

**KONTROLMATİK TEKNOLOJİ**  
**ENERJİ VE MÜHENDİSLİK**  
**ANONİM ŞİRKETİ**

Consolidated financial statements and Notes for the  
Accounting Periods 01.01-31.12.2021



## SPECIAL INDEPENDENT AUDITOR'S REPORT

To the attention of the General Assembly of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi

### **A. Independent Audit of the Consolidated Financial Statements**

#### **1. The Opinion**

We have audited the consolidated financial statements of Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi (Company or Group) dated December 31<sup>st</sup> 2021 as well as the accompanying consolidated financial statements which consist of profit or loss and the other comprehensive income statements, equity changes statements and cash flow statements as well as the footnotes including summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements realistically present the financial status of the Group as of December 31<sup>st</sup> 2021, and its financial performance and cash flows in all significant aspects for the period ended on the same dates in accordance with the Turkish Financial Reporting Standards (the TFRS).

#### **2. Basis for the Opinion**

The independent audit we carry out has been executed according to the Independent Audit Standards ("IAS") which constitutes a part of Turkish Auditing Standards published by Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our IAS responsibilities within scope of these standards have been explained in detail in chapter "Independent Audit of the Financial Statements" of our report. We declare that we are independent from the Company pursuant to Code of Conduct for Independent Auditors ("Code of Conduct") published by POA and the provisions of conduct included in the legislation on independent audit of financial statements. Code of Conduct and other responsibilities with regard to conduct within scope of the legislation have also been fulfilled by our party. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **3. Key Audit Matters**

Key Audit Matters are the most important matters in the independent audit of the consolidated financial statements for the current period, according to our professional judgment. Key audit matters have been handled within the framework of the independent audit of the consolidated financial statements as a whole and in forming our opinion on the financial statements, and we do not express a separate opinion on these matters.



#### **4. Responsibilities of Management and Persons Charged with Top Management for the Financial Statements**

The Group management is responsible for the preparation of the consolidated financial statements in accordance with TFRSs, their fair presentation and the internal control it deems necessary to prepare them in a manner that does not contain material misstatement due to error or fraud.

In preparing the financial statements, management is responsible for evaluating the ability of the Group to continue as a going concern and, when necessary, disclosing issues related to continuity, and It is responsible for using the continuity principle unless there is an intention or obligation to liquidate the Group or terminate the commercial activity.

Those responsible for senior management are responsible for overseeing the Group's financial reporting process.

#### **5. Responsibility of the Independent Auditor with Regard to Independent Audit of the Financial Statements**

In an independent audit, responsibilities of an independent auditor are as follows:

Our purpose is to obtain a reasonable assurance whether the financial statements, as a whole, do not contain any material misstatement issue due to error or fraud and to issue an independent auditor report which includes our opinion. Reasonable assurance provided in the result of an independent audit carried out pursuant to IAS' is a high assurance level, but such does not guarantee that a material misstatement can always be detected. Misstatements may result from error or fraud. If the misstatements are expected to influence the economic decisions to be made by the users of the financial statement individually or collectively, at a reasonable level, such misstatements are considered to be material.

As required by the independent audit carried out according to IAS', we employ our professional discretion throughout the independent audit, and we sustain our professional skepticism. Our party also assumes the following:

Risks of "material misstatement" in consolidated financial statements due to error or fraud are determined and assessed; auditing procedures against such risks are designed and implemented and sufficient and suitable audit proof to form basis for our opinion is obtained. Since fraud may include collusion, circumvention, intentional negligence, misrepresentation or internal audit violations, risk of inability to detect a material misstatement arising from fraud is higher than the risk of inability to detect a material misstatement due to error.

- Internal control regarding the audit is taken into consideration not with the purpose of providing an opinion with regard to effectiveness of the Group's internal control, but for designing audit procedures conforming to the situation.



- Conformity of the accounting policies employed by the management and whether the explanation regarding the accounting estimations is reasonable or not are being assessed.
- By relying on the obtained audit evidences, a conclusion is reached whether a material uncertainty with regard to incidents or conditions which may give rise to a material doubt with regard to the ability of the Company to ensure its continuity and with regard to the conformity of the adoption by the management the basis of continuity of business. If we reach to a conclusion that a material uncertainty is of question, we shall emphasize in our report the concerning explanations in the financial or if such explanations are not sufficient, we are shall provide an opinion other than a positive opinion. The results we reach to are based on the evidence of audit obtained until the date of independent auditor report. However, future incidents or conditions may end the continuity of the Company.
- Including the explanations in the financial statements, their general presentation, structure, and content and whether such table reflects the actions and incidents which form its basis in a realistic manner are being assessed.
- In order to express an opinion on the financial statements, sufficient and appropriate audit evidence on the financial information of the undertakings or business segments within the Group is obtained. We are accountable for directing, overseeing and conducting group oversight. We are solely responsible for our views on auditing.

Including the internal audit inadequacies, we reveal during audit, we report the planned scope and timing of the independent audit and significant audit findings to the members of the senior management.

We have notified the persons from the senior management that we follow code of conduct provisions regarding independence. Also, we have informed the persons from the senior management regarding any persons and other aspects and related measures, if any, which may have influence on independence.

The most important issues, namely key audit issues, are identified among the issues communicated to the persons responsible for senior management in the independent audit of the consolidated financial statements of the current period. In cases where the legislation does not allow the subject to be disclosed to the public, or in extremely exceptional cases where it is reasonably expected that the negative consequences of disclosing the matter to the public will exceed the public benefit of the public disclosure, we may decide not to report the relevant matter in our independent auditor report.



## **B. Other Liabilities Arising from the Legislation**

According to article 402 of Turkish Commercial Code, nothing has come to our attention that causes us to believe that the Company's bookkeeping system, consolidated financial statements in the fiscal period of 1 January-31 December 2021 are not appropriate, in all material respects, in accordance with the Law and clauses related to the financial reporting in the Company's articles of association.

As per paragraph four of article 402 of Turkish Commercial Code, Board of Directors have made the required explanations to our party and submitted the requested documentation.

The responsible auditor who executed and concluded this independent audit is Dođuş Bektaş.

**Abaküs Bađımsız Denetim A.Ş.**

**Dođuş Bektaş**

**Responsible Auditor, SMMM  
(Independent Accountant and Financial  
Advisor)**

**Istanbul, 22 February 2022**

 **abaküs** BAĐIMSIZ  
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KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

		Independently	
	Footnote References	Audited 31.12.2021	Audited 31.12.2020
<b>ASSETS</b>			
<b>Current Assets</b>		<b>778.898.428</b>	<b>281.013.095</b>
Cash and Cash Equivalents	6	77.148.996	52.087.330
Financial Investments	7	40.979.100	4.881.895
Trade Receivables	10	393.794.155	113.251.278
-Trade Receivables From Affiliates	10-38	6.768.495	8.946.295
- Trade Receivables From Non-Affiliates	10	387.025.660	104.304.983
Receivables from Financial Sector Activities	12	-	-
Other Receivables	11	36.307.948	25.399.259
- Other Receivables from Affiliates	11-38	11.746.915	21.555
-Other Receivables From Non-Affiliates	11	24.561.033	25.377.704
Inventories	13	133.991.429	59.840.637
Liquid Assets	14	-	-
Receivables from Customer Contracts	15	4.097.012	643.465
Prepaid Expences	24-38	71.984.669	20.568.126
Other Tax		672.776	2.709.468
Other Assets		19.922.343	1.631.637
<b>Fixed Assets</b>		<b>161.527.524</b>	<b>39.060.281</b>
Financial Investments	7	2.109.175	-
Trade Receivables	10	-	-
Receivables from Financial Sector Activities	12	-	-
Other Receivables	11	-	-
- Other Receivables from Affiliates	11-38	-	-
-Other Receivables From Non-Affiliates	11	-	-
Investments Valued by Equity Method	16	4.788.649	(53.710)
Liquid Assets	14	-	-
Investment Properties	17	46.374.000	23.182.000
Tangible Fixed Assets	18	65.828.835	12.765.720
Intangible Fixed Assets	19	22.607.144	213.309
Prepaid Expences	24	11.575.852	338.606
Other Assets		788.294	-
Deffered Tax Assets	36	7.455.575	2.614.356
Other Fixed Assets	26		
<b>TOTAL ASSETS</b>		<b>940.425.952</b>	<b>320.073.376</b>

