

# Türk Prysmian Kablo ve Sistemleri A.Ş.

2023 ANNUAL REPORT



Due to the ever-increasing demand for energy, renewable and sustainable energy sources, particularly the wind and solar power are becoming more of a focus. Prysmian has been manufacturing photovoltaic cables for nearly 20 years and achieved a sales volume of more than 2 billion meters worldwide. On the other hand, Turk Prysmian Kablo, the leading company of the Turkish cable industry and the supplier of leading projects overseas and Türkiye; is offering cost-effective, durable and high-performance energy solutions to businesses and investors in the renewable energy industry. Türk Prysmian Kablo has supplied solar cables to major projects around the world in quantities sufficient to circumnavigate the globe for more than one round. Through these cables, solar power plants have been able to produce enough energy to power approximately 12 million households on a monthly basis.

Feeling responsible for the universe and maintaining a sustainable standpoint, Türk Prysmian Kablo aims to carry out renewable energy projects for the benefit of the world and the industry both, continuing to contribute to the Turkish cable sector with innovative and sustainable solutions.

# Türk Prysmian Kablo ve Sistemleri A.Ş.

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# Message from the CEO



## Dear Shareholders,

As Türk Prysmian Kablo, the Turkey operation of Prysmian, the leader of the energy and telecommunication cable systems sector in the world, we have successfully left 2023 behind by making significant contributions to the Turkish economy and exports with our sustainability perspective that we focus on in all our processes, in line with our mission of "Connecting Turkey to a Sustainable Future". Many factors such as the earthquake disaster experienced in our country in the first quarter of the year, geopolitical tensions in our immediate surroundings and difficult macroeconomic conditions in the world and in our country continue to negatively affect the markets.

Despite all the developments and uncertainties, our company had a year in which it created added value without slowing down and achieved significant success in export markets.

We completed the year 2023 with a successful performance, surpassing the previous year, in line with our goals and the results of the plans we realized. We can proudly say that we had achieved results in line with our plans for 2022 and presented a successful performance by building on the previous year.

### We mobilized to heal the wounds

After the February 6, 2023 earthquakes that affected 11 provinces, we mobilized from search and rescue efforts to healing earthquake wounds. We took an active role in search and rescue activities and determining needs in the region with the volunteer team formed immediately after the earthquake. We carried out a wide range of activities to meet urgent needs, starting from search and rescue activities, spending time with children and distributing food to those in need. In addition to our work, we have implemented the "Prysmian Village" consisting of 150 containers in Tut district of Adiyaman, under the leadership of Prysmian and with the support of its employees. We will continue to maintain our determination to combat such challenges and our sensitivity towards society in the coming periods.

### We put sustainability at the center of all our work

Our vision to lead the industry is with our investments in innovative technologies and digitalization; We work to develop cable connection and transmission technologies, which are of great importance for sustainable development. With our mission of 'Connecting Turkey to a Sustainable Tomorrow', we continue to increase our sustainability efforts, which we include in all our activities, day by day.

We steadily continued our sustainability journey that we started in 2019. We have moved forward in this direction with our 'Sign it.' sustainability plan that we created in 2020 and our work towards our 2030 goals. We shared our responsibilities and commitments towards society with all our stakeholders with our Sustainability Report, which we published in 2022, a first in the Turkish cable industry. We will continue to share our responsibilities and commitments by further developing our Report, the second of which we published in 2023, in the coming years.

We carry out our sustainability efforts by focusing on four areas: eliminating the carbon footprint, using circular resources, improving the business model, and contributing to employee and social development. We are taking more concrete steps towards our sustainability goals every day with the projects we implement in these areas.

As Prysmian, we have included our commitment to be net zero in Scope 1 and Scope 2 in 2035 and net zero in Scope 3 by 2050 in our business practices and supported the projects determined to contribute to these goals.

We play an important role in the decarbonized energy transition with our wide range of products. We reduce the cost of existing power plants with the solar and wind projects we carry out, and support the energy transition with our innovative and sustainable products.

The Sustainability Academy, established by our group to serve all our employees, continues its work in the field of sustainability successfully. We work to provide innovative energy and telecommunications solutions through responsible production practices by integrating our economic, environmental and social responsibility towards all our stakeholders and our planet into our business.

### Digitalization has become one of the primary issues on our agenda.

Digitalization continued to be among our top priorities in 2023. We continue our investments in sustainability and digitalization with the responsibility to lead the cable industry.

9 years ago, we carried out the first and only Online Cable Training in the Turkish cable industry. Thanks to these trainings, which can be benefited by industry professionals such as engineers, technicians and project designers working in the field of electricity, in addition to students and academics, we have made it easier and save time in choosing the right cable.

We aim to create value in the cable industry with the innovative products and service solutions we have developed under the roof of our group, Cable App application which makes it easier and less timeconsuming to choose the right cable.

### The source of our success is our R&D investments

We know that our R&D investments are the biggest force behind our growth and right investments that enable us to be a pioneer in the Turkish cable industry. For this reason, R&D is always our first priority in our work.

Our Mudanya factory, which is one of the 16 facilities that can simultaneously produce energy and communication cables under the Prysmian and Draka brands, also stands out as one of the 26 R&D centers of the Prysmian. This situation is a confirmation of the importance our group, which is the leader of the world cable industry, attaches to Turkey and the investments it makes.

By maintaining our leadership in R&D, we continue to bring our customers together with the latest technology and move the industry forward.

### We grow together with our most valuable asset, our employees.

In addition to our innovative products that shape the industry and our sustainability and digitalization efforts that enable us to be a pioneer, we also stand out with our human resources and employer brand. With the awareness that our employees are our most important values, we carry out employee satisfaction, occupational health and safety and growth projects together.

We have implemented the Behavior-Oriented SafetyManagement program within the framework of the zero and beyond approach to reduce occupational accidents. Within the scope of the program, which is planned to be completed in three years, all our employees will serve as both observers and observed and will receive many different trainings.

Our group also makes a difference with innovative approaches that encourage and increase the motivation of its employees, whom it always sees as its most valuable investment. With share-based compensation and profit-sharing plan, Türk Prysmian Kablo employees share in the profits of Prysmian. In this way, we aim to increase employee loyalty and satisfaction. In addition, with our visionary approach that closely follows the requirements of the age, we enable our employees to better maintain their private life and work balance by implementing flexible working arrangements in Turkey.

We will continue to improve all our work with the principle of “always getting better” and to constantly add value to our country's economy and society. We will continue to break new ground that shapes the industry in our future work. On behalf of myself and Türk Prysmian Kablo, I would like to thank you for your belief and support in us.

**Ülkü Özcan**  
CEO



# Türk Prysmian Kablo Ve Sistemleri A.Ş.

## GENERAL INFORMATION

We as Prysmian are worldwide leading company in energy and telecommunication cables industry. We are a multinational company, operating successfully in the markets where we're specialized for more than a century and carrying on powerfully in local markets.

**Our vision** is, while keeping inside alive the workforce which will help us to exhibit a creative and superior performance with our outstanding and innovative role, having an organizational structure that gives importance to openness and social responsibility, carrying on long term partnerships by providing customer satisfaction continuously, creating constant value for our shareholders and dedicating ourselves to improve the community's conditions, to be the industry leader in Türkiye and in international platforms as a member of Prysmian.

**Our mission** is to add value to our shareholders and to the sector by providing high quality and safe products and services that we define innovative, high technological and appropriate to the standards.

Our annual report includes the period of 01.01.2023 and 31.12.2023.

The Trade Registry Information about Türk Prysmian Kablo ve Sistemleri A.Ş. is above mentioned:

### Headquarters:

Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya / BURSA  
Tel: +90 224 270 3000 Fax: +90 224 270 3024

### Branch:

Torun Center, Fulya Mah. Büyükdere Cad. Akıncı Bayırı Sok. No: 74 Kat: 5/21 ŞİŞLİ/İSTANBUL  
Tel: +90 212 393 7700 Fax: +90 212 393 7762

**Trade Registry Number:** M0153/Bursa Merkez

**Mersis No:** 0876005137400023

**Web Site:** [www.prysmian.com.tr](http://www.prysmian.com.tr)

There is no amendment at the articles made by our company from 01.01.2023 until 31.12.2023. The revised edition of the articles of association is available on [www.prysmian.com.tr](http://www.prysmian.com.tr) and [www.kap.gov.tr](http://www.kap.gov.tr).

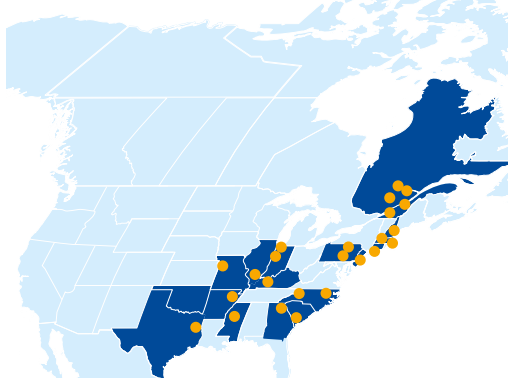
The final version of our articles of association is available on <https://tr.prysmian.com/tr/yatirimci-iliskileri/kurumsal-yonetim> and

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1108-turk-prysmian-kablo-ve-sistemleri-a-s>

# Prysmian in the world

## NORTH AMERICA

24 plants



Canada  
Oshawa  
Prescott  
Saguenay QC - Lapointe  
St. Jerome  
St. Maurice

U.S.A.  
Abbeville  
Bridgewater  
Claremont  
Du Quoin  
Indianapolis  
Jackson  
Lawrenceburg  
Lexington  
Lincoln  
Manchester  
Marion  
Marshall  
North Dighton  
Paragould  
Rocky Mountain  
Schuylkill Haven  
Sedalia  
Williamsport  
Willimantic

## LATIN AMERICA

13 plants



Argentina  
La Rosa

Brazil  
Joinville factory  
Poços de Caldas  
Sorocaba Eden  
Sorocaba Fiber  
Vila Velha

Chile  
Santiago

Colombia  
Bogotá

Costa Rica  
Heredia

Mexico  
Durango  
Nogales  
Piedras Negras  
Tetla

## TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş. AT A GLANCE

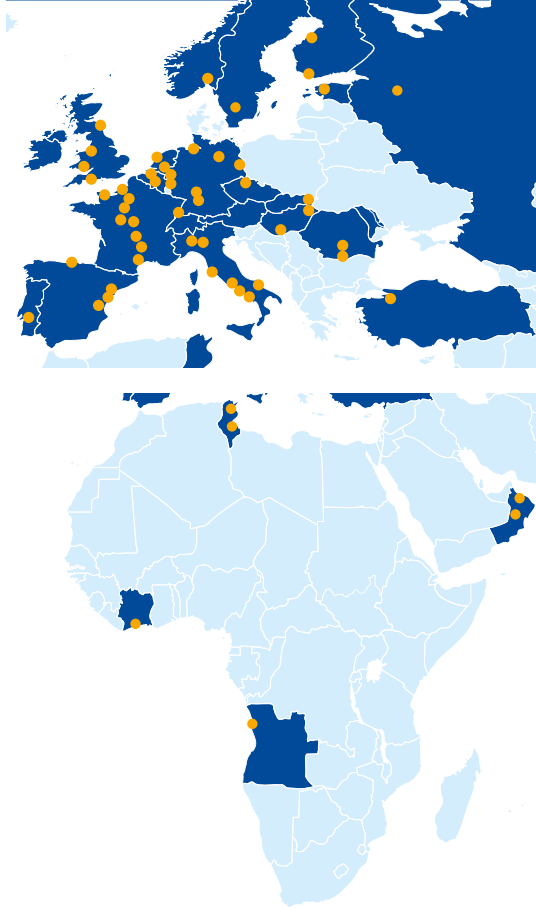
Türk Prysmian Kablo ve Sistemleri A.Ş. is the Turkish operation of Prysmian, worldwide leading company in energy and telecommunication cables' industry with its approximately 30.000 employees and 108 factories in 50 countries following the merge realized globally with General Cable.

