsidiary and registration is pending in Cameroon

Office

- Turkey (General Center)

Project Offices of Existing Projects

- Iraq
- Kenya
- Kuwait
- Guinea
- Uzbekistan*

Agencies

- Kazakhstan
- Iraq
- Ethiopia
- Kuwait
- Kenya
- BAE

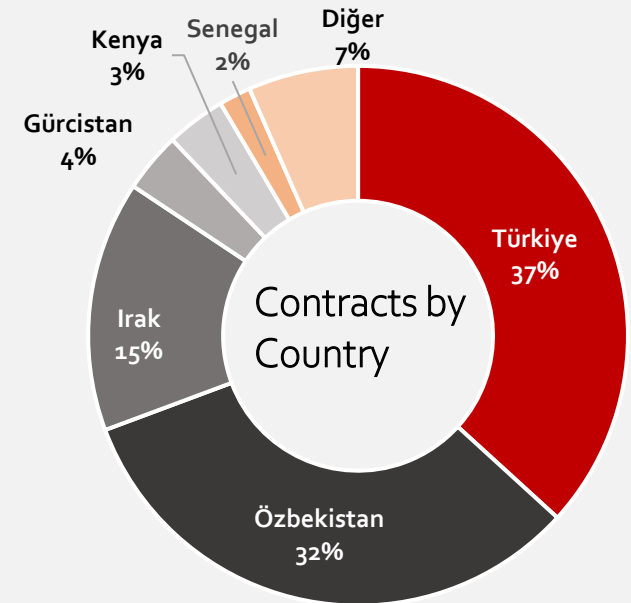
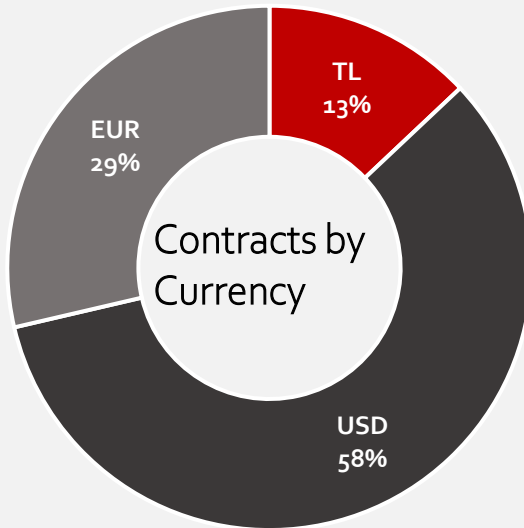
**Kontrolmatik Toshkent LLC %100 controlled subsidiary of Kontrolmatik*

87% of Ongoing Projects in Foreign Currency*

29% of Ongoing Contracts in Euro,
58% in Dollars, 13% in TL

37% of Existing Projects in Turkey,
63% Abroad

High foreign
exchange share in
top-line positively
affects income and
profitability in
exchange rate
fluctuations



*Project and contract breakdowns reflect the current situation as of the date of presentation..

High Growth Expectation in 2021

REVENUE GROWTH



More than 550 mTL Top-Line with ~175% Growth

EBITDA GROWTH



More than 120 mTL EBITDA with 20%-25% Margin

R&D INVESTMENT



R&D Investment of >3% of Sales Revenue

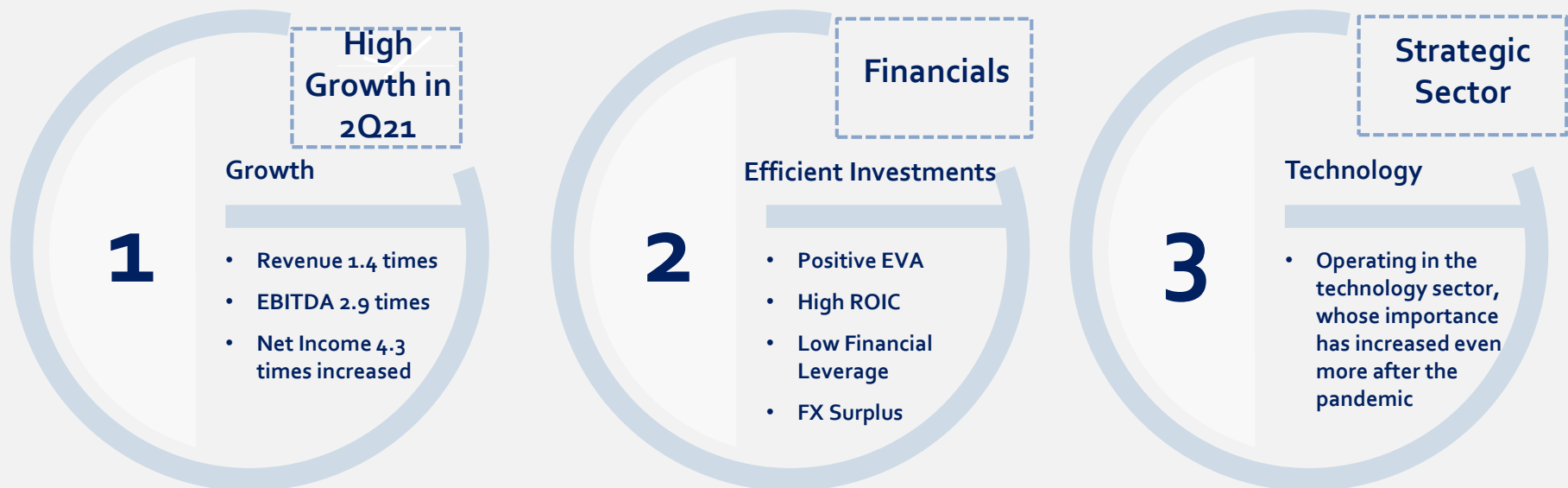
OTHER INVESTMENTS



Investment Excluding R&D up to 6% of Sales Revenue

Investment Thesis

- ✓ Maintaining the high growth and profitability increase seen in 1Q21 financials in 2Q21
- ✓ 68 million TL foreign currency surplus
- ✓ Financials are positively affected thanks to weighted foreign currency income and foreign currency surplus position in case of exchange rate fluctuations
- ✓ Low financial leverage creates additional borrowing capacity
- ✓ Lithium Ion Battery Cell & Satellite Technologies Investment Plan
- ✓ Growth plan in the IoT market
- ✓ The rising reputation in both domestic and international markets thanks to IPO creating an advantage in both domestic and international tenders of the Company.
- ✓ High growth expectation in 2021
- ✓ Financial ratios that indicate efficiency and return on investment over alternative return
- ✓ Strong cash position and liquid balance sheet pointing out high dividend potential.



Kontrolmatik
Technologies



Thank You

For More Information

Metin Demir

Investor Relations Manager

0212 659 2441

yatirimci.iliskileri@kontrolmatik.com