

Q1 2025 Financial Results Bulletin

ISTANBUL, TÜRKİYE, 12 May 2025

(BIST: KONTR)

(+) The first quarter of 2025 was completed with a strong sales performance compared to the same period of the previous year.

(–) However, high financing expenses continued to put pressure on net profit. Fluctuations in exchange rates and inflation had a negative impact on costs and expenses.

(Thousands USD)	After Inflation Adjustment		
	Q1 2025	Q1 2024	Change
Revenue	54,1	36,9	47%
Gross Profit	10,1	7,1	42%
Gross Profit Margin	18,8%	19,3%	-0,6 pts
Operating Profit	1,7	0,3	522%
Operating Profit Margin (EBIT)	3,1%	0,7%	2,4 pts
Operating Activities Before Financing Cost	3,0	0,4	765%
Profit from Continuing Operations	7,2	12,6	-43%
Net Profit	8,0	13,5	-41%
EBITDA(*)	6,6	5,5	20%
EBITDA Margin	12,2%	15,0%	-2,7 pts

. EBITDA calculation method: It is calculated by adding depreciation to the operating income.

>>The investor presentation, which includes the strategic roadmap, has been updated and is now available on the Kontrolmatik website

Sales Performance:

In the first quarter of 2025, our revenue increased by 47% compared to the same period last year, reaching 54.1m USD (Q1 2024: 36.8m USD). This growth was driven by EPC and energy storage contracts undertaken as part of public and private sector projects both domestically and internationally.

Due to the nature of our business, EPC project tenders are typically finalized at the end of the year, with contracts signed during that period. As a result, expenditures related to these projects are mostly incurred at the initial stages, while project revenues are reflected in the financials in the following quarters based on project progress. Despite these dynamics, our financial results for the first quarter of 2025 demonstrate a strong operational performance compared to the same period last year.

Orders / Sales:

Currently, Kontrolmatik is executing system integration projects with a total contract value of approximately 500m USD. Simultaneously, our order backlog continues to strengthen with new projects, supporting both our sustainable growth targets and enhancing our financial outlook. This robust accumulation forms a solid foundation for confidently executing our strategic goals for the future.

As of 2025, our largest EPC projects have been secured from BOTAS (at the contract stage), İSKİ (at the contract stage), and the Iraqi Ministry of Electricity. The Adapazarı Compressor Station for BOTAS, the wastewater treatment plant for İSKİ, and the substation project in Iraq not only contribute to Turkey's energy infrastructure but also reinforce our international presence.

Meanwhile, 2025 has marked a strong start in energy storage for Pomega. Projects totaling 85.8m USD have been secured with major clients including Fortis Enerji, Astor Enerji, Egesa Elektrik, and Türk Telekom. These projects will accelerate our growth in the energy storage sector and further solidify our leadership in the market.

Profitability Indicators:

Our gross profit has increased year-over-year. However, in the first quarter of 2025, the gross profit margin slightly declined to 18.8%, compared to 19.3% in the same period of 2024. This reduction was mainly attributable to cost inflation, which led to a slight narrowing of the margin. Despite these headwinds, our pricing discipline and effective project execution processes have largely preserved our gross profitability.

In parallel with the modest decline in gross margin, a similar pressure was observed at the EBITDA level. The ongoing investment and production capacity ramp-up processes of our subsidiaries led to a slight year-over-year decrease in EBITDA for the same period. However, this impact is considered temporary when evaluated in light of the long-term contributions of these strategic investments.

Operating Expenses and Investments:

In the first quarter of 2025, total expenses for general administration, marketing, and R&D amounted to 9.1m USD (Q1 2024: 7.5m USD). Despite the increase in absolute terms, these

expenses declined as a share of revenue to 16.8%, significantly lower than 20.5% in the same period of 2024. This improvement is considered an indicator of enhanced operational efficiency. During the period, approximately 42.4m USD in capital expenditures (CAPEX) were made, primarily focused on strengthening the infrastructure of existing investments and supporting the company's growth objectives.