The company stands out in Prysmian as one of the 16 plants that can simultaneously produce energy and telecom cables with Prysmian and Draka brands. Wide product range of Türk Prysmian includes all energy cables up to 220 kV, copper conductor communication cables up to 3.600 pairs, optical fiber cables, railway signalization cables, studio broadcast cables and special cables. Today Mudanya factory can produce over 22.000 different cables. Furthermore, Türk Prysmian delivers "turn key" projects for cables and systems providing each one customer tailored and premium services. The installed capacity of Türk Prysmian is also at a level to compete in the international markets.

Capacity utilization rate of Türk Prysmian reached 74% in 2023, and it continues to be a privileged export center within the Prysmian, exporting approximately 21% of its 12.472.610.556 TRY turnover in 2023. Türk Prysmian continues to be the leader of the market in the field

## EUROPE AND MEAT

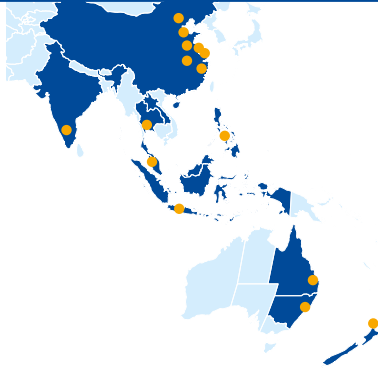
56 plants



| Country         | Site                                                         | Production line                   |
|-----------------|--------------------------------------------------------------|-----------------------------------|
| Angola          | Luanda, Angola                                               | Energy                            |
| Czech Republic  | Velké Meziříčí - Factory                                     | Energy, Accessories               |
| Estonia         | Keila Factory                                                | Energy                            |
| Finland         | Oulu Factory(Finland)                                        | Accessories, Energy, Telecom      |
| Finland         | Pikkala Factory                                              | Energy, R&D                       |
| France          | Amfreville factory                                           | Energy                            |
| France          | Calais                                                       | Telecom                           |
| France          | Charvieu                                                     | Energy                            |
| France          | Chavanoz                                                     | Telecom                           |
| France          | Cornimont                                                    | Accessories                       |
| France          | Douvain                                                      | Optical Fiber, R&D                |
| France          | Gron (Sens)                                                  | Energy, Accessories               |
| France          | Montereau                                                    | Accessories, Energy, Telecom, R&D |
| France          | Paron                                                        | Energy, R&D                       |
| France          | Sainte Geneviève                                             | Energy                            |
| Germany         | Baesweiler (Colonia)                                         | Energy                            |
| Germany         | Berlino Factory                                              | Energy                            |
| Germany         | Neustadt                                                     | Energy, R&D                       |
| Germany         | Nordenham Plant                                              | Energy, Telecom, R&D, Accessories |
| Germany         | Norimberga Factory                                           | Telecom, R&D                      |
| Germany         | Schwerin                                                     | Energy                            |
| Germany         | Wuppertal Factory                                            | Energy, R&D                       |
| Hungary         | Balassagyarmat                                               | Energy                            |
| Hungary         | Kistelek factory                                             | Energy                            |
| Italy           | Arco Felice                                                  | Energy                            |
| Italy           | Battipaglia F.O.S. S.r.l.                                    | Optical Fiber, R&D                |
| Italy           | Glovinazzo                                                   | Energy                            |
| Italy           | Livorno                                                      | Accessories                       |
| Italy           | Merlino                                                      | Energy                            |
| Italy           | Pignataro Maggiore                                           | Energy                            |
| Italy           | Quattordio                                                   | Energy                            |
| Ivory Coast     | Abidjan                                                      | Energy                            |
| Norway          | Drammen Factory                                              | Energy                            |
| Oman            | Al Khuwayriyyah (Sohar) OAPIL Factory2 Rusayl (Muscat) - OCI | Energy                            |
| Portugal        | Morelena                                                     | Energy, Telecom                   |
| Romania         | Milcov                                                       | Telecom                           |
| Romania         | Slatina                                                      | Energy, Accessories               |
| Russia          | Rybinsk                                                      | Energy                            |
| Slovakia        | Prešov                                                       | Telecom                           |
| Spain           | Abrera                                                       | Energy                            |
| Spain           | Santa Perpetua                                               | Energy                            |
| Spain           | Santander                                                    | Telecom                           |
| Spain           | Vilanova                                                     | Energy, Telecom, R&D              |
| Sweden          | Nässjö                                                       | Energy                            |
| The Netherlands | Delft                                                        | Energy, Accessories               |
| The Netherlands | Eindhoven                                                    | Optical Fiber                     |
| The Netherlands | Emmen                                                        | Energy                            |
| The Netherlands | Nieuw Bergen                                                 | Energy                            |
| Tunisia         | Gromballa                                                    | Energy                            |
| Tunisia         | Menzel Bouzefla                                              | Telecom                           |
| Türkiye         | Mudanya                                                      | Energy, Telecom, R&D              |
| U.K.            | Aberdare                                                     | Energy                            |
| U.K.            | Bishopstoke                                                  | Accessories, Energy, Telecom, R&D |
| U.K.            | Washington                                                   | Telecom                           |
| U.K.            | Wrexham                                                      | Energy, Accessories               |

## APAC

15 plants



| Country     | Site                        | Production line     |
|-------------|-----------------------------|---------------------|
| Australia   | Dee Why                     | Telecom             |
| Australia   | Liverpool                   | Energy, R&D         |
| China       | Haixun DEP                  | Accessories         |
| China       | Shanghai                    | Energy              |
| China       | Shanghai                    | Energy              |
| China       | Suzhou Factory              | Energy, Accessories |
| China       | Tianjin                     | Energy              |
| China       | Yixing                      | Energy, Accessories |
| China       | Zhongyao DEP                | Accessories         |
| India       | Chiplun                     | Energy              |
| Indonesia   | Cikampek                    | Energy              |
| Malaysia    | Melaka Factory lot 38       | Energy              |
| New Zealand | New Lynn Factory (Auckland) | Energy              |
| Philippines | Cebu                        | Energy              |
| Thailand    | Rayong Factory              | Energy              |

+50 countries

108 plants

26 R&D centers

about 30.000 employees

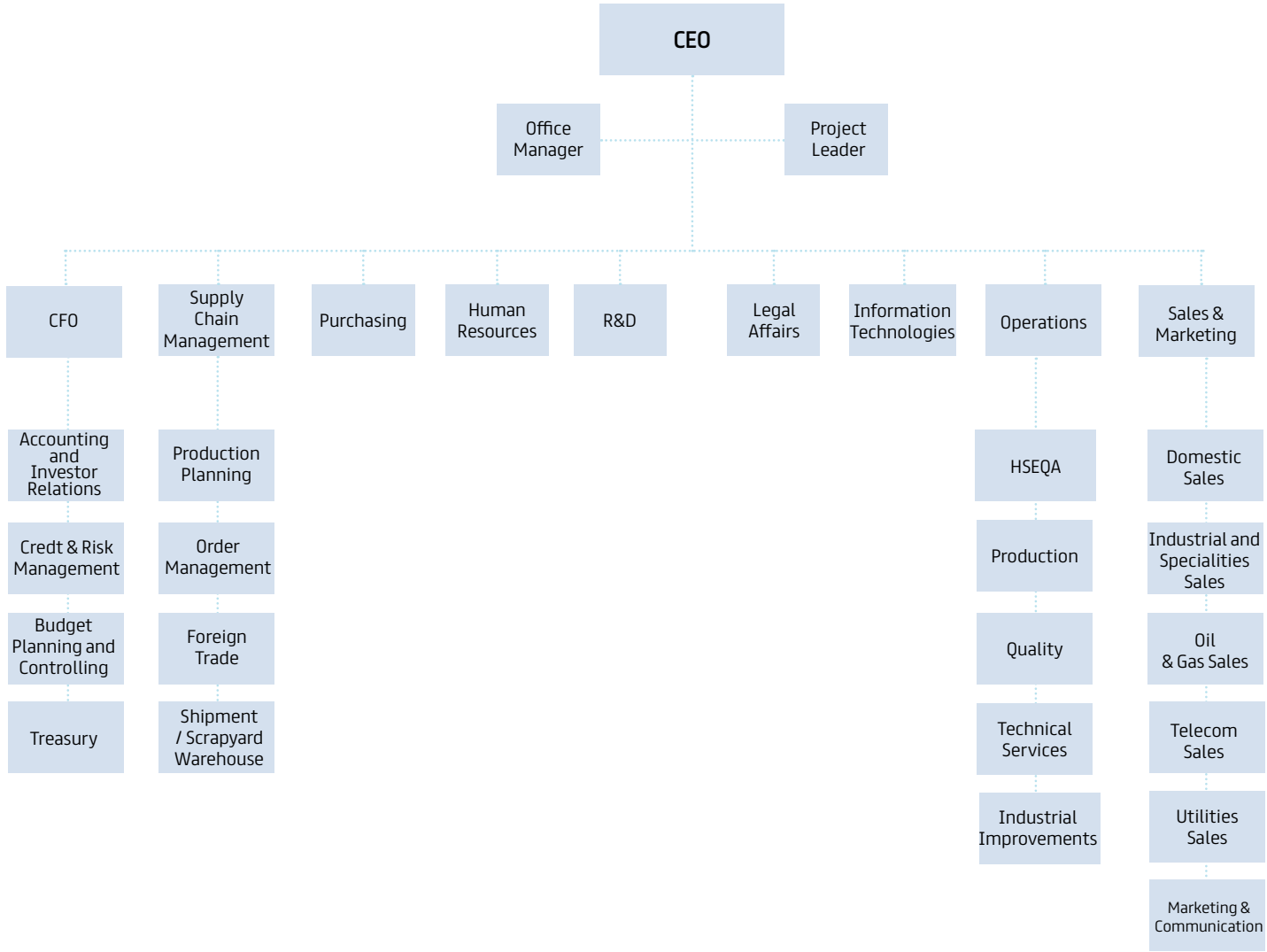
5 cable-laying ships

of innovation, technology, quality and customer satisfaction both in Türkiye and abroad. With a wide geographical coverage, the company exports to more than 50 countries today, particularly Turkic Republics and Middle East countries.

Prysmian has 26 R&D centers worldwide and one in Türk Prysmian's Mudanya factory. Material Technologies Laboratory in the Mudanya R&D center is registered by Turkish Accreditation Agency (TÜRKAK) with accreditation certificate TS EN ISO/IEC 17025 "General Requirements For The Competence of Testing and Calibration Laboratories". The certificate granted by TÜRKAK is a certification that the results of 'fire tests' conducted in Türk Prysmian's laboratory are reliable and internationally valid.

Türk Prysmian Kablo ve Sistemleri A.Ş., listed on the Borsa Istanbul strives for improving the efficiency of its products and services not only in Türkiye, but also in global markets, and ISO/DQS 9001, and ISO 14000 certifications granted for the first time in this sector is a further proof of how much the company cares for people and environment.

# Organizational Structure



# Company Boards

## The Board of Directors

|                                |                        |
|--------------------------------|------------------------|
| Chairman .....                 | Halil İbrahim KONGUR   |
| Vice Chairman .....            | Ülkü ÖZCAN             |
| Board Member .....             | Rinke KIEBOOM          |
| Board Member .....             | Giacomo SOFIA          |
| Board Member .....             | Maria Cristina BIFULCO |
| Independent Board Member ..... | Mine AYHAN             |
| Independent Board Member ..... | Banu UZGUR             |
| Independent Board Member ..... | İsmet SU               |

## Audit Committee

|                        |            |
|------------------------|------------|
| Chairman .....         | İsmet SU   |
| Committee Member ..... | Banu UZGUR |
| Committee Member ..... | Mine AYHAN |

## Early Risk Assessment and Risk Management

|                        |            |
|------------------------|------------|
| Chairman .....         | Mine AYHAN |
| Committee Member ..... | Banu UZGUR |
| Committee Member ..... | İsmet SU   |

## Corporate Governance Committee

|                        |                        |
|------------------------|------------------------|
| Chairman .....         | Banu UZGUR             |
| Committee Member ..... | Mine AYHAN             |
| Committee Member ..... | Ayşe Çiğdem ÇELİKBİLEK |



# Board Members



## **Halil İbrahim Kongur** **Chairman & Factory Director**

Halil İbrahim Kongur has joined the Prysmian family in 1986 and between 2003-2022 he worked as Factory Director. Since September 2022, he has been working as Academy Consultant. Additional to his current responsibility, he's appointed as Chairman of the Board of Directors on January 2015. Kongur, worked as Planning Engineer, Logistics Manager, Production Manager and Purchasing Director before assigned to these roles. He is graduated from Karadeniz Technical University, department of Mechanical Engineering and completed his masters degree in Berlin Technical University in Manufacturing Technologies department.