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

	Footnote References	Audited 31.12.2021	Independently Audited 31.12.2020
<b>RESOURCES</b>			
<b>Short Term Liabilities</b>		<b>579.885.530</b>	<b>174.829.384</b>
Short Term Borrowings	8	178.879.989	42.323.145
Short-Term Portion of Long-Term Borrowings	8	42.513.594	6.851.453
Other Financial Liabilities	9	179.650	-
Trade Payables	10	157.818.504	81.330.093
- Trade Payables to Affiliates	10-38	339.961	-
- Trade Payables to Non-Affiliated Parties	10	157.478.543	81.330.093
Payables within the Scope of Employee Benefits	22	2.929.120	1.321.487
Other Payables	11	4.449.264	69.224
Government Incentives and grants-in-aid	20	-	-
Deferred Incomes (Other than Liabilities Arising from the Customer Contracts)	24	175.210.959	37.563.204
Liabilities Arising from Customer Contracts	15	2.046.799	2.262.254
Tax Liability of Period Profit	36	10.263.739	1.359.675
Short-Term Provisions		1.224.037	649.258
Other Short Term Liabilities	26	4.369.875	1.099.591
(Subtotal)		579.885.530	174.829.384
<b>Long-Term Liabilities</b>		<b>74.140.613</b>	<b>11.516.867</b>
Long-term Borrowings	8	67.400.739	6.886.428
Other Financial Liabilities	9	540.817	-
Trade Payables	10	-	-
Other Payables	11	-	-
Long-term Provisions		1.294.299	903.312
Long-Term Provisions Regarding the Benefits for Employees	22	1.248.281	854.035
Other Long-term Provisions	21	46.018	49.277
Payables Related to Current Period Tax	25		
Deferred Tax Liability	36	4.904.758	3.727.127
Other Long-Term Liabilities	26	-	-
<b>EQUITIES</b>		<b>286.399.809</b>	<b>133.727.125</b>
<b>Equities Owned by the Parent Company</b>		<b>286.577.755</b>	<b>133.791.439</b>
Paid-in Capital	27	38.062.500	38.062.500
Premium / Discounts Related to Shares		59.331.875	59.331.875
Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		32.855.231	4.299.179
- Revaluation and Measurement Gains (Losses)		32.855.231	4.299.179
- Tangible Fixed Asset Revaluation Increase (Decrease)	27	33.135.234	4.477.856
- Re-Measurement Gains (Losses) of Defined Benefit Plans	27	(280.003)	(178.677)
Restricted Reserves Allocated from Profits	27	469.174	-
Previous Years' Incomes / Losses	27	1.617.443	10.299
Period Net Income / Loss	27	23.573.794	8.108.635
Non-controlling Interests	37	130.667.738	23.978.951
	27	(177.946)	(64.314)
<b>TOTAL RESOURCES</b>		<b>940.425.952</b>	<b>320.073.376</b>

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



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

	Footnote References	Audited 31.12.2021	Audited 31.12.2020
<b>CONTINUING OPERATIONS</b>			
Revenues	28	611.807.669	201.141.518
Cost of Sales (-)	28	(446.448.313)	(153.569.429)
<b>Gross Profit / (Loss) from the Commercial Activities</b>		<b>165.359.356</b>	<b>47.572.089</b>
Revenue of Financial Sector Activities	28	-	-
Cost of Financial Sector Activities (-)	28	-	-
<b>Gross Profit / (Loss) from the Financial Sector Activities</b>		-	-
<b>GROSS PROFIT / (LOSS)</b>		<b>165.359.356</b>	<b>47.572.089</b>
General Administrative Expenses (-)	29-30	(26.697.521)	(15.651.856)
Marketing Expenses (-)	29-30	(27.124.857)	(5.957.733)
Research and Development Expenses (-)		(4.405.241)	(875.333)
Other Incomes from Main Activities	31	179.221.302	46.814.518
Other Expenses from Main Activities(-)	31	(117.772.430)	(40.255.270)
<b>MAIN ACTIVITY PROFIT / (LOSS)</b>		<b>168.580.609</b>	<b>31.646.415</b>
Incomes from the Investment Activities	32	65.078.658	4.863.147
Expenses from Investment Activities	32	(901.529)	(196.900)
Shares from Incomes / Losses of Investments Valued by the Equity Method	16	(157.641)	(39.603)
<b>OPERATING PROFIT / (LOSS) BEFORE THE FINANCIAL EXPENSE</b>		<b>232.600.097</b>	<b>36.273.059</b>
Financing Incomes	34	3.454.486	1.712.076
Financing Expenses (-)	33	(87.153.017)	(10.986.107)
<b>PROFIT / (LOSS) OF ONGOING OPERATIONS BEFORE TAX</b>		<b>148.901.566</b>	<b>26.999.028</b>
<b>CONTINUING OPERATIONS TAX EXPENSES / (INCOMES)</b>	36	<b>(18.347.460)</b>	<b>(3.011.823)</b>
- Period Tax Income / (Expense)	36	(23.480.365)	(3.136.803)
- Deferred Tax Income / (Expense)	36	5.132.905	124.980
<b>CONTINUING OPERATIONS PERIOD'S PROFIT / (LOSS)</b>	37	<b>130.554.106</b>	<b>23.987.205</b>
<b>PERIOD PROFIT / (LOSS) OF DISCONTINUED OPERATIONS PERIOD'S PROFIT / (LOSS)</b>	35	-	-
<b>PERIOD'S PROFIT / (LOSS)</b>	37	<b>130.554.106</b>	<b>23.987.205</b>
Non-controlling Interests		(113.632)	8.254
Parent Company Shares		130.667.738	23.978.951
<b>Earnings / (Loss) per Share</b>	37	<b>3,430</b>	<b>0,829</b>
Earnings / (Loss) per Share from Ongoing Operations	37	3,430	0,829
Earnings / (Loss) per Share from Discontinued Operations	37	-	-

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

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

	Paid-in Capital	Restricted Reserves Allocated from Profits	Remeasurement Gains (Losses) of the Defined Benefit Plan	Premium	Revaluation Value Increases in Tangible Fixed Assets	Previous Years' Profits / Losses	Net Period's Profit / (Loss)	Non-controlling Interests	Total Equities
<b>1 January 2020</b>	<b>10.000.000</b>	<b>10.299</b>	<b>-</b>	<b>(90.337)</b>	<b>4.454.288</b>	<b>454.243</b>	<b>27.654.392</b>	<b>(72.568)</b>	<b>42.410.317</b>
Transfers	20.000.000	-	-	-	-	7.654.392	(27.654.392)	-	-
Acquisition or disposal of subsidiary	8.062.500	-	59.331.875	-	-	-	-	-	67.394.375
	-	-	-	(88.340)	23.568	-	23.978.951	8.254	23.922.433
<b>31 September 2020</b>	<b>38.062.500</b>	<b>10.299</b>	<b>59.331.875</b>	<b>(178.677)</b>	<b>4.477.856</b>	<b>8.108.635</b>	<b>23.978.951</b>	<b>(64.314)</b>	<b>133.727.125</b>

	Footnote Ref. Footnote Ref.	Paid-in Capital	Restricted Reserves Allocated from Profits	Remeasurement Gains (Losses) of the Defined Benefit Plan	Premium	Revaluation Value Increases in Tangible Fixed Assets	Previous Years' Profits / Losses	Net Period's Profit / (Loss)	Non-controlling Interests	Total Equities	
<b>1 January 2021</b>		<b>38.062.500</b>	<b>10.299</b>	<b>59.331.875</b>	<b>(178.677)</b>	<b>4.477.856</b>	<b>-</b>	<b>8.108.635</b>	<b>23.978.951</b>	<b>(64.314)</b>	<b>133.727.125</b>
Revenue	27	-	-	-	-	-	(6.906.648)	-	-	(6.906.648)	
Transfers	27	-	1.607.144	-	-	-	22.371.807	(23.978.951)	-	-	
Incomes	37	-	-	-	(101.326)	28.657.378	469.174	-	130.667.738	(113.632)	159.579.332
<b>30 Eylül 2021</b>		<b>38.062.500</b>	<b>1.617.443</b>	<b>59.331.875</b>	<b>(280.003)</b>	<b>33.135.234</b>	<b>469.174</b>	<b>23.573.794</b>	<b>130.667.738</b>	<b>(177.946)</b>	<b>286.399.809</b>

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

## KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

### **NOTE 1- ORGANIZATION AND AREAS OF ACTIVITY OF THE GROUP**

Kontrolmatik Bina Yönetim Sistemleri Sanayi ve Dış Ticaret Limited Şirketi was founded in 2012 in Turkey. In 2014 changed the name of company as Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi. And in 2020 changed the name again as Kontrolmatik Teknoloji Enerji ve Mühendislik Anonim Şirketi.

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

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

The company and all of its subsidiaries are collectively referred to as the “Group”.