Financing Expenses:

The increase in our financing expenses during the first quarter of 2025 was primarily driven by investment financing needs and a rising demand for working capital. As our group companies doubled their revenue over the past year, the need for working capital increased significantly. In addition, high interest rates exerted further pressure on financing costs. Compared to the same period last year, these factors were the main contributors to the rise in our financing expenses.

Strong Growth in Fixed Assets:

In the first quarter of 2025, our fixed assets increased by 41.3m USD, reflecting a 11.5% growth. This rise demonstrates our strong commitment to long-term growth objectives. Notably, there was a significant increase in tangible fixed assets driven by investments aimed at enhancing our production capabilities. Additionally, our investments in technology and intellectual property continued to grow steadily.

Overall Evaluation and Outlook

(+) Kontrolmatik Teknoloji has made a strong start to 2025, continuing its growth-focused strategy with priorities in technology development, local production, and export. The first quarter has been a period in which our company has increased its presence in both domestic and international markets, while maintaining stable operational performance. Operational efficiency is expected to further strengthen in the second half of the year. We are maintaining our consolidated revenue guidance for the year-end, which is expected to be in the range of 450m – 550m USD.

(+) The demand for our high-value-added products and solutions continues to grow. The new contracts secured in the first quarter have provided significant momentum toward achieving our revenue target of 300m – 350m USD for our EPC business by year-end.

(+) High-tech projects in electrification and automation not only enhance our operational efficiency but also strengthen our competitive position in global markets. During this period, we adopted a more selective business development approach, prioritizing projects with high profitability potential. In the coming period, we expect the opportunities pursued in the Americas, Europe, and Africa regions to translate into order entries.

(+) Our increasing share in projects supported by institutions such as the World Bank, EBRD, and KfW further reinforces the reliability of our company and strengthens our sustainable growth

strategy. In this context, the proportion of projects with high financial security in our total portfolio has also increased.

(+) As demand for container-type industrial energy storage systems grows, Pomega, offering local and reliable alternatives, has become a strategic solution partner in this field. The company is progressing toward its 105m USD revenue target set for 2025.

Our subsidiaries have also started contributing to revenue:

- Emek Elektrik: With a target of 29m USD, it aims for growth in the production of high-voltage equipment, particularly in the U.S. and Europe.
- McFly: With a revenue target of 22m USD, it continues to expand collaborations with industrial groups in the Middle East in robotics and automation solutions.
- Plan-S: Gaining momentum with its IoT solutions, it has reached the commercialization phase with the satellite-based meter reading project developed in partnership with ADM Elektrik.

Short-term, high-cost TRY debts are planned to be replaced with medium- to long-term foreign currency-based financing. This is aimed at improving the net interest margin and strengthening the balance sheet structure. Additionally, steps to increase equity, such as investor entries into subsidiaries, are also on the agenda.

In this context, a derivative transaction involving 26 million shares has been executed between KMT Yatırım and an international financial institution. This transaction strengthens the financial structure across the group, and the proceeds will be transferred to Kontrolmatik for use in financing new investments.

Upcoming Key Financial Dates:

Dividend Payment:

Cash dividend payment on **July 8, 2025**

August 11, 2025:

- Release of **Q2 2025** financial results

Disclaimer:

With the Capital Markets Board Bulletin No. 2023/81, dated December 28, 2023, the Capital Markets Board announced that issuers and capital market institutions subject to financial reporting regulations are required to apply inflation accounting starting from the annual financial reports for fiscal periods ending on or after December 31, 2023, in accordance with TMS 29.

For the Q1 2025 financial results presented in this document, the financial data based on TMS 29 inflation accounting has been used, in compliance with the Capital Markets Board's decision dated December 28, 2023, and applying the Turkish Accounting/Financial Reporting Standards.

Kontrolmatik Teknoloji Enerji ve Mühendislik A.Ş. or any of its board members, executives, employees, or other individuals cannot be held responsible for any damages arising from the use of the content in this presentation.