## **Ülkü Özcan** **Vice Chairman & CEO**

Mrs. Ülkü Özcan has graduated from Galatasaray High School in 1994 and Marmara University, Department of Business (English) in 1999. She has served as Senior Strategist, Strategy and Business Development Manager and Marketing Manager, respectively, at Lafarge Türkiye between 1998-2010. Joining subsidiary of Sabancı Holding, Çimsa Cement in 2010, Mrs. Özcan has taken the positions of Strategy and Business Development Manager, Strategy and Marketing Manager, Strategy and Marketing Director, and Vice President for Strategy, Marketing and Sustainability, respectively, at Çimsa. Mrs. Özcan had served as the Vice President for Çimsa White Cement and Special Products Sales and Marketing starting from 2015. She became Çimsa's CEO on October 1st, 2018 and worked until August 2020 in this position. She has joined the Prysmian as of June 1st, 2021 as CEO of Türk Prysmian Kablo ve Sistemleri A.Ş.



## **Rinke Kieboom** **Board Member & MEAT Region CFO**

Mr. Rinke Kieboom graduated in Business Economics and started his career as plant controller in the industrial products sector. He joined NKF, later acquired by Prysmian, since 1990, starting as a BU Controller and having his first international experience being in Indonesia for 3 years. Following the acquisition of NKF by Prysmian (Pirelli at the time) he became Country CFO of The Netherlands. Following the acquisition by Prysmian of Draka he was the country CFO for the largely extended Prysmian presence in the Netherlands. Since 2014 he re-activated his international career for Prysmian in the USA ( 4 years) for the integrated BU Surf and Elevator and China as CFO ( 3 years). Since 2022 active in Oman for OCI also having the extended role as MEART region CFO.



## **Maria Cristina Bifulco** **Board Member**

She graduated magna cum laude in Business Administration, in 2000, at Università Commerciale "L. Bocconi" of Milan and got, in 2005, a Master in Business Administration at Kingston Business School of London. After first experiences as Consultant (Eos in Milan) and Analyst (Bloomberg Financial Services in London), in 2006 she joined, as Investor Relation Manager, IW Bank SpA, where she had the chance to follow, in May 2007, the quotation of the Bank in the market Expandi di Borsa Italiana. In 2008 she started a new professional challenge in Snam SpA, first as Head of Financial Markets Analysis and Investor Relations and then as Head of Foreign Subsidiaries, coordinating abroad M&A projects and following the acquisitions of foreign participations (Interconnector in UK, T.I.G.F. in France). In 2013 she became Head of Investor Relations in Indesit Company SpA where she was, inter alia, in charge of the due diligence process related to the divestment of controlling stake of the Company from the Holding (Fineldo) to Whirlpool. In September 2014, Bifulco entered a new professional experience, that still lasts, joining the Prysmian SpA as Group Investor Relations Director. She reports to the CFO of the Group and carries out, beside the IR duties, Corporate Governance Activities and Special Projects (Capital Increase 2018, Bond issues prospectuses, due diligence streams for M&A).



## **Giacomo Sofia** **Board Member**

Giacomo Sofia holds a master degree in Mechanical Engineering from Federico II University of Naples and an Executive MBA from Bocconi University of Milan.

He has covered multiple leadership roles within Prysmian for more than 20 years, both in Milan Headquarters as well as in different Regions of the Group.

After starting in the Corporate department of Strategic Planning and Industrial Investments, he has served as Logistics Director for Central Eastern Europe based in Budapest, before being assigned as COO of Country Romania.

Following the acquisition by Prysmian of one of its major European competitors (the Dutch Draka), he moved to The Netherlands as Supply Chain Director of the newly established Telecom Division.

Back to Corporate leadership roles in 2014, Mr Sofia has become VP of Global Supply Chain and then VP of Global Manufacturing. In 2018, after the second major acquisition by Prysmian (of the American General Cables), he has been assigned as COO of the new Organization designed to manage the North American business headquartered close by Cincinnati (Ohio).

Today he is back to Corporate Milan as Senior Vice President of Global Business Operations.

Mr Sofia is also serving as CEO of Prysmian Cables and Systems, a sub-holding Company of Prysmian SpA, and he seats as member of the board in some other companies controlled by Prysmian.



**Banu Uzgur**  
**Independent Member of the Board**

After graduating from the Faculty of Economics, Istanbul University in 1995, Banu Uzgur started her career at the Accounting Department of Otak Construction, a subsidiary of Yaşar Holding, and she received her master's degree in Finance from California State University at San Bernardino between 1997-1999. Uzgur worked as senior analyst at Kent Investment between 2000-2002, at Ak Investment between 2002-2003, and at the Investor Relations Department of Turkcell starting October 2003. Managing Turkcell Group's International Media Relations starting from September 2011, Uzgur continues her professional career as a Strategic Consultant, mainly in investor relations, since May 2013 when she left Turkcell.



**İsmet Su**  
**Independent Member of the Board**

İsmet Su, who graduated from Istanbul University Faculty of Law in 1984, is a member of Bursa Bar Association. AK Party Bursa in Parliament After serving as a deputy in the 24<sup>th</sup> and 25<sup>th</sup> terms, he still works as a freelance lawyer in Bursa.



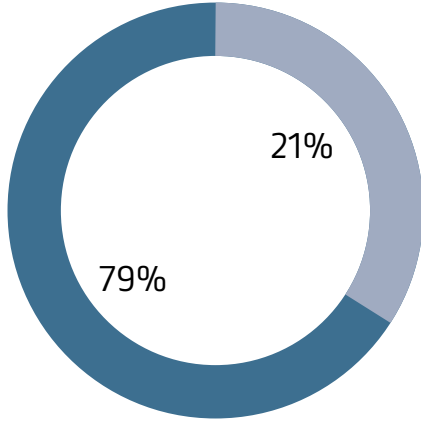
**Mine Ayhan**  
**Independent Member of the Board**

Holding a B.A. from the Department of Mathematics, Boğaziçi University, Mine Ayhan started her career in 1991 at Yapı Kredi Sigorta A.Ş. as a Senior Engineer at the Engineering Department and was promoted to the position of Assistant Director of the same Department in 1997. Ayhan then went on to work at Yapı Kredi Sigorta A.Ş. in 1999, serving as Engineer and Director of the Key Accounts Department at this company until October 2003, as Group Director of Yapı Kredi Sigorta Pazarlama A.Ş. in the first six months of 2004, and as Deputy General Manager of Yapı Kredi Sigorta A.Ş. in the second six months. After holding similar positions at TEB Sigorta A.Ş. and Koç Allianz Sigorta A.Ş. between 2006 and 2009, Ayhan started her new role as Deputy General Manager supervising the Technical, Claims and Reinsurance Department at Generali Türkiye in July 2009, and then served as General Manager of Generali Türkiye between 2010 to 2017. In addition to her role as Vice Chairman of Generali Türkiye, which she still is, she holds the positions of Chairman and Board Member at Europ Assistance Türkiye and the Paris-based Europ Assistance Holding and Europ Assistance SA.

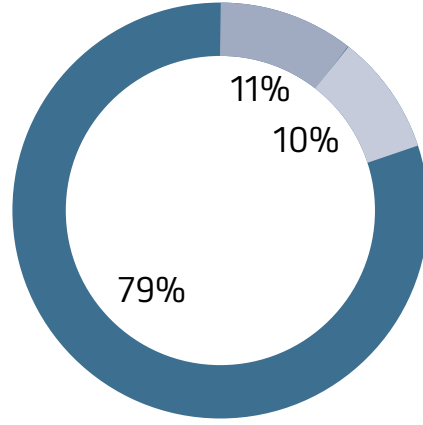


# Sales Structure

Our company's sales structure in 2023 is as below:



■ Domestic Market: TRY 9.853.362.339 (%79)  
■ Export: TRY 2.619.248.217 (%21)  
Total: TRY 12.472.610.556



■ Energy-Cables: TRY 9.853.362.339 (%79)  
■ Energy-Projects: TRY 1.371.987.161 (%11)  
■ Telecom: TRY 1.247.261.056 (%10)

## Türk Prysmian's A-Team Distributors are as below:

ADNAN ELEKTRİK  
AKTEM ELEKTRİK  
ALFA ELEKTRİK  
ASAL ELEKTRİK  
AYMEDA ELEKTRİK  
ÇAĞIN ELEKTROMARKET  
ÇETİN ELEKTRİK

CİHAN ELEKTRİK  
DELTA TEMA  
DES ELEKTRİK  
EGESİM  
EKAY ELEKTRİK  
ELPİM  
FINDIKKAYA ELEKTRİK

FVA KABLO  
KIRAÇ ELEKTRİK  
MEFA ELEKTRİK  
OSKAR YATIRIM ENERJİ  
ÖZTEKNİK ENERJİ

SİMTES ELEKTRİK  
TÜMPA ELEKTRİK  
YILMAZ ELEKTRİK



# Prestigious Project References

Türk Prysmian Kablo ve Sistemleri A.Ş. yielded the cable infrastructure of several prestigious projects in Türkiye and also worldwide.

## REFERENCE PROJECTS FROM 2023

YEKA RES-2

The largest solution agreement ever signed in Turkey's wind energy history

YEKA GES-4

Turkey's second largest solar power plant

TCDD Alayunt-Afyon-Konya Project

The largest railway project signalized with domestic and national technology

Erbil International Hospital

One of the most modern hospitals in Iraq with a closed area of 78,000 square meters and a bed capacity of 250

## REFERENCE PROJECTS FROM 2022

Central Balat

Bursa's tallest residential project, standing at 149 metres

Istanbul Financial Center

The tallest building in Türkiye and Europe

Medcem Cement Factory Renovation

The biggest cement factory in Türkiye and Europe

Sakarya Gas Field Development Project

Türkiye's first Offshore and Onshore Gas Field

TOGG Factory

Türkiye's first indigenous and all-electric vehicle

## REFERENCE PROJECTS FROM 2021

1915 Çanakkale Bridge

World's Longest Midspan Suspension Bridge With a Main Span of 2.023 Meters

Çanakkale Strait - İzmit Gulf Crossing

400 kV Submarine Cable Connection Project

Karapınar YEKA-1 Solar Power Plant, Konya

Türkiye's Longest Solar Power Plant With an Installed Capacity of 1,300 MW

PTA Plant Project, Adana

Türkiye's Largest Petrochemical Plant Investment

Rize-Artvin Airport

Türkiye's Second Airport Built On The Sea

## REFERENCE PROJECTS FROM 2020

Ankara-Niğde Highway

330 km Long 'Türkiye's Most Intelligent Highway'

Galataport, Istanbul

Port That Can Accommodate Three Cruise Ships And Approximately 15,000 Passengers Per Day

Kıvanç SPP, Mersin

The Licensed Solar Energy Project With The Largest Capacity In Our Country With 42MW Power

Merkez Ankara Project

Türkiye's Largest Life Project Which Will Be Built On A Single Plot

Sancaktepe & Yeşilköy Field Hospital

Hospitals That Make Significant Contributions To The Healthcare System With a 1008 Bed Capacity

## REFERENCE PROJECTS FROM 2019

Ankara-Konya High Speed Train

Türkiye's Longest High Speed Railway Line

Bursa City Hospital

Türkiye's 10<sup>th</sup> City Hospital With Türkiye's Largest Physical Therapy and Rehabilitation Hospital

Cıngıllı Solar Power Plant

Türkiye's Largest Licensed Solar Power Plant

Göbeklitepe, Şanlıurfa

UNESCO World Heritage Site With a History of 12 Thousand Years

Leonardo Da Vinci Ship

Most Advanced Submarine Cable Laying Ship With Its 170 m. Length and 34 m. Width

## REFERENCE PROJECTS FROM 2018

Ankara Bilkent Hospital

World's Third Biggest Hospital With Inpatient Bed Availability

Eskişehir City Hospital

Europe's Best Health Project

Gaziantep Panorama Museum

The Museum That Sheds Light on the History of Gaziantep

Istanbul Airport

World's Biggest Airport Built From Scratch

Marmaray, İstanbul

The Largest Infrastructure Project Connecting Europe to Asia

## REFERENCE PROJECTS FROM 2017

Gaziantep Iconova

"Best Architecture Multiple Residence" in Türkiye and Europe - European Property Awards

Kazan Soda Elektrik

Europe's Biggest Natural Dense Soda Ash and Sodium Bicarbonate Factory in Europe

SASA Polyester

Türkiye's Unique Polyester Fiber Manufacturer

Skyland İstanbul

The Tallest Building in Türkiye After Completion

Star Refinery (SOCAR)

Türkiye's First Private Sector Refinery

## REFERENCE PROJECTS FROM 2016

İlgaz 15 July Independence Tunnel

Türkiye's Tallest Tunnel Open To The Traffic

Osmangazi Bridge

World's Fourth-Longest Suspension Bridge By Length

Şenol Güneş Stadium

Türkiye's First Sport Facility Built On The Sea

Yavuz Sultan Selim Bridge

World's Tallest Suspension Bridge With a Railway System

# 2023 Economic Overview

2023 has been a year in which the world, including developed countries in the global economy, struggled with high inflation levels. Developed economies began to implement tight fiscal policies in order to control high inflation figures.