Shareholders:

Adı/Unvanı	31.12.2021		31.12.2020	
	Share Rate %	Share Amount	Share Rate %	Share Amount
Sami Aslanhan	38,095	14.500.000	38,095	14.500.000
Ömer Ünsalan	38,095	14.500.000	38,095	14.500.000
Public Part	23,810	9.062.500	23,810	9.062.500
<b>Total</b>	<b>100,00</b>	<b>38.062.500</b>	<b>100,00</b>	<b>38.062.500</b>

As of December 31, 2021 the details of the joint ventures of the Group

Name of the Company	Direct Participation Rate%	Non-Controlling Shares %
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S2-S3)	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S4)	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S5)	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (A1-A3)	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (KEPEZ)	60,00	40,00
Kontrolmatik Enerji ve Müh. A.Ş. ve Boyut Mak. San. Taş. Ltd. Şti. İş Ortaklığı (S2-S3)	60,00	40,00
Kontrolmatik Elektrik A.Ş. (*)	0	0

\*In 2020, Company sold shares of Kontrolmatik Elektrik A.Ş.

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

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## **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

### **A. Basic Principles Regarding the Presentation**

#### **Financial Reporting Standards Applied**

Group keeps its accountancy records and legal consolidated financial statements according to the current commercial legislation in Turkey, and to the fiscal legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and in Turkish Lira (TL). The consolidated financial statements of the Group are prepared in accordance with the provisions of the Capital Markets Board ("SPK"), published in the Official Gazette dated 13 June 2013 and numbered 28676 and numbered 11-14.1 on "Principles Regarding Financial Reporting in the Capital Market" ("Communiqué") has been prepared, and "Turkey Financial Reporting Standards ("TFRS"), which was published by Public Oversight Accounting and Auditing Standards Authority, according to the 5th Article of the Communiqué, and the Annexes relating thereto and interpretations are based.

The consolidated financial statements are presented in accordance with the formats specified in the "TFRS Taxonomy and Financial Table Examples and User Guide" published by (KGK) POA on April 15, 2019.

#### **Comparative Information and Correction of Previous Period Financial Statements**

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

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

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

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

#### **Statement Regarding the Reporting Currency**

The Group's presentation currency is Turkish Lira (TL). The accompanying financial statements, including the consolidated financial statements dated 31 December 2020 and the financial data for the previous period to be used for comparison purposes, are presented in Unites State Dollars (USD).

## KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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Currency Type	Exchange Rates (TL / Currency Unit)	
	31.12.2021	31.12.2020
USD	8,8433	7,3405
AVRO	10,3135	9,0079

### Continuity Concept of the Enterprise

The consolidated financial statements have been prepared on an ongoing basis, on the assumption that the Group will benefit from its assets and fulfill its liabilities in the coming year and in the natural flow of its activities.

### Netting Arrangement

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

### Amendments in Turkey Financial Reporting Standards

The accounting policies used as the basis for the preparation of the consolidated financial statements for the fiscal period 1 January - 31 December 2020 have been applied in consistency with the consolidated financial statements prepared with the new and amended standards as of 1 January 2019 as specified below, and TFRYK interpretations that are outlined below and effective as of 31 December 2018.

#### *a) The new standards in force as of 31 December 2021 as well as the Amendments and comments to the previous available standards:*

- **Amendments in TFRS 9 Financial Instruments**"; It is valid for the annual reporting periods starting on or after 1 January 2019. This amendment clarified two issues: While taking into consideration whether a financial asset represents only principal and interest related to the principle, when it is considered that the prepaid amount may have both positive and negative cash flows and when it is changed without bringing the result of exclusion of a financial liability measured with amortized cost from the financial statement, it confirms the issue that the loss or earning arose is directly recognized in the loss or profit. The earning or loss is calculated as the difference between the cash flows based on the original agreement and the amended cash flows with discount at the rate of the original effective interest rate. This means that unlike TMS 39, the difference cannot be recognized by spreading over the remaining life of the instrument. The amendment has no effect on the Group's financial statements.

- **Amendments to TMS 28 "Investments in the Affiliates and Business Partners"**; It is valid for the annual reporting periods starting on or after 1 January 2019. It clarified that the companies can recognize their

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investments subject to long-term affiliate or joint management to which the companies do not apply equity method , by making use of the TFRS 9. The amendment has no effect on the Group's financial statements.

- **TFRS 16 “Leasing Transactions”**; It is valid for the annual reporting periods beginning on or after 1 January 2023. It is allowed to apply earlier together with the TFRS 15 "Revenue From Customer Contracts". This new standard replaces the current TMS 17 guidance, and makes a comprehensive change in the accounting thereof, particularly for the lessees. According to the current TMS 17 rule, when the lessees become a party to a leasing transaction, they are obliged to make a difference for that transaction as leasing (in-balance sheet) or activity leasing (off-balance sheet). However, according to the TFRS 16, the lessees shall be obliged to record the lease liabilities that they are to pay in the future for almost all lease contracts and right to use an asset in their balance sheets. UMSK stipulated an exception for short-term leasing transactions and low-value assets, but this exception is applicable to the lessees only. Accounting remains almost the same for the lessors. However, because UMSK changed the definition of leasing transactions (as it changed the guidance on the merging or separating the contents in the agreements), lessors shall also be affected by these new standard.

In this case, the new accounting model is expected to lead to some evaluations between the lessees and lessors. According to the TFRS 16, if an agreement contains the right to use an asset and the right to control that asset for a certain period at a certain amount, that agreement is a lease contract or contains a leasing transaction.

- **TFRS Comment 23, “Ambiguities in Tax Applications”**; It is valid for the annual reporting periods beginning on or after 1 January 2019. This comment clarifies some ambiguities in the applications of the TMS 12 Income Taxes standard. UFRS Comment Committee had already clarified that when there is an ambiguity in tax applications, the standard TMS 37 "Provisions, Contingent Liabilities and Contingent Assets", rather than TMS 12 must be applied to that ambiguity. On the other hand, TFRS Comment 23 clarifies how deferred tax calculation is to be measured and recognized, in cases where there are ambiguities in income taxes. Ambiguity in tax application arises in cases where a tax application made by a company is acceptable by the tax authority. For example he ambiguity in the tax law whether to accept a cost as a discount or to include a certain item in the tax calculation. TFRS Comment 23 is valid in all cases where tax applications of an item is ambiguous, including tax base amounts of a taxable income, cost, asset or liability, tax cost, receivable and tax rates thereof. The amendment has no effect on the Group's financial statements.

- **Annual improvements in 2015-2017**; It is valid for the annual reporting periods commencing on or after 1 January 2019. These improvements include the amendments below:

- TFRS 3, “Enterprise Mergers”; The enterprise that controls remeasures the share it acquired in the joint activity.
- TFRS 11, “Joint Agreements”; The enterprise that ensures the joint control does not remeasure the share it acquired in the joint activity.
- TMS 12, “Income Taxes”; The enterprise recognized the income tax of dividends in the same way.

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- TMS 23, "Borrowing Costs" considers each borrowing made for making a quality asset ready for the intended use or sale as a part of the general borrowing.

The amendment has no effect on the Group's financial statements.

- **Amendments to TMS 19 "Employee Benefits";** improvements related to the change, narrowing or fulfillment made in the plan. It is valid for the annual reporting periods starting on or after 1 January 2019. These improvements require the amendments below:

- For the period following the change, narrowing and fulfillment made in the plan, using the up-to-date assumptions in order to determine the current service cost and net interest;

- Recognition in the profit or loss as a part of the past period service cost or even if it was not included in the financial statement with the effect arising from the asset ceiling, inclusion of any decrease in the surplus value, an earning or loss in fulfillment in the financial statements.

The amendment has no effect on the Group's financial statements.

***b) Standards and amendments that have been published as of 31 December 2020 but have not yet come into force:***

- **Amendments to the TMS 1 and TMS 8 significance definition;** It is valid for annual reporting periods starting on or after January 1, 2020. Amendments in TMS 1 "Presentation of Financial Statements" and TMS 8 "Accounting Policies, Changes and Errors in Accounting Policies" and changes in other TFRSs depending on these changes are as follows:

- i) i) Use of materiality definitions consistent with TFRS and financial reporting framework,
- ii) ii) Clarification of the description of materiality and
- iii) iii) the inclusion of some guidance in TMS 1 regarding non-material information.

The amendment is expected to have no significant effect on the Group's financial statements.

- **Amendments in TFRS 3 – Definition of Business;** It is valid for annual reporting periods starting on or after 1 January 2020. With this amendment, the business definition has been revised. Based on the feedback received by the IASB (UMSK), current practice guidance is generally considered to be very complex, resulting in too much action in order to meet the definition of business combinations. The amendment is expected to have no significant effect on the Group's financial statements.

- **TFRS 17 "Insurance Contracts";** It is valid for annual reporting periods beginning on or after 1 January 2021. This standard replaces TFRS 4, which currently allows a wide variety of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with discretionary

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participation features. The amendment is expected to have no significant effect on the Group's financial statements.