The Turkish economy is expected to complete 2023 with a growth rate of over 4%, thanks to the effects of expansionary monetary and fiscal policies in the first half of the year. It was noted that this rate will be the highest growth rate across OECD countries. Gross Domestic Product (GDP) increased by 5.9% in the third quarter of 2023.

In our country, Turkish Statistical Institute (TUIK) announced that monthly inflation was 2.93% in December. Annual inflation in 2023 was 64.77%. This was recorded as the highest annual inflation rate in Turkey in the last 22 years. On the other hand, the Domestic Producer Price Index (D-PPI) was 1.14% in December compared to the previous month; It increased by 44.22% in the last year and by 49.93% compared to the twelve-month averages. Annual changes in the four sectors of the industry; There was a 65.59% increase in mining and quarrying, a 53.68% increase in manufacturing, a 29.69% decrease in electricity and gas production and distribution, and a 66.97% increase in water supply.

2023 was a year in which two different economic policy sets were implemented. The first 5 months of 2023 were marked by expansionary monetary and fiscal policies and increasing market regulations. In the second half of the year, a gradual tightening of monetary policy was observed. In the first half of 2023, the CBRT's interest rate cuts continued and the policy rate decreased to 8.5%. After the general elections, in line with the policies implemented with the new economic management, the interest rate was increased by 34% in the last 6 months and the policy rate was increased to 42.5% at the end of 2023. After the increase in the policy interest rate, deposit and loan interest rates also increased sharply.

In 2023, the population of Turkey increased by 92 thousand 824 people and reached 85 million 372 thousand 377. The annual population growth rate was announced as 1.1 per thousand.



# 2024 Economic Expectations



Inflation and low growth expectations are expected to continue in global economies in 2024. As a result of the implemented monetary policies, a lower global GDP growth is maintained due to tighter financial conditions, weak trade growth and lower job and competitive security. It is considered that interest rate cuts in the USA and Europe will come to the fore as of mid-2024. However, on the other hand, it is observed that geopolitical risks have increased in recent years, in addition to the current tight monetary policies. The recent ruptures in the Middle East, increased transportation conditions and conditions due to security risks in the Suez Canal, and the ongoing Russia-Ukraine tension are listed as broadly risky for the world economies in 2024. All these risks are taken into consideration and both inflation developments and interest rate cuts are shaped according to these developments.

According to the OECD report, global GDP is expected to be 2.7% in 2024. It is estimated that the world economy will grow by 3% in 2025 as inflation declines further and real incomes strengthen. Global growth remains largely dependent on fast-growing Asian economies. At the CBRT's recent Inflation Report Information Meeting, it was announced that although the 2024 year-end inflation rate was kept at 36%, its forecasts had various upward variations compared to the previous Inflation Report. Wage increases come first in this process. In addition, food prices and the gap arising from import prices in TL are among the factors expected to have an upward effect on inflation, according to the previous report. The reason why the CBRT did not change its inflation forecast is attributed to the fact that the main injection records declined faster than their predictions. Moreover; CBRT management expects capital accumulation in 2025 to be 14%; He also announced the 2026 cycle as 9%.

The main message that stood out at the meeting was that even though the interest rate increase debate has come to an end; Additional tightening policy was also emphasized in case of deviations regarding inflation prices, pricing increase, public expenditure-tax policy, wages and private consumption. In this context, it is expected that the policy rate will be maintained at 45% in the coming period and that macroprudential practices will be implemented in line with other systems for disinflation, and confidence in TL assets will increase as a result of the determined determination to fight inflation. GDP growth volume in 2024 is at 3.4% according to the latest survey results.

GDP growth distribution for 2025 is determined as 3.9%. OECD increased Turkey's growth forecast from 2,7% to 2,9% for 2024. OECD's growth forecast for Turkey for 2025 was updated to 3.1%. T.R. In the Medium Term Program Targets reports of the Ministry of Commerce, GDP Real Growth is predicted to be 4.4% for 2023, 4.0% for 2024 and 4.5% for 2025, respectively.

The process of monetary tightening continues with a delay to the economy, the macroprudential policy set, which continues the simplification process, will have an impact on all macroeconomic variables that markets operate based on the new balance, especially in interest rates. Annual inflation is expected to decline after the middle of the year due to base results.

In 2024, the elections in many countries, especially in the USA, are dominant in the ruling party, where the direction of the global markets will have important and critical consequences. Finally, one of the biggest threats to the world will continue to be global warming. The general need to be alive to combat the climate crisis is; Expansion of fossil fuels such as oil, coal and natural gas will be followed by expansion and replacement with cleaner energy sources such as solar and wind.

# 2023 Industry Overview



Global trade in goods and services, which shrank tremendously during the epidemic period and accelerated again after the epidemic, has been losing strength all over the world in recent years due to rising energy costs, increasing geopolitical developments, tightening financial conditions and therefore weakening global demand.

While global trade is losing strength; Despite all the regional risks, high inflation and energy crisis, the Turkish economy still grew by 5.5% in 2022. However, while we are struggling with a slowing economy, a seriously contracting construction sector, high real interest rates, an annual inflation rate of 64.3% in 2022, rising to 64.8% in 2023, and an unpredictable macroeconomic and social environment; On the other hand, the earthquake disaster we experienced on February 6; It has caused us to have a very difficult year for both the Turkish economy and the cable industry.

While Turkey is trying to heal the wounds of the great disaster, a new road map in the economy has been adopted, with the general elections held in the second quarter, the changing cabinet and the medium-term program announced, primarily aiming to support the earthquake region economically and socially and reduce inflation. The Turkish economy, which recorded a 3.9% growth in the second quarter following the earthquake disaster that killed more than 50 thousand people and damaged more than half a million buildings, still fell behind the 7.6% growth in the second quarter of the previous year. After a serious contraction in 2021 and 2022, the construction sector grew continuously in the first three quarters of 2023 and recovered compared to previous years.

While the reconstruction process that started in the earthquake zone and the increase in demand for urban transformation in cities with high earthquake risk, especially in Istanbul, are expected to give positive signals in terms of construction sector activities, the annual decline in housing sales accelerated after April and housing sales will reach the previous level in 2023. It decreased by 17.5% compared to 1 million 225 thousand 926.

2023 has also been a difficult year for the cable industry. Although the sector had a successful first half of the year; Problems such as insufficient demand in the domestic market in the second half of the year, falling prices, and delayed payments despite extended maturities led the cable industry to export. This trend in the domestic market is expected to worsen in 2024, and therefore the pressure on prices will continue. Cable sector exports have remained stable for the last two years at the level of 3 billion dollars, which is an important value for the Turkish economy. However, factors such as developments in export markets and embargo practices resulting from high regional geopolitical tension affect the export performance of companies. On the other hand, the fact that banks have tightened loans in financial markets and their appetite for lending has decreased significantly, and the loans that are available in limited amounts are at very high rates and these rates cannot meet the operating profitability of sector companies that already operate with very low profit margins, reveals a different unhealthy structure.

In addition to the uncertainty regarding the upcoming period, fluctuations in raw material, energy and logistics costs create serious pressure on the cable industry, which imports its raw materials. Due to the fact that metals such as copper, aluminum, and polymer materials such as PVC and polyethylene, which are among the main raw materials used in cable production, are traded in foreign currency, the fluctuation in exchange rates causes manufacturers to re-price pricing with each change. Therefore, it causes the contractor, distributor, project company and end users to work on the budget again each time. In a situation where most of the costs are in foreign currency and sales are in Turkish lira and deferred, such fluctuations negatively affect the sector.

Despite the recession in the world and in Turkey, the use of renewable energy resources in Turkey continues to increase day by day and therefore Turkey has become one of the important actors in the region in terms of energy, which also positively supports the development of the cable industry. While green economy, energy transformation and carbon reduction targets take their place in our lives as the most important issues on the agenda in business life; Companies in the sector that invest in new environmentally friendly products and systems, have a sense of responsibility towards the universe, focus on renewable energy projects that will benefit both the world and the industry, have a sustainability perspective, can develop commercial policies for climate change and focus on sustainability in all their work, are aware of global developments. will be the companies that are least affected and serve the sector in the longer term.

Features such as not endangering human life and property safety, improved performance against fire, and designed to transmit more data faster and in less space are sought in cables. Our country's leading cable manufacturers, producer associations and relevant official institutions and organizations have started a serious fight against non-standard cables. In order to live in a safer and more efficient world; Information activities are continuing to choose high-performance solutions that will bring advantage in total cost, to raise awareness in the sector about the use of correct cables, to carry out market surveillance and audit activities to ensure that the cables used in the market comply with the standards, and to raise awareness about the inconsistencies in the quality of some cables sold in Turkey.



# Sustainability

## Linking Türkiye to a Sustainable Future

### Our Sustainability Commitment

Having 59 years of history in Turkey and being part of the Prysmian with 130+ years of experience globally, Türk Prysmian Kablo is dedicated to being a sustainable company, As part of this effort, we are embedding economic, social, and environmental responsibility into all aspects of our business; leading this challenging cultural transformation with a strong plan vigorously,

The only way to achieve this transformation is through a strategic approach; by planning the future responsibly, involving and listening to all internal and external stakeholders, closely monitoring the industry and global economy, and implementing a comprehensive action plan that serves the business, the environment, and society as a whole, Our commitment is to work in this direction,

### Our Principles:

Businesses are under pressure to take longer-term action to address sustainability challenges. Our planet is reaching its limits as emissions, water, and chemical loading continue to do harm.

As Türk Prysmian Kablo, we come to work every day with a commitment to save our planet and tackle climate change by transitioning to zero-carbon energy systems while producing responsibly.

We thrive on the sustainability of our production processes while safeguarding the environment, We engage with local communities to protect the areas in which we operate and to ensure workplace safety,

Aware of our social responsibilities, we develop projects that support social and cultural life in our community.

### Our Commitment to UN Sustainable Development Goals:

The United Nations' "Decade of Action" program has defined tangible solutions to all the challenges posed by the 2030 Sustainable Development Goals.

Türk Prysmian Kablo is committed to supporting the achievement of the global agenda goals; serving primarily for SDG7 (Accessible and Clean Energy), SDG8 (Decent Work and Economic Growth), SDG9 (Industry, Innovation and Infrastructure) and SDG12 (Responsible Production and Consumption) and hence contributing to building and upgrading of infrastructures for energy transmission and distribution and telecommunication— the essential drivers for the transition to a new development model for the civil society.

### Implementation Plan:

In the period following the planning study we carried out in 2020, project feasibilities were reviewed and plans were created for the selected projects; budget, team, resource and project plans were created, As of January 2021, work on this project has started. This process, which was concluded with our first sustainability report in 2022, is progressing to include the value chain with the publication of our second report in 2023.

Our sustainability efforts are monitored monthly with our Sustainability committee under the leadership of the CEO:

So far, the following sustainability activities have been carried out;

- All activities target the four primary pillars outlined in our vision and are directed towards refining our goals accordingly,
- Priorities set for sustainability projects are as follows:
- Actions targeting energy efficiency and use of renewable energy resources,
- Actions for effective use of water and other resources,
- Carrying out lifecycle analysis of our products,
- Building a functioning Sustainability Management System and integrating this system with existing management systems,
- Efforts to promote positive impact on the society and community that we are a part of,
- Efforts to improve the wellness and efficiency of our employees, All the details of these projects can be found in the Sustainability Report for 2022. All the details of these projects can be found in the Sustainability Report for 2021.

The sustainability approach forms the basis of all our work, In line with our environmental sustainability initiatives, we focus especially on renewable energy products in our industrial cables product range, To date, the volume of cables we have supplied for solar energy projects has reached approximately 40 million meters, In other words, we can say that within the framework of these projects, we have provided enough cables to circumnavigate the world once, This means that approximately 9 million households need electricity for 1 month.

We are approaching our Net Zero target in 2035 in Scope 1 and 2, step by step, with our sustainability projects that we started in 2021 and progress every year, Thanks to these projects implemented with investments in this field, we have prevented approximately 3,900 tons of CO2 emissions since 2021, This success; This was achieved by reducing natural gas consumption by approximately 323,6 thousand Sm3, electricity consumption by approximately 5,410 thousand kWh and diesel consumption by approximately 301.4 thousand liters, Türk Prysmian Kablo has been carrying out corporate social responsibility projects on many issues since the first day it was founded. It carries out different studies to meet social needs, especially education, for the social development of the society. Türk Prysmian Kablo delivered the coats, boots and stationery materials provided with the support of its employees within the scope of the "4th Happiness Money Box 2022" project, which is the fourth of the "Happiness Money Box" project, which was organized

for the first time in 2018 and in which its employees participated voluntarily, on April 18, 2022, in Burçakalan in Van's Çaldıran district. He gave it as a gift to 152 students of the Primary School. Within the scope of the project, gifts were sent to children in Muş, Gaziantep and Urfa in previous years, respectively. In cooperation with the Hope Foundation for Children with Cancer (KAÇUV) and Perpa Trade Center, Istanbul Perpa organized a support event for children receiving cancer treatment on May 11, 2022. Within the scope of the event, which was realized in cooperation with three institutions, 150 Hopeful Boxes consisting of food, hygiene and personal care products were provided to be sent to children receiving cancer treatment and their families. In order to protect forests and raise awareness about this, as Türk Prysmian, we met to green our forests by participating in the tree planting event in Göynüklü, organized by Bursa Regional Forestry Directorate, on March 21, World Forestry Day. In order to support sustainable and safe blood supply, as Türk Prysmian, we organized a blood donation organization with the Red Crescent team in our Mudanya factory on May 23, 2022. With the awareness of "Every blood donated, three lives saved", 47 of our colleagues voluntarily donated blood and supported those in need.

Türk Prysmian Kablo CEO Ülkü Özcan became one of the leading names in Turkey by entering the "Sustainability Leaders 2022" list prepared by Fast Company Magazine, 142 managers who pioneered the issue of sustainability and made a difference in their companies and society in this field were nominated.

In the study; As a result of the evaluation made on the basis of concrete criteria such as "projects carried out, results obtained and future plans", Türk Prysmian Kablo CEO stood out as the only cable company included in the list, At our first Sustainability Day event held in Mudanya on October 4, we approved and signed our first sustainability report, which we have been working on for a long time to reduce the climate crisis, support a carbon-free world and build a sustainable future, with the participation of our Sustainability Ambassadors, It is completely in line with our group's sustainability approach and ' This valuable sustainability report, which we have prepared in accordance with our 'sign your name for a better tomorrow' strategy, contains many valuable information such as our Environmental, Social and Governance (ESG) strategy and targets, In order to raise the awareness of our employees on sustainability, we planned Ambassadors' TALKS events throughout 2023 and ensured effective communication with all our employees, Within the scope of the event, topics such as We Reduce Our Carbon Footprint, We Use Our Resources Circularly, We Improve Our Business Model, We Work for the Future of Our Employees and Society were shared with all our employees by our sustainability ambassadors.

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With the "people first" approach, 0 errors, 0 accidents are our top priority within the scope of occupational health and safety. The main purpose of the Zero and Beyond initiative is; To increase the participation and commitment of managers in the occupational safety system, to increase the functional leadership competencies of occupational safety leaders, to develop a group approach by reducing cultural differences, and to develop a occupational safety culture in which we will protect ourselves and each other. In line with this goal, we started training activities covering all employees, from the top manager of the company to the lowest level, with the Behavior-Oriented Security Management-Communication project we started. We organized an organization so that all Türk Prysmian employees could watch the video recording the story of Brandon Schroeder, who almost lost his life when the security protocol was not followed, and we devoted a total of 908 hours to this training. In this way, we brought Brandon's impressive experience, which contributed to our Zero and Beyond approach, to all our employees.

With the amendment made to the Corporate Governance Communiqué numbered II-171, which came into force by being published in the Official Gazette numbered 28871, dated 3/1/2014, and entered into force by being published in the Official Gazette numbered 31262, dated 2 October 2020, in the annual activity reports; Including explanations about whether the sustainability principles published by the Capital Markets Board have been implemented or not, if not, a reasoned explanation for this, and explanations about the effects occurring in environmental and social risk management due to noncompliance with these principles, and in case of a significant change in the said statements within the period, the relevant It is mandatory to include the change in the interim activity reports. In this context, it is aimed to comply with many of the principles specified in the "Sustainability Principles Compliance Framework" with the CMB's "comply or explain" approach. Full compliance has not yet been achieved due to reasons such as difficulties experienced in the implementation of some of the principles in question, uncertainties in the general national and international arena, and the fact that the principles of compliance will be determined according to the findings to be obtained from ongoing studies. It is aimed to implement the principles that have not yet been fully complied with, in a way that will contribute to our company's goal of creating sustainable value.

## PRYSMIAN GROUP SUSTAINABILITY APPROACH

Prysmian works intensively to make the concept of Sustainability a part of its DNA, Prysmian Sustainability Strategy is based on the "Creating Impact" model, This model; It aims to identify areas for improvement by analyzing the effects of its activities, With the principle of measurability, the impact of the strategy is constantly monitored and improved, Impact creation model; It consists of 4 areas:

1. Prysmian and its Value Chain
2. Impacts on the Value Chain
3. Measuring and Monitoring Performance Indicators
4. Prysmian Innovation Processes and Goals

With the aim of leadership in the field of sustainability, Prysmian focused on two main goals in 2021: Climate Change and Social Development. In order to independently ensure the governance of these goals, it established the Sustainability Committee in March 2020, which undertakes the supervision of EMS (Environmental, Social and Corporate Governance) issues. This Committee strongly contributed to the determination of the group's long-term goals and ensured the determination of performance indicators for all processes.

### Climate Ambition:

Climate strategy; It adopts "Science-Based" targets that are compatible with the goals of the Paris Agreement. In this context, Prysmian has had its climate targets approved by the Science-Based Targets Initiative. The Science Based Targets initiative defines the requirements for an effective Net- Zero strategy. Our group is a signatory of the 1.5 C° alliance for the business world.

In this direction; It commits to reduce Scope 1 and 2 emissions by 46% by 2030 compared to the 2019 base year emissions, and to be net zero in Scope 1 and Scope 2 emissions by 2035 and Scope 3 emissions by 2050.

Scope 1: Our greenhouse gas emissions arising from sources directly released or controlled by our company,

Scope 2 : Our indirect emissions related to the production of imported/purchased electricity, heat or steam,

Scope 3 : It includes emissions resulting indirectly from the company's activities, excluding those specified in Scope 2 :This covers all emissions in the upstream value chain (supply) and downstream value chain (provision of products and services) aspects, In 2022, Prysmian included Scope 3 monitoring among its performance indicators,

Within the scope of Prysmian's climate target, Türk Prysmian Kablo is also carrying out projects that will reduce its footprint. It shares carbon footprint targets and current status with all representatives at monthly sustainability meetings. One of Türk Prysmian Kablo's main focuses in the sustainability process is climate change and carbonization studies, and in this context, it continues to work to cover its entire impact area.

#### **Social Ambition:**

Prysmian's Social Goal is focused on 2030 commitments within the scope of the Sustainable Development Goals. In this context, diversity and inclusion, equality, strengthening of societies, employee engagement and employee development have been determined as the most important issues. By adopting a proactive approach, Prysmian is taking decisive steps towards becoming a company that cares about diversity, inclusion and gender equality at all levels and empowers women.

Details about the Social Goals and the Prysmian Sustainability approach can be accessed at Sustainability: report and responsibility / Prysmian.

The medium and long-term sustainability strategy determined by Prysmian is reflected in all regional structures. Sustainability is followed in all regional structures with the targets determined within the global framework. In this context, the MEART Sustainability Strategy, which also includes Türk Prysmian Kablo, has been determined. MEART Sustainability Strategy has made progress with the targets set in 2021, and a comprehensive road map has been drawn for 2022. Türk Prysmian Kablo also supports the MEART strategy with an integrated perspective and indicator tracking in 2022, as it did in 2021.

Türk Prysmian Kablo; Prysmian continues to carry out work to include all its stakeholders in line with its Social Goals and with the awareness that its greatest value is people. In order to increase its impact on the entire network of the value chain, it carries out activities that will increase participation and belonging, such as stakeholder analyses, seminars and trainings within the scope of sustainability.

## **OUR SUSTAINABILITY VISION**

With all the work we do, taking into account Türk Prysmian Kablo's 59-year-old values and culture, we reveal our sustainability vision as follows:

By integrating economic, environmental and social sustainability into all our work for all stakeholders and the planet; In line with our mission, which we define as "Connecting Turkey to a Sustainable Future", we aim to provide innovative energy and telecommunication solutions through responsible production.

## **OUR SUSTAINABILITY ROADMAP**

We prioritize environmental, economic and social issues in every activity carried out within the scope of our Sustainability Management Plan and adopt the responsible production philosophy in every field.

We are proud to lead our industry in the process we have initiated since 2019, and we are taking firm steps towards our 2030 Net Zero target.

We integrate sustainability into our business model and work together for a sustainable future.

As Türk Prysmian Kablo, "Sign your signature" on our work in 2022. We continued under the four main headings we determined with our plan. With our work teams formed under these four basic headings, we present our sustainability justification on the way to becoming "Contemporary of the Future" as follows. • Eliminating Our Footprint,

#### **• We Eliminate Our Carbon Footprint:**

We work towards our Net Zero goal through efficient production using fewer resources and conversion to renewable energy.

#### **• Circular Resource Use:**

We protect and reuse our resources to prevent depletion of natural resources and damage to the natural environment.

#### **• We Are Developing Our Business Model:**

In order to achieve sustainable growth, we prioritize sustainability in all our operations, from production to sales, by working with our stakeholders.

#### **• We Work for the Development of Our Employees and Society:**

In our journey with our motto "People first", inclusion and diversity are among the basic principles of our company, We work to best serve the society we live in by attracting the attention of a talented and new generation workforce and improving our skills day by day.

## **SUSTAINABILITY ORGANIZATION**

Our sustainability journey was started in 2019 under the leadership of Türk Prysmian Kablo CEO and is currently carried out at the level of our management team, "Sign it", which we created in 2020, With our Sustainability Plan, our company's critical sustainability impact areas have been analyzed and our 2030 Goals have been determined.

In the Sustainability Management Organization, the sponsor of the system is the CEO,

Türk Prysmian Kablo Sustainability Committee, formed with the CEO and leaders of critical functions of the company, regularly reviews the development every month and makes decisions for progress, Progress and decisions are recorded within the scope of Sustainability Management System processes.

In addition to the Sustainability Committee, Sustainability Ambassadors, who represent different units and functions of the institution, consist of people who have contributed

most to the progress of our sustainability journey since 2021. Sustainability Committee Leaders and Sustainability Ambassadors meetings are held regularly every month and feedback is provided to the CEO at regular intervals.

The Sustainability Management System created by Türk Prysmian Kablo is also compatible with the MEART Sustainability strategy, The sustainability targets given to all management regions by Prysmian have also been adopted by Türk Prysmian Kablo, Türk Prysmian Kablo Sustainability Leaders and Ambassadors also take an active role in the MEART Sustainability Committee,

MEART Sustainability Organization, established under the sponsorship of MEART Regional CEO, meets regularly every month and reviews the progress in goals and projects, Türk Prysmian Kablo is represented in the MEART Sustainability Organization by the CEO and all relevant department managers.