● **Amendments in TFRS 9, TMS 39 and TFRS 7 - Indicative interest rate reform;** It is valid for annual reporting periods starting on or after 1 January 2020. These amendments provide certain facilitating practices regarding benchmark interest rate reform. These practices relate to hedge accounting, and the effect of the IBOR reform should generally not lead to the end of hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Considering the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry. The amendment is expected to have no significant effect on the Group's financial statements.

### **B. Amendments in Accountancy Policies**

Financial statement users should have the opportunity to compare the consolidated financial statements of the enterprise over time in order to determine the trends in the financial position, performance and cash flow of the enterprise. Therefore, the same accounting policies are applied in each interim and accounting period.

The following are not considered changes in accounting policies;

- Application of an accounting policy for transactions or events that differ in essence from those that occurred previously,
- The application of a new accounting policy for transactions or events that did not arise before or did not matter.

The same accounting policies are applied by the Group in accordance with the principle of consistency.

### **C. Changes and Errors in Accounting Policies and Estimates**

Accounting policy changes resulting from the first application of a new TFRS are applied retrospectively or prospectively in accordance with the transition provisions of the said TFRS, if any. Changes without any transition requirement, optional significant changes in accounting policies, or detected accounting errors are applied retrospectively and the consolidated financial statements of the previous period are re-arranged. Changes in accounting estimates, if they only concern a period, are applied in the current period, and if they are related to future periods, they are applied both in the period of change and prospectively. The Group applied the accounting policy changes arising from the initial application of the "TFRS 16 Leases" standard from the new standards, amendments and comments valid from 1 January 2019, in accordance with the transition provisions of the relevant standard.

The impacts of the accounting policy changes arising from the standards concerned and of the initial application of the relevant standards are as follows:

*Initial transition to the TFRS 16 "Leases"*



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The Group chose to recognize the standard TFRS 16 "Leases", which replaced TMS 17 "Leasing Transactions", retrospectively in its consolidated financial statements with the cumulative effect of the initial application of the standard on 1 January 2019, which is the first application date. In the scope of the simplified transition application of the method concerned as defined in the relevant standard, no re-arrangement is required in the comparative information of the consolidated financial statements and past year profits, and also the effect calculated was recognized by taking into consideration the level of significance.

#### **D. Summary of the Significant Accounting Policies**

##### **Financial Instruments**

##### **Financial Assets**

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

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

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

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

The changes regarding the classification of financial assets and liabilities within the scope of TFRS 9 are summarized below. These classification differences do not have any effect on the measurement of financial assets, except for the financial investments account group:

<b><u>Financial assets</u></b>	<b><u>Former classification according to TMS 39</u></b>	<b><u>New classification according to TFRS 9</u></b>
Cash and cash equivalents	Credits and receivables	Amortized cost
Trade receivables	Credits and receivables	Amortized cost

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Derivative financial assets	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Financial investments	Financial asset available for sale	Fair value difference reflected in other comprehensive income

<b><u>Financial liabilities</u></b>	<b><u>Former classification according to TMS 39</u></b>	<b><u>New classification according to TFRS 9</u></b>
Derivative financial liabilities	Fair value difference reflected in profit or loss	Fair value difference reflected in profit or loss
Credits	Amortized cost	Amortized cost
Financial Leasing payables	Amortized cost	Amortized cost
Factoring payables	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

### **Cash and Cash Equivalents**

Cash and Cash Equivalents include cash and bank deposits and short-term and highly liquid investments that are easily convertible into cash and whose value is insignificant and whose maturity is three months or less.

Bank deposits consist of time deposits and demand deposits and accrued interest on these deposits. Deposits in Turkish Lira are shown in the records with their cost values, and foreign currency deposit accounts with their values converted into Turkish Lira by using R.T. Central Bank foreign exchange buying rate at the balance sheet date. Time deposit accounts also include their accrued interests as of the balance sheet date.

### **Trade Receivables**

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

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

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

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If it is likely that trade receivables will not be collected, a provision for trade receivables will be recorded. The amount of provision shall be the amount determined by the management of the Company, taking account of the assurances obtained from the customer and considered to cover any damages that might occur as a result of the risk of economic conditions or of the nature of the account. They are absolutely removed from the records as receivables that can not be obtained are calculated. Doubtful receivables provision is reflected in the records as an expense in the period it is determined.

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

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

For measuring expected credit losses on trade receivables, a provision matrix is used.

In the relevant matrix, certain Reserve ratios shall be calculated on the basis of the number of days on which the due dates of trade receivables are exceeded, and these ratios shall be reviewed and where necessary, revised during each reporting period.

### **Financial Liabilities**

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

### **Other financial liabilities**

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

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

### **Trade Payables**

Trade payables refer to the payments to be made for ordinary activities for goods and services provided by

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suppliers. Trade payables are recorded at their fair value and in subsequent periods, discounted amounts are accounted for using the effective interest rate method.

### **Revenue recognition**

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

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

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

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

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

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

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

In case that the Group anticipates at the beginning of the agreement that the period between the date of transfer of the good or service undertaken to the customer and the date when the customer pays the price of that good or service will be one year or less, it does not make any adjustment for the effect of a significant financing

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component in the price undertaken. On the other hand, in case that there is a significant financing element within the revenue, the revenue value is determined by reducing the collections to arise in the future with the interest rate within the financing element. The difference is recorded in the relevant periods, as the incomes from main activities, according to the accrual basis.

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

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

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

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

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

### **Inventories**

Inventories are valued with cost or net realizable value, whichever is lower. Cost of inventories is the sum of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Unit cost of inventories is determined with the moving weighted average method.

Distribution of fixed general production costs to transformation costs is based on the assumption that the production activities will be in the normal capacity. Normal capacity is the average production quantity expected under normal conditions in one or more periods or terms, by taking into consideration the capacity reduction to arise from the planned maintenance-repair works. If the actual production level is close to the normal capacity, that capacity can be accepted as normal capacity.

Net realizable value represents the amount found by deducting the sum of the estimated completion cost and estimated sale cost required for realizing the sale within the normal course of the work from the estimated sale

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price estimated selling price. Costs of renewing the raw materials may be the best measure reflecting the net realizable value.

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

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

### **Investment Properties**

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

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

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

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

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

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

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

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

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within its investment properties account, and the immovable properties concerned are included in the consolidated financial statements at these values.

### **Tangible and Intangible Fixed Assets**

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

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

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

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

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

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

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

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

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

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

	<u>Useful Life (Years)</u>	<u>Method</u>
Buildings	50	Straight- line
Plant, Machinery and Devices	5-10	Straight- line
Vehicles, tools and devices	4-5	Straight- line
Fixtures and Fittings	3-15	Straight- line
Special Costs	5	Straight- line
Other intangible fixed assets	1-3	Straight- line

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

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

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

Intangible fixed assets represent rights and computer software. Intangible fixed assets are recorded at their adjusted value according to the inflation's effects as of 31 December 2004 for the items purchased before January 1<sup>st</sup>, 2005 ; whereas the ones purchased after January 1<sup>st</sup>, 2005 are reflected by subtracting accumulated



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depreciation and permanent impairments from the cost values. Redemptions regarding intangible fixed assets were allocated by making use of the straight-line depreciation method over the useful lives of relevant assets, provided that they do not exceed the number of useful years thereof from the date of purchasing. Redemptions of intangible fixed assets are recorded in the general management expenses and cost of sales in the income statement.

Profit or loss arising on the disposal of intangible and tangible fixed assets is determined by comparing the net book value with the sale amounts, and are recorded in the incomes and expenses from investment activities within the income statement.

#### **Fixed Assets Classified for Sales Purposes and Ceased Activities**

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

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

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

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

#### **Impairment of assets**

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

#### **Taxation and Deferred Tax**

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

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

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

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

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

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

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

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

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

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

### **Goodwill**

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

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

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

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

### **Leases**

The Group applied the accounting policy changes arising from the initial application of the "TFRS 16 Leases" standard from the new standards, amendments and comments valid from 1 January 2019, in accordance with the transition provisions of the relevant standard.

The impacts of the accounting policy changes arising from the standards concerned and of the initial application of the relevant standards are as follows:

#### *Group- As Lessee*

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

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

- The agreement contains a defined asset (defining an asset in the agreement implicitly or explicitly),

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- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (in case that the supplier holds a fundamental right to replace the asset during the usage period and derives economic benefit from that, the asset is not defined),
- The Group holds the right to obtain almost all of the economic benefits to be derived from the use of the asset, The Group holds the right to manage the use of the defined asset. The Group holds the right to manage the use of the asset, in case of presence of one of the following cases:
  - a) The Group's holding the right to manage and change the way and purpose of using the asset during the usage period or
  - b) The decisions regarding the way and purpose of using the asset were determined beforehand:
    - i. The Group's holding the right to operate the asset during the usage period (or to direct the others to operate the asset in the way it determined) and the supplier not holding the right to change these operating instructions or
    - ii. The Group's designing the asset (or properties thereof) in the manner to predetermine the way and purpose of using the asset during the usage period.