## RISK MANAGEMENT

Prysmian ERM Risk Management system; It has been developed based on systematic tools and regular information flow that will enable the Board of Directors to make strategic decisions and provide the basis for the creation of guidelines in this context.

Prysmian adopts the corporately developed "Enterprise Risk Management (ERM)" model in risk management, Starting from 2021, it has carried out a careful risk analysis focusing on climate change and energy transition in line with the TCFD-Climate-Related Financial Disclosures Working Framework, In this context, decarbonization policies have been developed by developing short, medium and long-term strategies, For detailed information on the subject, you can visit [www.prysmiangroup.com](http://www.prysmiangroup.com), You can access the risk and opportunity study updated in 2022 in the "2022 Prysmian Sustainability Report".

The principles regarding the Internal Control and Risk Management System, approved in 2014, are part of the Group ERM Policy, which formalizes the adopted Enterprise Risk Management model, This model adopts a top-down approach driven by senior management and our medium/long-term business goals and strategies, This approach covers any risks and opportunities that are potentially material to the Group. These risks and opportunities are presented in five groups that reflect the nature of Prysmian's business model: Strategic Risks, Financial Risks, Operational Risks, Legal and Compliance Risks, Planning and Reporting Risks.

The ERM process is managed by the CRO (Chief Risk Officer), who is responsible for the timely identification, evaluation and monitoring of the key risks faced by Prysmian and its subsidiaries, Additionally, a Risk Management Committee consisting of senior executives oversees the ERM process through the CRO and ensures that the ERM process remains dynamic, The CRO reports to senior management on these changes periodically, at least twice a year, Each year, the Group's key business/function managers participate in identifying and assessing the most significant risk factors, Here, the main topics across all ESG (Environmental, Social and Corporate Governance) are reviewed, including climate change.

As Türk Prysmian Kablo, we effectively manage operational and process risks based on the results of all these risk management processes, We integrate all regulations arising from disruptions, risks, opportunities, local and global developments of internal processes into our operational and process risk plan, We check the risk management studies carried out in Management Review meetings and advance our processes under the leadership of senior management.

## MANAGEMENT SYSTEMS

Türk Prysmian Kablo promotes the integrated use of management systems,

Türk Prysmian Kablo management systems are ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, IATF 16949:2016, ISO 27001:2013,ISO 10002:2013.

## PRIORITIZATION ANALYSIS AND STAKEHOLDER RELATIONS

Establishing meaningful relationships with our stakeholders is very important for us in this journey where we act with the mission of "Connecting Turkey to a Sustainable Future". In this context, we developed our prioritization work, which we started in 2019, by ensuring the participation of external stakeholders in 2022.

We conducted a comprehensive study to obtain the opinions of stakeholders within the value chain to form the basis of our sustainability strategy. With this study, we addressed the economic, environmental and social issues that will create the greatest impact and value for all our stakeholders. Among the stakeholder groups whose feedback was received; employees, customers, suppliers, business associations, subcontractors, business and governance stakeholders. We organized priority issue surveys specifically for these stakeholder groups, including their expectations in the field of sustainability. Through these surveys; We managed to obtain the opinions of approximately 400 key stakeholders.

Stakeholder engagement is the foundation of companies' success. Because value can only be created at its maximum level when everyone in the organization is involved in creating a common goal. The key to success for us is to make stakeholder participation an indispensable part of our corporate strategic planning and to maintain stakeholder communication in a continuous and transparent manner, rather than seeing it only as a risk management tool. We share the steps we have taken in this field with all our stakeholders through the "Sustainability" tab we added to our website. In our stakeholder survey study, we asked our stakeholders to evaluate the main issues listed in the table below, which are the outputs of our prioritization analysis with our Sustainability Ambassadors, in terms of priority, and their expectations from us:

In our stakeholder survey study, we asked our stakeholders to evaluate the main issues listed in the table below, which are the outputs of our prioritization analysis with our Sustainability Ambassadors, in terms of priority, and their expectations from us:

- Strong Financial Performance
- Contribution to Local Employment
- Product and Service Diversity
- Brand Management
- Good Management of Financial Risks and Cash Flow
- Market Presence and Number of Customers
- Circular Economy Activities
- Conservation of Biodiversity
- Fighting Climate Change

- Development of Environmentally Friendly Products and Services
- Employee Happiness
- Work and Private Life Balance
- Employee Engagement and Talent Development
- Diversity and Inclusion
- Respect for Human Rights and Workers' Rights
- Avoiding Anti-Competitive Behavior
- Crisis and Risk Management
- Sustainable Supply Chain
- Occupational Health and Safety Practices
- Transparency in Wage Policy
- Contribution to Local Community
- Customer Satisfaction and Loyalty
- New Product and Innovation
- Digital Services
- Products Supporting Low Carbon (EPD, Ecological Label)

After this process, which helped us determine our priority issue list, we contacted each stakeholder group and created our priority issue matrix. While certain issues are more important to different stakeholder groups, their impact on us varies strategically.

According to the material issue matrix below, the most important issues that have the greatest impact on both our stakeholders and our company are defined as follows:

1. Respect for Human Rights and Workers' Rights
2. Development of Environmentally Friendly Products and Services
3. Products that Support Low Carbon (EPD, Ecological Label)
4. Sustainable Supply Chain
5. Customer Satisfaction and Loyalty
6. Circular Economy Activities
7. Work-Life Balance:



| Our Stakeholders                                                                      | Communication Ways                                                                     |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Mudanya Management                                                                    | E-mail, Website, Internal Communication, Office, Telephone, Online Meeting, Fair       |
| Employees                                                                             | E-mail, Website, Social Media, Portal, Internal Communication, Office, Telephone, Fair |
| Suppliers                                                                             | E-mail, Website, Social Media, Portal, Office, Telephone, Fair, Webinar                |
| Customers                                                                             | E-mail, Website, Social Media, Portal, Office, Telephone, Fair, Online Meeting         |
| Headquarters Senior Management (HQ)                                                   | E-mail, Website, Social Media, Portal                                                  |
| Subcontractors                                                                        | E-mail, Website, Social Media, Portal, Office, Telephone, Fair                         |
| Intercompany (Group Plants)                                                           | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Public                                                                                | E-mail, Website, Social Media, Portal, Office, Telephone, Fair                         |
| Local Governments                                                                     | Official Letter, Website, Social Media, Portal, Office, Telephone, WorkSite            |
| Financial Institutions                                                                | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Ministries (Environment, Energy etc.)                                                 | E-mail, Website, Social Media, Portal, Telephone, Fair                                 |
| CMB                                                                                   | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Insurance Companies                                                                   | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Project Companies                                                                     | E-mail, Website, Social Media, Portal, Office, Telephone, Fair                         |
| Competitors                                                                           | Website, Social Media, Portal, Fair                                                    |
| Trade Union                                                                           | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Sectoral Associations (Kabloder, ETMD etc.)                                           | E-mail, Website, Social Media, Portal, Office, Telephone, Fair                         |
| Turkish Standards Institute, Other National and International Certification Companies | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Shareholders                                                                          | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Chamber of Engineers (Environmental Electrical, Mechanical)                           | E-mail, Website, Social Media, Portal, Telephone                                       |
| Delegated Markets                                                                     | E-mail, Website, Social Media, Telephone                                               |
| Local Community                                                                       | E-mail, Website, Social Media, Portal, Office, Telephone                               |
| Generation Z                                                                          | Website, Social Media, Portal, Office, Telephone, Fair                                 |

## TÜRK PRYSMIAN KABLO SUSTAINABILITY TARGETS

Türk Prysmian has used a planning methodology by coming back from the vision it wants to achieve in its Sustainability Journey that started in 2019, and we know that it can be achieved by setting clear, measurable goals focused on the point our vision shows us and coming back to our starting point from there.

To create a reliable approach to sustainability, it is important to set goals and monitor progress towards them. Prysmian is very determined to achieve short-term goals as well as long-term goals, and as Türk Prysmian Kablo, we have updated our processes by including these goals in our own performance indicators.

While we contributed to the development of the MEART Regional strategy with our work, we also developed projects in line with our Sign It goals. You can find the details of our goals in our Sustainability Report.

# Innovation



## R&D Activities

Türk Prysmian Kablo aims to increase its competitive power in the energy and telecommunication cables industry, offering users of cutting edge technologies the opportunity to take the advantage of its leadership in innovation and development, and is working on efficient, effective, superior and ecofriendly products and system solutions. The Research & Development (R&D) Centre in Mudanya, both it is an R&D center approved by the Turkish Ministry of Industry and Technology and one of the 26 centers of Prysmian R&D family that plays a leading role internationally in cable production and material technologies. Owing to its comprehensive infrastructure and operations, Mudanya R&D Centre is also the pioneer of the Turkish Cable Industry.

Established on an area of 5 thousand square meters and comprised of 6 separate departments, the R&D Centre encompasses a Material Technologies Laboratory, a Burn Test Laboratory, an Energy Cable Testing Laboratory, a Telecom and Fiber Cables Testing Laboratory as well as a Design and Innovation Office and a Process Design and Prototype Development Office. The R&D Centre holds the TS EN ISO /IEC 17025 Standard "General Requirements for the Competence of Testing and Calibration Laboratories", and the Private Sector Burn Test Laboratory has been the first lab accredited by the Turkish Accreditation Agency (TURKAK) in Turkey to possess the infrastructure prescribed by "CRP - Construction Products Regulation".

As a result of its research and product development activities, Türk Prysmian Kablo, which is the first company in the Turkish Cable Industry to receive the CPR\* certificate and pioneers the sector with its expertise in this field, continues its CPR studies uninterruptedly. Cables with high-level CPR performance have been developed to meet the increasing CPR demands in the railway industry. The cables used in new generation power stations and modern substations, which come to the fore with renewable energy production, are required to have B and C CPR classes and high-level combustion performance. Similarly, the use of cables with high-level CPR performance is becoming widespread in petrochemical facilities. In order to respond to this demand, new CPR families were developed in control, instrumentation and energy cable groups, certification studies were carried out and new export markets were reached.

Big data management issues are increasing in importance day by day. In this field, large data centers are being established in many countries. Studies on both energization and data transfer have been initiated to meet the needs of data centers. The demands in the European market are targeted in this sector.

In order to meet customer demands in different markets, alternative PVC material development solutions to the existing low smoke density and halogen-free LSOH material solutions have been completed. Tests in various safety classes for the newly developed low smoke density PVC have been completed with TSE. A patent application has been made for this product. In the railway sector, research and development activities were carried out and new product groups were developed in order to export cables to large markets such as America, Europe, Asia and Australia. Innovative product development efforts were continued by carrying out joint projects with the central R&D in fiber optic cable solutions.

Our R&D center continues its work intensively in the field of sustainability. A multi-layered study has been initiated for a more sustainable product. The carbon footprint of the products is calculated and new materials and technologies are researched to reduce it. All toxic products that harm the environment are monitored within the scope of REACH and RoHS and in candidate lists, and this information is used in material technologies, but the products on these lists are not used. Work on renewable energy cables and high-efficiency cables, which are important within the scope of sustainability, continues.

Increasing its investment in technology and innovation with its Mudanya R&D Center, Türk Prysmian Kablo aims to improve the competitiveness of our country by providing users with superior performance products along with technological innovations. In line with this vision, the first Turkish Republic in the cable industry. It has been operating in the R&D Center approved by the Ministry of Science, Industry and Technology since 2016. In addition to innovation and product development activities, Türk Prysmian Kablo, which has 7 Tübitak Projects completed at the end of 2021, also participated as a speaker in 1 international seminar. Close cooperation with universities continues to increase. In this context, our R&D personnel continue their master's and doctoral education. We have 9 ongoing projects as of 2022. Two seminar presentations were made at the university by our staff who are continuing their graduate education.

Türk Prysmian Kablo continues to produce innovative solutions that prioritize high performance, efficiency and security in its R&D Center. State-of-the-art, user-friendly, high-performance solutions are developed in energy, fiber and communication cables, with features suitable for a wide range of challenging geographies, environmental and usage conditions, according to the user and industry market. Among these developed solutions, special distribution signal cables, low voltage and fiber optic cables for the petrochemical industry, minitube fiber optic cables, defense industry and wagon cables, explosion-resistant fiber optic and special cables for the petrochemical industry can be highlighted. Additionally, as a result of the importance Türk Prysmian Kablo attaches to product and test reliability, the number of national and international tests included in the scope of accreditation by the Turkish Accreditation Agency (TÜRKAK) has increased to 29 and scope development efforts are continuing.



# Attention! All Cables Are Not The Same...

**Türk Prysmian Kablo ve Sistemleri A.Ş., after almost two years of market analysis and product tests and development launched the biggest awareness and educational campaign in the history of the Turkish cable market in December, 2012.**

Despite an increasing number of fires (in Istanbul, +32% only in '11 vs '10), more and more multi-storey buildings (+30% between '07-'11) and a general inconsistency in terms of quality, performance, safety and ease-of-use of the cable the market research showed that the general perception is that all cables are the same in the Turkish market. This was the starting point for two years' development of this comprehensive project of Türk Prysmian Kablo that is realized in 2012 and heavily involved local and HQ R&D, marketing and sales teams.

Despite the cost of cable represents on average less than 1% of total cost of construction projects, choosing the right cable makes a significant difference. Türk Prysmian Kablo, with its belief to the need of living in a safe and more efficient world, in order to increase the awareness of Turkish cable sector, started a new initiative named "Attention! All Cables Are Not The Same...". The focus of this project is to raise the awareness that all cables are not the same and to educate all the stakeholders in the market that it is important to be careful when choosing the cable solution and brand to have a safe, good performance and importantly save on the total cost of ownership.

The project started by an in-depth investigating the current market situation and to understand in detail the work of the electricians, project companies and installers. After this, R&D team developed a comprehensive number of cable tests that do not only cover geometrical tests, electrical tests, mechanical tests and performance tests but also "usability" test that calculates the economical impact of ease and speed of installation. Throughout the period R&D team did many tests on different brands and cables and continuously improved the performance of the Prysmian solutions.

During "Attention! All Cables Are Not The Same..." initiative, including "Attention! All Solar (PV) Cables Are Not The Same" wave, 5 waves were completed. During the past years and 5 waves, many seminars were organized with Türk Prysmian Kablo's main target groups such as electrical engineers, project companies and contractors. Within the scope of the waves, until the end of 2018, the initiative is shared directly with approximately 4,100 people in Adana, Ankara, Antalya, Bursa, Çankırı, Eskişehir, İstanbul, İzmir, Kayseri, Konya, Mudanya, Sakarya, Trabzon and Erbil-Iraq. Moreover, 124 different point-of-sales across 14 different cities of Türkiye are decorated with promotional materials, A-Team distributors' windows are branded with the initiative's posters and stickers, the initiative's communication materials are sent to the sector professionals, projects companies, contractors, installers, subdealers and many people from the sector once again.

As a following step of this initiative, Türk Prysmian Kablo accredited the reliability of the results of the fire tests realized in its laboratories to evaluate the performance of the cable under fire to Turkish Accreditation Agency. Türk Prysmian Kablo with this certificate once again putted its sign to a "first" in its sector.

Türk Prysmian Kablo Mudanya R&D center has registered as the most comprehensive design, innovation and product development infrastructure by Ministry of Industry and Technology. Türk Prysmian Kablo with this certificate once again put its sign to a "first" in its sector, proving that the results of the fire tests done in Türk Prysmian Kablo's laboratories, R&D center which is one of 25 R&D Centers within Prysmian are appropriate and reliable.

Türk Prysmian Kablo, is proud of realizing a "first project" in Turkish cable sector with its project developed in the context of this initiative "Prysmian Performance Test" (PPT) project that keeps the same speed since 2012.

## **PRYSMIAN PERFORMANCE TEST**

PPT results show that the Prysmian solutions, not only ensures you safe and higher performance but also allows you to work faster reducing the labour cost by up to 50%\* and reducing the total cable cost by up to 12%\*. The main advantages of the right cable decision are safety, performance and economic advantage.

**SAFETY:** Throughout the lifecycle of the cables, they are required to ensure that the transmission function; is one-to-one associated with the quality of the materials used, the design and production technologies. By use of a cable is not correctly selected or manufactured outside the standards, such as losing its function in a short period of time, can cause electrical leakage and fire. Projects that increase the value and safety of cables are used in this context is an essential element.

**PERFORMANCE:** In case of, flame retardant cables, with the spread of flame around for cables is critical to keep to a minimum. However, low toxic smoke gas extracting feature prevents poisoning. Low smoke density and increasing the visibility of vital importance in order to facilitate the evacuation process. In addition, during a fire, fire alarm, emergency exit lighting, ventilation fan, fire, water pump, fire systems, such as lift cables used to carry on the function saves lives. According to research, the main cause of fire deaths (70%), smoke and gases resulting from the combustion of materials. On the effects of the spread of fire and smoke the best-known example of a fatal, resulting in the death of 17 people in 1996, Düsseldorf Airport fire disaster. cable installed in the trays burned and as a result of the combustion of electric cables, passengers have been exposed to the deadly toxic smoke. Therefore, in order to ensure the safety of life and property in case of fire high performance cables should be preferred.

**EASE OF USE:** To comply with construction standards and highperformance cables, as well as in case of fire, ease of use is also important. Cables during installation, create efficiency on labor and on-time advantage. Cable workmanship, comfortable stripping of the outer sheath vessels, filling materials over the cores does not remain within the cable during installation, installing cables easily through the pipes increases the efficiency of labor.

*\*It is based on the reports by independent bodies.*

# ALL CABLES ARE NOT THE SAME...

# Corporate Social Responsibility

Türk Prysmian Kablo has been conducting corporate social responsibility projects since its foundation. The company is leading special projects notably in education, environment, and art while also working on different projects to meet social needs.

Donating the cable infrastructure to “Sahne Hal” founded by a private theater crew named “Tiyatro Hal”, Türk Prysmian Kablo has implemented many different projects over the years, based on its sense of social responsibility and support for art. Within the scope of “Ulubat Lake Management Plan, Stork Friendly Villages Project” in 2008, the electricity system of Eskikaraağaç Village in Karacabey provincial district was renovated to prevent the storks hitting the village’s power lines from injuries. Within the scope of “Fire Prevention Week”, Türk Prysmian Kablo organized a visit to Bursa Fire Department with the children of Mudanya plant employees and the students of Hatice İsmail Hakkı Kayan Elementary School. The event offered children fun times while training them on fire prevention and fire department. Türk Prysmian Kablo joined Bursa Marathon to offer education support for the children in Bursa Education Unit to TEGV in 2015, with its Türk Prysmian Kablo corporate running team.

In 2018, Türk Prysmian Kablo continued to support different organizations. Having donated a total of TL 120,900 to organizations including Mudanya Sports Club and Turkish Education Foundation; a total of TL 118.567 to Zeytinbağı Middle School, within the scope of Cable in My Life Art Workshop, Ömer Tunca, Mudanya Sami Evkuran Anatolian High School, Fethiye Şehit Öğretmen Şekip Akın Elementary School, Gemlik Military Veterinary School, Bursa Provincial Police Department, Mudanya Mehmet Akif Ersoy Mosque, Mudanya Police Department and Mudanya Municipality.

Türk Prysmian Kablo, within the scope of a volunteering project initiated in 2018 and continued in 2019, named “Happiness Bank”, donated coats, boots, books and stationary goods to 400 students at Köşeler Elementary and Middle School in Gaziantep in 2018 and 168 students at Çalıncağ Elementary School in Viranşehir, Şanlıurfa in 2019. In 2019, within the scope of the “A-Team Distributors Meeting”, personal needs of 258 students at Yukarı Sarpın Elementary School located in Viranşehir, Şanlıurfa were met while making up for the several deficiencies.

CSR activities went ahead at full speed and 2019 was no exception. For The Hope Foundation for Children with Cancer, Türk Prysmian Kablo supplied fire-proof cables for the 2. Family Home which serves as an accommodation option for children who are treated for cancer and their families in need. Within the scope of March 21-26 Forestry Week and Tree Festival, the company planted trees on a 10 acres of land with the volunteer work of its employees in order to draw attention to the importance of nature and forests in our life. Within the scope of global volunteering strategy, Türk Prysmian Kablo organized blood donation event at the factory, bringing hope to those who need urgent blood need with its employees wishing to make voluntary blood donation using the blood donation of Turkish Red Crescent. In 2019, Türk Prysmian Kablo organized an event under the motto of “Blue is what matches the sea the most” to clean the coast on which the Mudanya plant is located with voluntary participation of 78 volunteers, raising awareness for cleaner seas and shores after having collected a total of 320 kg garbage including plastics, stubs, paper, glass in one day.

Türk Prysmian Kablo, in 2020 with the inspiration its takes from its mission “Linking Türkiye to a Sustainable Future” continued to work, and as every year gave importance to corporate social responsibility activities. The company sent laptops to students in need through the Association for Supporting Contemporary Life (ÇYDD) due to the interruption of face-to-face education in schools during the pandemic and the new process it brings with it and also donated computers to Şanlıurfa Çalışcağ Primary School. In the same period, the company provided vehicle and driver support to the fillation teams working under the Mudanya District Governorship District Health Directorate. After the earthquake that took place in the Aegean Sea on October 30 and caused great damage in Izmir, Türk Prysmian Kablo, which sent 500 powerbanks to Izmir in order to be distributed to our citizens staying in tents and donated cables to Mudanya Coast Guard Command. Moreover the company made a cash donation of TL 213,806 to institutions including TEİAŞ Youth and Sports Club, Mudanya Police, Mudanya District Health Directorate.

Türk Prysmian Kablo, guided by “Linking Türkiye to the Future”, went ahead with corporate social responsibility activities at full speed in 2021 and continued to support different organizations in numerous projects. To support the reforestation of lands destroyed in Türkiye as a result of wildfires that broke out in July, we donated 5 thousand seedlings to the TEMA Foundation. A donation has been made to the Mother Child Education Fund (AÇEV) that develops and implements educational programs in order for children to feel safe, healthy and have a fair start to life, and for mothers to raise their children with confidence and hope. The Company also extended its support to Turkish Education Foundation (TEV) and Association for Supporting Contemporary Life (ÇYDD), two important foundations that contribute to the development of our society through modern education. Donating cables to Mudanya Coast Guard, Türk Prysmian Kablo, has also provided a photocopy and printer machine to Mudanya Policy Department.

In 2022, Türk Prysmian Kablo carried out many activities in the field of corporate social responsibility, one of the activities performed within the scope of the environmental and social framework of its sustainability mission. As a part of the afforestation efforts for Türkiye, our company donated saplings to the TEMA Foundation. We donated to the Hope Foundation for Children with Cancer (KAÇUV) and the Foundation for Children with Leukemia (LÖSEV), which work for good health and access to treatment for every child. In addition, the Turkish Education Foundation (TEV), the Association for Supporting Contemporary Life (ÇYDD) and the Contemporary Education Cooperative, all of which contribute to the development of our society through modern education, were also provided support. Türk Prysmian Kablo, also made donations to Mudanya Sports Club Association and donated cables to Mudanya Mütareke Primary School and Fatsa Atatürk Vocational and Technical Anatolian High School.

Regularly awarding scholarship to the children of its employees, Türk Prysmian Kablo made donations in cash for 23 children in the academic year of 2014-2015 (valued at TRY 39,600), 25 children in 2015-2016 (valued at TRY 51,480), 25 children in 2016-2017 (valued at TRY 49,995), 22 children in 2017-2018 (valued at TRY 44,055), 20 children in 2018-2019 (valued at TRY 31,950), 22 children in 2019-2020 (valued at TRY 45,000), 22 children in 2020-2021 (valued at TRY 27,000), 25 children in 2021-2022 (valued at TRY 80,000), 25 children in 2022-2023 (valued at TRY 35,000).