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

*Presence of the right to use*

The Group measures the usage right asset over its cost on the date when the leasing actually starts. Usage right asset's cost includes the following:

- a) The first measurement amount of the leasing liability,
- b) Amount found by deducting all leasing incentives from all lease payments made on or before the date when the leasing actually starts,
- c) all direct costs borne by the Group, and
- d) Costs borne by the Group in relation to restoring the basis asset to the state required by the provisions and conditions of leasing (excluding costs borne for inventory production).

When applying the cost method, the Group measures the usage right asset over

- a) its cost after deducting the accumulated depreciation and accumulated impairment losses and
- b) its cost adjusted according to the remeasurement of the lease liability.

*Lease liability*

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

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

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

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

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

*Extension and early termination options*

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

*Variable lease payments*

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

*Facilitating practices*

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

*Group- As Lessor*

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

The Group recognized the standard TFRS 16 "Leases", which replaced TMS 17 "Leasing Transactions", retrospectively ("cumulative impact method") in its consolidated financial statements with the cumulative effect of the initial application of the standard on 1 January 2019, which is the first application date. In the scope of the simplified transition application of the method concerned as defined in the relevant standard, no re-arrangement is required in the comparative information of the financial statements.

**Provisions for Employee Benefits**

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

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

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

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

### **Provisions, Contingents Assets and Liabilities**

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

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

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

In provisions where time value of money is important, by assuming that there is no risk and ambiguity in determination of the estimated cash flows, they are reduced by making use of the risk-free discount rate based on the government bonds in the same maturity with the estimated cash flow. The second method is the expected value method. This method is used in case that the provision is related to a large set or to a lot of events, and the liability is estimated by taking into consideration all possible results. The third method is recording the provision in the consolidated financial statements by estimating the most possible result to arise, in case that there is a single liability or event.

Liabilities and assets which arise from past events and of which presence can be confirmed with realization or non-realization of one or more future events that are not under the enterprise's control are not recorded in the financial statements, and the explained in the footnotes by being considered as contingent assets, liabilities and commitments (Note 21).

### **Finance Incomes / (Expenses) Not Accrued**

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

### **Earnings per Share**

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

## **Financial risk management**

### Collection Risk :

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

### Exchange Rate Risk:

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

### Liquidity risk

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

## **Effect of the Exchange Rate Change**

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

## **Dividend**

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

## **Paid-in Capital**

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



### **Events Subsequent to the Balance Sheet Date**

It refers to the events occurred in favor of or against the enterprise between the balance sheet date and the date of authorization for the balance sheet publication. In case that there are new evidences for presence of the events concerned as of the balance sheet date pursuant to the provision of the TMS 10 or the events concerned occurred after the balance sheet date and if these events require issuance of the financial statements, the Group adjusts its consolidated financial statements according to the new situation. If the events concerned do not require adjustment of the financial statements, the Group explains the issues concerned in the relevant footnotes (Note 41).

### **Government Incentives and grants-in-aid**

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

### **Reporting financial information according to segments**

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

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

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

### **Cash Flow Statement**

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

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

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

#### **E. Sources of Critical Accounting Assessments, Estimates and Assumptions as well as Ambiguities**

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

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

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

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

- Deferred tax is recorded, in case that occurrence of taxable income in the following years is determined to be possible. In cases where it is possible that taxable income occurs, deferred tax asset is calculated over the carried and unused accumulated losses as well as any kind of deductible temporary differences (Note 36). The Group reviewed its carried tax losses as of 31 December 2019.

## KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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- b) During determination of the useful lives, determination of the provision for doubtful trade receivable (Notes 10 and 39) and calculation of the provision for severance allowance (Note 22), the management used some assumptions and anticipations.

### **Note 3– Enterprise Mergers**

Current Period: None (Previous Periods: None).

### **Note 4 – Shares in Other Enterprises**

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

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

### **Note 5 - Reporting According to the Activity Sections**

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

### **Note 6 – Cash and Cash Equivalents**

	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Cash</b>	<b>241.269</b>	<b>330.380</b>
<b>Bank</b>	<b>76.907.727</b>	<b>51.756.950</b>
Current Deposits	76.907.727	51.756.950
<b>Others</b>		-
<b>Total</b>	<b>77.148.996</b>	<b>52.087.330</b>

### **Note 7 – Financial Investments**

	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Assets recorded at fair value in other comprehensive income</b>	<b>40.979.100</b>	<b>4.881.895</b>
- Stocks	40.979.100	4.881.895
- Gains from the increase stocks	-	-
<b>Total short-term investments</b>	<b>40.979.100</b>	<b>4.881.895</b>

### **Note 8 – Borrowings**

	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Short Term Borrowings</b>	<b>178.879.989</b>	<b>42.323.145</b>
Bank credits	178.879.989	42.323.145
<b>Short-Term Portion of Long-Term Borrowings</b>	<b>42.513.594</b>	<b>6.851.453</b>

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Bank credits	41.401.873	6.851.453
Leasing Payables	1.111.721	-
<b>Long-term Borrowings</b>	<b>67.400.739</b>	<b>6.886.428</b>
Bank credits	67.400.739	6.886.428

**Note 9 – Other Financial Liabilities**

Current Period: None (Previous Periods: None).

**Note 10 – Trade Receivables And Payables**

	31.12.2021	31.12.2020
<b>Trade receivables from affiliates</b>	<b>6.768.495</b>	<b>8.946.295</b>
- Purchasers	6.787.995	9.066.508
- Doubtful Trade Receivables	(19.500)	(120.213)
<b>Trade receivables from non-affiliates</b>	<b>387.025.660</b>	<b>104.304.983</b>
- Purchasers	371.662.237	102.346.425
- Postdated checks and notes receivable	20.521.354	4.388.165
- Doubtful Trade Receivables	14.088.518	4.854.646
- Trade Receivable Rediscount (-)	(7.254.466)	(2.434.478)
- Provision for doubtful trade receivables (-)	(11.991.983)	(4.849.775)
<b>Total Trade Receivables (Short-term)</b>	<b>393.794.155</b>	<b>113.251.278</b>
<b>Total Trade Receivables (Long-term)</b>	<b>6.768.495</b>	-

	31.12.2021	31.12.2020
<b>Trade payables from affiliates</b>	<b>339.961</b>	-
<b>Trade payables from non-affiliates</b>	<b>157.478.543</b>	<b>81.330.093</b>
- Suppliers	69.685.068	51.598.644
- Postdated checks and notes payables	91.004.302	31.140.017
- Trade Payables Rediscount (-)	(3.210.827)	(1.408.568)
<b>Other Receivables (Short-term)</b>	<b>157.818.504</b>	<b>81.330.093</b>
<b>Other Receivables (Long-term)</b>	-	-

**Note 11 – Other Receivables And Payables**

	31.12.2021	31.12.2020
<b>Trade payables from affiliates</b>	<b>11.746.915</b>	<b>21.555</b>
- Payables from Shareholders	11.635.841	21.555
- Payables from Other Affiliates	111.074	-
- Other Payables Rediscount (-)	-	-
<b>Trade payables from non-affiliates</b>	<b>24.561.033</b>	<b>25.377.704</b>
- Deposits and guarantees received	17.548.524	21.756.642

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- Other payables	7.012.509	3.621.062
<b>Other Receivables (Short-term)</b>	<b>36.307.948</b>	<b>25.399.259</b>
<b>Other Receivables (Long-term)</b>	<b>-</b>	<b>-</b>

	31.12.2021	31.12.2020
<b>Other receivables from related affiliates (*)</b>	<b>2.130.540</b>	<b>-</b>
- Receivables from Shareholders	2.130.540	-
<b>Other receivables from non-affiliates</b>	<b>2.318.724</b>	<b>69.224</b>
- Deposits and guarantees given	2.203.158	24.531
- Deferred tax assets	115.566	44.693
<b>Other Receivables (Short-term)</b>	<b>4.449.264</b>	<b>69.224</b>
<b>Other Receivables (Long-term)</b>	<b>-</b>	<b>-</b>

**Note 12 - Receivables And Payables From Finance Sector Activities**

Current Period: None (Previous Periods: None).

**Note 13 – Inventories**

	31.12.2021	31.12.2020
Commodity	136.254.870	61.893.573
Provision for impairment of inventories (-)	(2.263.441)	(2.052.936)
<b>TOTAL</b>	<b>133.991.429</b>	<b>59.840.637</b>

**NOTE 14 - LIQUID ASSETS**

Current Period: None (Previous Periods: None).

**NOTE 15 - RECEIVABLES AND LIABILITIES ARISING FROM THE CUSTOMER AGREEMENTS**

	31.12.2021	31.12.2020
Receivables from Customer Contracts	4.097.012	643.465
Obligation from Customer Contracts	(2.046.799)	(2.262.254)
<b>Total net receivables / payables</b>	<b>2.050.213</b>	<b>(1.618.789)</b>

	31.12.2021	31.12.2020
<b>Realized</b>		
Cost	16.101.250	71.997.825

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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Progress	16.732.231	86.791.353
<b>Business ending prediction</b>		
Cost	18.243.359	86.301.752
Progress	21.595.273	101.655.773

	31.12.2021	31.12.2020
Revenue according to TFRS (A)	18.782.444	85.172.564
Actual cost (B)	(16.101.250)	(71.997.825)
Profit/Loss according to TFRS (C=A+B)	2.681.194	13.174.739
Progress payments received (D)	16.732.231	86.791.353
<b>Total net receivables / payables from contract contracts (E=A-D)</b>	<b>2.050.213</b>	<b>(1.618.789)</b>

**NOTE 16 – INVESTMENTS VALUED USING THE EQUITY METHOD**

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

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

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

**31.12.2021:**

				31.12.2021
Participations (The Equity Method)	Share %	Participations Amount	Provision for Losses	Net Equity
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	(17.017)	(34.106)
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	3.900	(32.721)
Plan S Uydu ve Uzay Teknolojileri A.Ş.	25	1.250.000	(144.524)	4.855.476
	<b>TOTAL</b>	<b>1.260.000</b>	<b>(157.641)</b>	<b>4.788.649</b>

**31.12.2020:**

				31.12.2020
Participations (The Equity Method)	Share %	Participations Amount	Provision for Losses	Net Equity
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (IOT)	50	5.000	(14.373)	(17.089)

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Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (SAY)	50	5.000	(25.230)	(36.621)
<b>TOTAL</b>		<b>10.000</b>	<b>(39.603)</b>	<b>(53.710)</b>

**NOTE 17 – INVESTMENT PROPERTIES**

**01 Ocak-31 Aralık 2021**

	1.01.2021	Provision for Losses .	Appraisal Surplus	31.12.2021
<b>Cost</b>				
Lands and Parcels	20.725.450	-	20.998.430	41.723.880
Buildings	2.487.344	-	2.193.570	4.680.914
<b>Total</b>	<b>23.212.794</b>	<b>-</b>	<b>23.192.000</b>	<b>46.404.794</b>
<b>Accumulated Depreciation(-)</b>				
Buildings	(30.794)	-	-	(30.794)
<b>Total</b>	<b>(30.794)</b>	<b>-</b>	<b>-</b>	<b>(30.794)</b>
<b>Net Investment Property</b>	<b>23.182.000</b>		<b>23.192.000</b>	<b>46.374.000</b>

**01 Ocak-31 Aralık 2020**

	1.01.2020	Entries	Appraisal Surplus	31.12.2020
<b>Cost</b>				
Lands and Parcels	18.560.940	(175.000)	2.339.510	20.725.450
Buildings	1.633.854	-	853.490	2.487.344
<b>Total</b>	<b>20.194.794</b>	<b>(175.000)</b>	<b>3.193.000</b>	<b>23.212.794</b>
<b>Minus: Accumulated Depreciation</b>				
Buildings	(30.794)	-	-	(30.794)
<b>Total</b>	<b>(30.794)</b>	<b>-</b>	<b>-</b>	<b>(30.794)</b>
<b>Net Investment Property</b>	<b>20.164.000</b>	<b>(175.000)</b>	<b>3.193.000</b>	<b>23.182.000</b>

**NOTE 18 – TANGIBLE FIXED ASSETS**

	1.01.2021	Inflows	Outflows		31.12.2021
<b>Cost</b>					
Land and parcels	6.651.820	-	-	11.187.360	17.839.180
Buildings	1.778.209	16.325.000	-	18.978.302	37.081.511
Plant, Machinery and Devices	4.055.334	3.091.015	-	-	7.146.349
Vehicles	2.207.728	2.788.020	(425.962)	-	4.569.786
Fixtures and Fittings	2.773.386	3.290.631	-	-	6.064.017
Special Costs	238.417	-	-	-	238.417
<b>Total</b>	<b>17.704.894</b>	<b>25.494.666</b>	<b>(425.962)</b>	<b>30.165.662</b>	<b>72.939.260</b>
<b>Minus: Accumulated Depreciation</b>					
Land and parcels	(215.691)	-	-	-	(215.691)
Plant, Machinery and Devices	(2.296.682)	(918.237)	-	-	(3.214.919)
Vehicles	(985.170)	(786.422)	386.762	-	(1.384.830)
Fixtures and Fittings	(1.274.015)	(827.260)	-	-	(2.101.275)

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Special Costs	(167.616)	(26.094)	-	-	(193.710)
<b>Total</b>	<b>(4.939.174)</b>	<b>(2.558.013)</b>	<b>386.762</b>	<b>-</b>	<b>(7.110.425)</b>
<b>Tangible Fixed Assets, net</b>	<b>12.765.720</b>			<b>30.165.662</b>	<b>65.828.835</b>

	1.01.2020	Inflows	Outflows	31.12.2020
<b>Cost</b>				
Land and parcels	6.651.820	-	-	6.651.820
Buildings	1.778.209	-	-	1.778.209
Plant, Machinery and Devices	4.012.749	42.585	-	4.055.334
Vehicles	1.582.258	1.145.470	(520.000)	2.207.728
Fixtures and Fittings	2.146.329	627.057	-	2.773.386
Special Costs	238.417	-	-	238.417
<b>Total</b>	<b>16.409.782</b>	<b>1.815.112</b>	<b>(520.000)</b>	<b>17.704.894</b>
<b>Minus: Accumulated Depreciation</b>				
Land and parcels	(180.029)	(35.662)	-	(215.691)
Plant, Machinery and Devices	(1.579.386)	(717.296)	-	(2.296.682)
Vehicles	(911.533)	(431.137)	357.500	(985.170)
Fixtures and Fittings	(846.801)	(427.214)	-	(1.274.015)
Special Costs	(141.337)	(26.279)	-	(167.616)
<b>Total</b>	<b>(3.659.086)</b>	<b>(1.637.588)</b>	<b>357.500</b>	<b>(4.939.174)</b>
<b>Tangible Fixed Assets, net</b>	<b>12.750.696</b>			<b>12.765.720</b>

**NOTE 19 - INTANGIBLE FIXED ASSETS**

**A-) Goodwill:**

Current Period: None (Previous Periods: None).

**B-) Other Intangible Fixed Assets:**

	1.01.2021	Inflows	Outflows	31.12.2021
<b>Cost</b>				
Rights	14.000	10.800	-	24.800
Computer Software	709.008	20.719.706	-	21.428.714
Research and Development	-	6.007.026	-	6.007.026
<b>Total</b>	<b>723.008</b>	<b>26.737.532</b>	<b>-</b>	<b>27.460.540</b>
<b>Minus: Accumulated Redemptions</b>				
Rights	(2.883)	(2.335)	-	(5.218)
Computer Software	(506.816)	(4.341.362)	-	(4.848.178)
<b>Total</b>	<b>(509.699)</b>	<b>(4.343.697)</b>	<b>-</b>	<b>(4.853.396)</b>
<b>Intangible Fixed Assets, net</b>	<b>213.309</b>			<b>22.607.144</b>
	<b>1.01.2020</b>	<b>Inflows</b>	<b>Outflows</b>	<b>31.12.2020</b>



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<b>Cost</b>				
Rights	2.500	11.500	-	14.000
Computer Software	564.012	144.996	-	709.008
<b>Total</b>	<b>566.512</b>	<b>156.496</b>	<b>-</b>	<b>723.008</b>
<b>Minus: Accumulated Redemptions</b>				
Rights	(2.500)	(383)	-	(2.883)
Computer Software	(389.263)	(117.553)	-	(506.816)
<b>Total</b>	<b>(391.763)</b>	<b>(117.936)</b>	<b>-</b>	<b>(509.699)</b>
<b>Intangible Fixed Assets, net</b>	<b>174.749</b>			<b>213.309</b>

### **NOTE 20 - GOVERNMENT INCENTIVES AND GRANTS-IN-AID**

Current Period: None (Previous Periods: None).

### **NOTE 21 - COMMITMENTS THROUGH PROVISIONS, CONTINGENT ASSETS AND PAYABLES**

#### **Provisions**

Current Period: Lawsuit Provision- 7.201 \$ (Previous Periods: None).

### **NOTE 22 - BENEFITS PROVIDED TO THE EMPLOYEES AND THE PAYABLES WITHIN THE SCOPE OF BENEFITS PROVIDED TO THE EMPLOYEES**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Payables to employees	2.112.586	910.386
Social Security deductions Payable	816.534	411.101
<b>Payables within the Scope of Employee Benefits</b>	<b>2.929.120</b>	<b>1.321.487</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
Provisions Benefit Obligation	1.248.281	854.035
Unused Leave Obligation	1.224.037	649.258

### **NOTE 23 – PENSION PLANS**

Except for the legal regulations explained in the Note 22, there is no regulation for pension commitments.

### **NOTE 24 - PREPAID EXPENSES AND DEFERRED INCOMES**

<b>31.12.2021</b>	<b>31.12.2020</b>
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KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

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<b>Expenses Prepaid to Affiliates</b>	<b>415.487</b>	<b>358.095</b>
- Work advances	403.093	358.095
- Advances given for purchases	12.394	-
<b>Pre-Paid Expenses to non-affiliates</b>	<b>71.569.182</b>	<b>20.210.031</b>
- Expenses Prepaid to Non-Affiliates	68.205.825	18.665.965
- Work advances	1.725.333	539.442
- Prepaid expenses for next months	1.638.024	1.004.624
<b>Pre-Paid Expenses (Classified in the Current Assets)</b>	<b>71.984.669</b>	<b>20.568.126</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Expenses Prepaid to Affiliates</b>	-	-
<b>Pre-Paid Expenses to non-affiliates</b>	<b>11.575.852</b>	<b>338.606</b>
- Prepaid expenses for next years	47.670	174.606
- Expenses Prepaid	11.528.182	164.000
<b>Pre-Paid Expenses (Classified in the Fixed Assets)</b>	<b>11.575.852</b>	<b>338.606</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Deffered Income to Affiliates</b>	-	-
- Advances received	-	-
<b>Deffered Income to Non-affiliates</b>	<b>175.210.959</b>	<b>37.563.204</b>
- Advances received	175.210.959	37.563.204
<b>Deffered Incomes Other than Liabilities</b>		
-		-
<b>Arising from the Customer Contracts</b>		

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**NOTE 25 – ASSETS RELATED WITH THE CURRENT PERIOD TAX**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Prepaid taxes and funds (short term)	-	574
Prepaid taxes and funds(long term)	672.776	2.708.894
<b>Assets Related to Current Period Tax</b>	<b>672.776</b>	<b>2.709.468</b>

**NOTE 26 – OTHER ASSETS AND LIABILITIES**

	<b>31.12.2021</b>	<b>31.12.2020</b>
Deferred VAT	19.922.343	1.631.637
<b>Other Current Assets</b>	<b>19.922.343</b>	<b>1.631.637</b>
<b>Other Non-Current/Fixed Assets</b>	<b>-</b>	<b>-</b>

	<b>31.12.2021</b>	<b>31.12.2020</b>
Overdue deferred payabls to public	3.596.364	1.099.591
Overdue deferred debts to the public	773.511	-
<b>Other Short-Term Liabilities</b>	<b>4.369.875</b>	<b>1.099.591</b>
<b>Other Long-Term Liabilities</b>	<b>-</b>	<b>-</b>

**NOTE 27 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

Name / Title	<b>31.12.2021</b>		<b>31.12.2020</b>	
	Share Rate %	Share Amount (TL)	Share Rate %	Share Amount (TL)
Sami Aslanhan	38,095	14.500.000	38,095	14.500.000
Ömer Ünsalan	38,095	14.500.000	38,095	14.500.000
Public Part	23,810	9.062.500	23,810	9.062.500
<b>Total Paid Capital</b>	<b>100,00</b>	<b>38.062.500</b>	<b>100,00</b>	<b>38.062.500</b>

**NOTE 28 - REVENUE AND COST OF SALES**

**A. Gross Profit / (Loss) from the Commercial Activities**

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Domestic Sales	167.751.225	105.544.569
Foreign Sales	447.086.476	95.400.883
Other Sales	48.652	393.585
<b>Total Gross Revenue</b>	<b>614.886.353</b>	<b>201.339.037</b>
Sales discounts (-)	(3.078.684)	(197.519)
<b>Net Revenue</b>	<b>611.807.669</b>	<b>201.141.518</b>

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Cost of Sales (-)	(446.448.313)	(153.569.429)
<b>Gross Sale Profit</b>	<b>165.359.356</b>	<b>47.572.089</b>

**B. Gross Profit / Loss from the Financial Sector Activities**

Current Period: None (Previous Periods: None).

**NOTE 29 – ACTIVITY EXPENSES**

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
General management costs	(26.697.521)	(15.651.856)
Marketing expenses	(27.124.857)	(5.957.733)
R&D expences	(4.405.241)	(875.333)
<b>Total</b>	<b>(58.227.619)</b>	<b>(22.484.922)</b>

**NOTE 30 - EXPENSES ACCORDING TO THE QUALITY**

As of 01.01-31.12.2021 and 01.01-31.12.2020 periods, the details of expenses according to their nature are as follows:

	<b>01.01-31.12.2021</b>	<b>01.01- 31.12.2020</b>
Amortization expenses	(4.191.733)	-
Other expenses	(213.508)	(875.333)
<b>Research and development expenses</b>	<b>(4.405.241)</b>	<b>(875.333)</b>

	<b>01.01-31.12.2021</b>	<b>01.01- 31.12.2020</b>
Outsourced benefits and services expenses	(1.160.505)	(1.818.185)
Personnel expenses	(1.898.135)	(751.841)
Freight expenses	(10.230.506)	(1.709.080)
Advertisement expenses	(3.499.244)	(157.224)
Other expences	(10.336.467)	(1.521.403)
<b>Marketing Expenses</b>	<b>(27.124.857)</b>	<b>(5.957.733)</b>

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Personnel expenses	(5.886.474)	(2.889.869)
Outsourced benefits and services expenses	(5.053.110)	(2.488.282)
Depreciation expense	(1.805.699)	(1.084.602)
Advanced Given expenses	(1.317.565)	(986.197)
Rent, dues and usage expenses	(990.120)	(638.226)
Tax duties and fees	(1.547.867)	(493.313)
Bad debts expenses	(7.142.208)	(3.090.504)
Transportation expenses		

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Bank charges		
Minor inventory expenses		
Provision for leave expenses		
Provision for business cash advance expenses		
Other expenses	(2.954.478)	(3.980.863)
<b>General administrative expenses</b>	<b>(26.697.521)</b>	<b>(15.651.856)</b>

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

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Research and Development exp.	(4.191.733)	-
General administrative expenses	(1.805.699)	(1.084.602)
Cost of sales	(904.278)	(670.922)
<b>Depreciation Expenses</b>	<b>(6.901.710)</b>	<b>(1.755.524)</b>

### **NOTE 31 - OTHER INCOMES / EXPENSES FROM MAIN ACTIVITIES**

Details of the incomes/costs from main activities as of the 01.01-31.12.2021 and 01.01-31.12.2020 are as follows:

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Exchange rate incomes	153.759.772	36.639.731
Delay interest incomes	22.126.960	8.659.924
Social security premiums incomes	1.253.710	447.816
Bank protocol İncomes	90.000	381.358
Other income	1.990.860	685.689
<b>Total Other Incomes from Main Activities</b>	<b>179.221.302</b>	<b>46.814.518</b>

  

	<b>01.01- 31.12.2021</b>	<b>01.01-31.12.2020</b>
Exchange rate expenses	(99.278.060)	(32.040.029)
Delay interest expenses	(15.094.729)	(6.976.999)
7326 Law expenses	(1.160.267)	-
Other expenses	(2.239.374)	(1.238.242)
<b>Total Esas Faaliyetlerden Diğer Giderler</b>	<b>(117.772.430)</b>	<b>(40.255.270)</b>

### **NOTE 32 - INCOMES / EXPENSES FROM INVESTMENT ACTIVITIES**

Details of the incomes/costs from investment activities as of the 01.01-31.12.2021 and 01.01-31.12.2020 are as follows:

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	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Stocks sales profits and value increases	40.585.485	1.130.966
Investment Properties profit	23.192.000	3.193.000
Fixed Asset sale profit	947.632	477.500
Others	353.541	61.681
<b>Total Incomes from the Investment Activities</b>	<b>65.078.658</b>	<b>4.863.147</b>

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Stock sales losses	(901.529)	(196.900)
<b>Total Expenses from Investment Activities</b>	<b>(901.529)</b>	<b>(196.900)</b>

### **NOTE 33 - FINANCING EXPENSES**

Details of the financing expenses as of the periods 01.01-31.12.2021 and 01.01-31.12.2020 are as follows:

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Interest Expenses	(71.355.837)	(3.482.507)
Exchange rates losses	(11.183.200)	(4.887.037)
Letter of guarantee commission expenses	(4.523.083)	(2.616.563)
Other financing expenses	(90.897)	-
<b>Total Financing Expenses</b>	<b>(87.153.017)</b>	<b>(10.986.107)</b>

### **NOTE 34 – FINANCING INCOMES**

Details of the financing incomes as of the periods 01.01-31.12.2021 and 01.01-31.12.2020 are as follows:

	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Interest income	2.002.238	950.872
Exchange rates income	1.452.248	761.204
<b>Total Financial Expenses</b>	<b>3.454.486</b>	<b>1.712.076</b>

### **NOTE 35 – INCOME TAXES**

In Turkey, the corporate tax rate is 25% as of 31 December 2021. With the provisional article 13 added to the Corporate Tax Law No. 5520, with the 11th article of the Law on Collection Procedure of Public Receivables and Law No. The corporate tax rate will be 25% for corporate earnings for the 2021 taxation period, 23% for corporate earnings for the 2022 taxation period, and it is anticipated to continue to be taxed with a 20% rate again.

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As of 31 December 2021 and 31 December 2020, tax expenses are as follows:

	31.12.2021	31.12.2020
Current Year	23.480.365	3.136.803
Paid Taxes (-)	(13.216.626)	(1.777.128)
<b>Toplam</b>	<b>10.263.739</b>	<b>1.359.675</b>

As of 01.01-31.12.2021 and 01.01-31.12.2020 periods, tax expenses reflected in the income statement are as follows:

	01.01-31.12.2021	01.01-31.12.2020
Current Tax	(23.480.365)	(3.136.803)
Deferred Taxes	5.132.905	124.980
<b>Dönem sonu bakiyesi</b>	<b>(18.347.460)</b>	<b>(3.011.823)</b>

### **NOTE 36 – EARNINGS / LOSS PER SHARE**

The weighted average of the Group's shares for the periods 01.01-31.12.2021 and 01.01-31.12.2020 and the calculation of earnings per unit share are as follows:

	01.01-31.12.2021	01.01-31.12.2020
<b>Earnings / Loss Per Share</b>		
Net Profit	130.554.106	23.987.205
Net profit / (loss) of non-controlling interests	(113.632)	8.254
Net profit for the period / (loss) on the shares of the group	130.667.738	23.978.951
Weighted average number of shares with a nominal value of 1 TL	38.062.500	28.942.111
<b>Earnings / Loss Per Share</b>	<b>3,433</b>	<b>0,829</b>

### **NOTE 37 – RELATED PARTIES**

A. The Company, shareholders and related companies/personnel amounts:

	31.12.2021	31.12.2020
<b>Trade Receivables for the related parties</b>		
Kmt International Projects Dmcc.	5.220.152	7.824.722
Dcd Enerji ve Teknoloji A.Ş.	1.062.166	628.433
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	466.385	119.000
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (lot)	19.792	10.190
Rektus Dış Tic. Ltd. Şti.	-	363.950
<b>Total</b>	<b>6.768.495</b>	<b>8.946.295</b>

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	31.12.2021	31.12.2020
<b>Other Receivables for the related parties</b>		
Fc Kontrolmatik Toshkent Llc	11.030.875	-
Kontrolmatik Libya şubesi	551.544	-
Boyut Mak. San. Taş. Ltd. Şti.	100.000	-
Llc Controlmaticrus	30.280	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	22.738	21.151
Biserwis Ulaşım ve Mobil Teknolojileri A.Ş.	11.074	-
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Iot)	404	404
<b>Total</b>	<b>11.746.915</b>	<b>21.555</b>

	31.12.2021	31.12.2020
<b>Prepaid Expenses</b>		
İnfinia Mühendislik Ltd. Şti.	250.000	-
Rektus Dış Tic. Ltd. Şti.	131.323	-
Nennkraft Energie Gmbh	21.770	108.095
Osman Şahin Köşker	12.394	-
Boyut Mak. San. Taş. Ltd. Şti.	-	250.000
<b>Total</b>	<b>415.487</b>	<b>358.095</b>

	31.12.2021	31.12.2020
<b>Payables for the related parties</b>		
İnfinia Mühendislik Ltd. Şti.	279.466	-
Ali Ünsalan	60.495	-
<b>Total</b>	<b>339.961</b>	<b>-</b>

	31.12.2021	31.12.2020
<b>Other Payables for the related parties</b>		
Sami Aslanhan	1.981.248	-
Ömer Ünsalan	149.292	-
<b>Total</b>	<b>2.130.540</b>	<b>-</b>

	31.12.2021	31.12.2020
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**B. The Company, shareholders and related companies/personnel buyings and sellings:**

	01.01- 31.12.2021	01.01- 31.12.2020
<b>Sellings</b>		
Kontrolmatik Enerji ve Müh. A.Ş. ve Skysens Tek. A.Ş. İş Ort. (Say)	521.483	194.296
Kmt International Projects Dmcc.	-	4.866.421
Rektus Dış Tic. Ltd. Şti.	-	3.586.020
Dcd Enerji ve Teknoloji A.Ş.	-	1.297.059



KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

Kontrolmatik Pano San. Tic. Ltd. Şti.	-	25.996
<b>Total</b>	<b>521.483</b>	<b>9.969.792</b>

<b>Buyings</b>	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
İnfinia Mühendislik Ltd. Şti.	11.725.641	-
Nennkraft Energie Gmbh	274.495	-
Ali Ünsalan	136.874	-
Kontrolmatik Pano San. Tic. Ltd. Şti. (*)	-	8.263.840
Boyut Mak. San. Taş. Ltd. Şti.	-	7.884.557
Kmt International Projects Dmcc.	-	294.900
<b>Total</b>	<b>12.137.010</b>	<b>16.443.297</b>

C. The Company, shareholders and related companies/personnel paying rates, rental etc:

<b>Rent Incomes</b>	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Kontrolmatik Pano San. Tic. Ltd. Şti. (*)	-	60.000
<b>Total</b>	<b>-</b>	<b>60.000</b>

<b>Income Rates</b>	<b>01.01- 31.12.2021</b>	<b>01.01- 31.12.2020</b>
Sami Aslanhan	206.199	488.648
Ömer Ünsalan	94.489	288.670
<b>Total</b>	<b>300.688</b>	<b>777.318</b>

**NOTE 38 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Group monitors its capital adequacy using the net financial debt to equity ratio. This ratio is found by dividing net financial debt by total equity. Net financial debt is calculated by deducting cash and cash equivalents from the total financial debt amount.

	<b>31.12.2021</b>	<b>31.12.2020</b>
Total Payables (Not 8)	288.794.322	56.061.026
Eksi: Nakit ve nakit benzeri değerler (Not 6)	(77.148.996)	(52.087.330)
<b>Net finansal borç</b>	<b>211.645.326</b>	<b>3.973.696</b>
<b>Özkaynak toplamı</b>	<b>286.399.809</b>	<b>133.727.125</b>
<b>Net finansal borç/ özkaynak oranı</b>	<b>74%</b>	<b>3%</b>

KONTROLMATİK TEKNOLOJİ ENERJİ VE MÜHENDİSLİK ANONİM ŞİRKETİ

Notes to the Consolidated Consolidated financial statements For the 31 December 2021.  
(All amounts are expressed in TL unless otherwise stated.)

As of 31 December 2021 and 31 December 2020, the carrying values (net) of foreign currency denominated financial assets and liabilities are as follows:

	<b>31.12.2021</b>	<b>31.12.2020</b>
A. Assets in foreign currency	483.074.326	150.429.546
B. Liabilities in foreign currency	436.891.290	118.604.584
<b>Net (A-B)</b>	<b>46.183.036</b>	<b>31.824.962</b>

**NOTE 38 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES IN THE FRAMEWORK OF HEDGE ACCOUNTING)**

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

As of 31.12.2021, the values and classification of financial assets and liabilities are as follows:

<b>31.12.2021</b>	<b>Differences between Financial Assets and Liabilities Reflected in the Income Statement As of 31.12.2021, the values and classification of financial assets and liabilities are as follows:</b>	<b>Financial Assets Held to Maturity</b>	<b>Credits and Receivables</b>	<b>Financial Assets Available for Sale</b>	<b>Others</b>	<b>Not Ref.</b>
<b>Financial Assets</b>						
Cash And Cash Eq.	60.590.767	16.558.229	-	-	-	6
Financial invest.	40.979.100	-	-	2.109.175	-	7
Trade Receivables	-	-	393.794.155	-	-	10
Other Receivables	-	-	36.307.948	-	-	11
<b>Financial Liabilities</b>						
Liabilities	-	-	-	-	288.794.322	8
Trade Payables	-	-	-	-	157.818.504	10
Other Payables	-	-	-	-	4.449.264	11