# Financial Analysis

## FINANCIAL FIGURES

| Financial Figures                       | 2023           | 2022           |
|-----------------------------------------|----------------|----------------|
| Total Liabilities                       | 5.821.017.014  | 6.637.517.909  |
| Equities                                | 1.063.690.045  | 1.275.985.836  |
| Revenue                                 | 12.472.610.556 | 13.829.947.641 |
| Gross Profit                            | 1.190.639.338  | 1.014.505.460  |
| Net Profit                              | (86.861.035)   | (178.553.357)  |
| EBITDA                                  | 697.778.689    | 340.891.958    |
| Net Working Capital                     | 299.874.401    | 308.243.537    |
| Financial Ratios                        | 2023           | 2022           |
| Current Assets/Current Liabilities      | 1,07           | 1,06           |
| Equities/Total Liabilities              | 0,18           | 0,19           |
| Financial Liabilities/Equities          | 0,170          | 0,094          |
| Financial Liabilities/Total Liabilities | 0,0310         | 0,0181         |
| ROE                                     | (%8,17)        | (%13,99)       |
| EBITDA marg.                            | %7,1           | %4,7           |
| Gross Profit/Revenue                    | %9,5           | %7,3           |

## OVERVIEW

Another year has come and gone in which we broke important ground both in Türkiye and internationally. Despite, particularly, the domestic currency fluctuations, we have successfully completed the 2023 fiscal year thanks to effective corporate policies and strategies.

### Remarkable financial highlights are as follows:

- **Cash and Cash Equivalents** stood at TL 544 Million (TL 412 Million in the previous year).
- **Total Assets** stood at TL 5.821,02 Million (TL 6.637,52 Million in the previous year).
- **Equities** stood at TL 1.063,69 Million (TL 1.275,99 Million in the previous year).
- **Revenues** stood at TL 12.472,61 Million (TL 13.829,95 Million in the previous year).

2023 was a particularly challenging year for financial markets. Financing costs have gone up considerably, with increased collection risks. Despite the adverse circumstances, the company managed to be minimally affected, keeping the risks at the optimum level, thanks to its experience in financial management.

All such risks and the detailed balance sheet and income statement are covered in the Independent Auditors Report for FY 2023, with the disclosures about the balance sheet and income statement summarized below.

2023, PwC Independent Audit and SMMM A.Ş. The fee was 1.072.686 TL (1.035.879 TL in 2022).

Details are given in Footnote 20.

## ASSETS

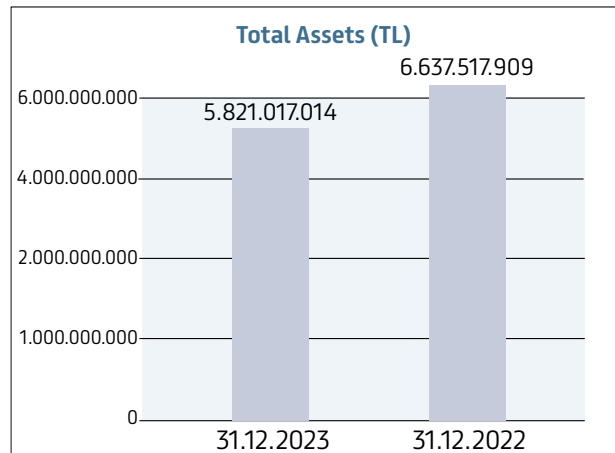
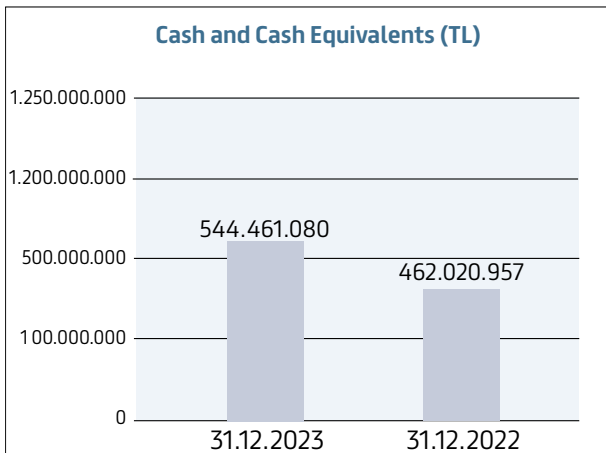
Total cash and cash equivalents are TL 544.461.080.

Short term trade receivables reached TL 1.819.612.585 The average collection period of our receivables was 90 days.

Our inventories is amounted TL 1.214.969.330. The total of raw materials and supplies existing in the inventories amounted to TL 565.569.734 semifinished goods to TL 76.598.434 commercial goods to TL 239.761.451 and finished goods to TL 354.594.325. Inventory provisions totaled TL 21.554.614.

Other current assets totaled TL 358.057.152, of which TL 23.744.723 is our VAT receivables from the Tax Department, TL 334.312.429 is VAT carried over, and the remainder is various current assets.

The total amount of tangible fixed assets is TL 456.752.128, net, after making additions to the net values of fixed tangible assets at the beginning of the year and deducting disposals and accumulated depreciation. The total amount of intangible fixed assets is TL 3.000.630.





## LIABILITIES

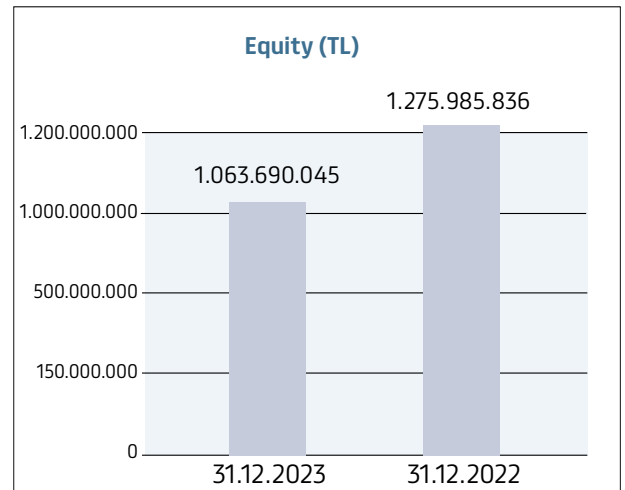
The primary financial instruments used by the Company include operating capital and bank loans.

Trade payables stood at TL 3.445.005.503 TL 1.583.857.558 of this amount is payables to non-affiliated domestic vendors, and TL 1.861.147.945 is the TL amount of payables to affiliated foreign vendors.

The provision for severance pay as required under the Labor Law has been calculated at TL 138.875.895 and at the highest amount at TL 23.489,83 as of end of 2023 for the relevant tax year.

As regards legal reserves, first legal reserve is kept aside in proportion of 5% every year until it reaches 20% of the paid-in capital. Within this framework, the legal reserves stood at TL 70.900.056 at the end of the year.

Our paid-in capital for is up from to TL 216.733.652 through rights issue in 2023 and our equities became stronger at TL 1.063.690.045.



In 2023 fiscal year, our consolidated net loss for the period has been TL 86.861.035.

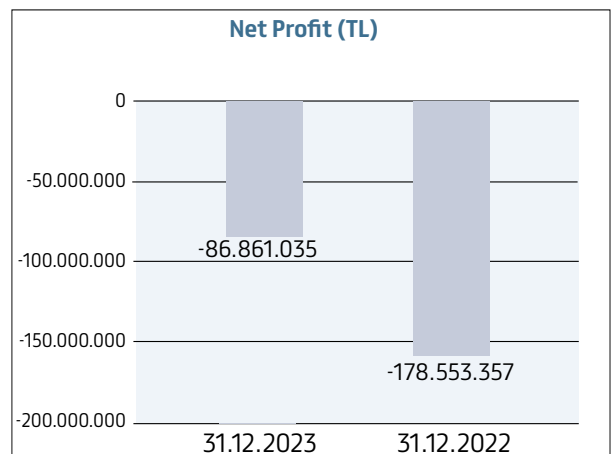
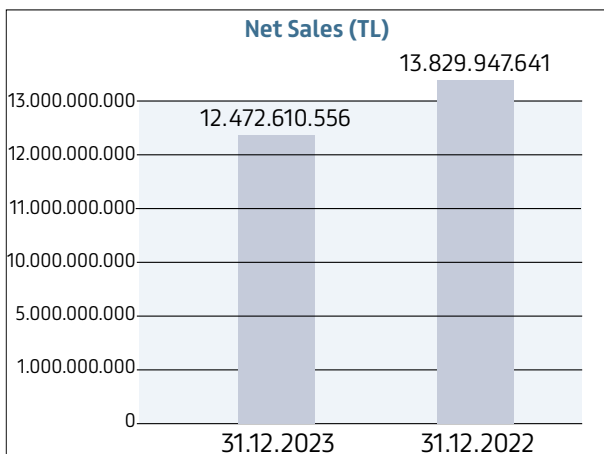
## INCOME STATEMENT

Gross sales totaled TL 12.472.610.556 due to the increase in currency rates and commodity prices. Domestic sales totaled TL 18.196.257.812, and foreign sales stood at TL 2.515.580.177.

The cost of the goods sold totaled TL 11.281.971.218 which corresponded to 90% of our net sales. The cost of the goods sold included the cost of raw materials and auxiliary materials, direct labor, expenditures for general production, overheads and

depreciation, and changes in the inventories of semi-finished and finished goods.

As a result of these actions, our consolidated period's net profit for 2023 stood at TL 86.861.035.



# The Statement of Responsibility & Dividend Distribution Proposal

## TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.

### DECLARATION OF LIABILITY PURSUANT TO ARTICLE 9 OF SECTION TWO OF THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS, SERIES II-14.1

#### REGARDING THE ACCEPTANCE OF FINANCIAL STATEMENTS

**DECISION DATE: 22.02.2024**

**NUMBER OF DECISION: 2024/5**

- a) Our company's consolidated financial statements prepared for the period 01.01.2022 - 31.12.2022 and in comparison with the previous year tables and footnotes have been examined by us,
- b) Within the framework of the information we have in our field of duty and responsibility in our company, the financial statements do not contain an untrue statement on important issues or any deficiencies that may result in misleading as of the date of disclosure,
- c) We declare that, within the framework of the information we have in the field of duty and responsibility in our company, the financial statements prepared in accordance with the financial reporting standards in force, honestly reflect the assets, liabilities, financial position and profit and loss of the business, as well as the reality with significant risks and uncertainties.

#### REGARDING THE ACCEPTANCE OF THE ANNUAL REPORT

**DECISION DATE: 22.02.2024**

**NUMBER OF DECISIONS: 2024/6**

- a) Our company has examined the interim consolidated activity report of our company for the period 01.01.2022 – 31.12.2022 and in comparison with the previous year,
- b) Within the framework of the information we have in our field of duty and responsibility in our company, the financial statements do not contain an untrue statement on important issues or any deficiencies that may result in misleading as of the date of disclosure,
- c) We declare that, within the framework of the information we have in the field of duty and responsibility in our company, the financial statements prepared in accordance with the financial reporting standards in force, honestly reflect the assets, liabilities, financial position and profit and loss of the business, as well as the reality with significant risks and uncertainties.

## TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.

### BOARD RESOLUTION

#### DIVIDEND DISTRIBUTION PROPOSAL

**Date: 05/03/2024**

**Number: 2024/9**

At the meeting of our Board of Directors dated 05.03.2024;

In consideration of the provisions of Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board ("CMB"), Regulations/Decisions/Directories, Corporate Tax Law, Income Tax Law, Tax Procedural Law and other relevant legal statutes, the relevant provisions of the Company's Articles of Association and the "Profit Distribution Policy"; it has been examined and evaluated that

86.861.035 TRY loss "Net Period Loss" has occurred as per the independently audited financial statements dated 31 December 2023 which has prepared in accordance with the Communiqué No. I-14.1 on the Principles of Financial Reporting in the Capital Markets, for the accounting period of our company between 1 January 2023 - 31 December 2023 and "Net Period Loss" of 433.140.978 TRY has occurred as per the legal records kept in accordance with the Tax Procedure Law. For this reason, it has been unanimously resolved by the undersigned members to transfer the loss incurred to the previous years' losses account by not distributing dividend, and to submit this proposal to the approval of our shareholders at the Ordinary General Assembly Meeting of our Company, where the activity results for the 2023 accounting period will be discussed.

# Ordinary General Assembly Agenda

- 1- Opening of the Meeting and formation of the Meeting Council,
- 2- Authorization of the Meeting Council to sign the Minutes of the General Assembly Meeting
- 3- Review of the Reports issued by the Board of Directors and Independent Auditing Company PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Financial Tables of the Company for the Fiscal Period between 01.01.2023 – 31.12.2023.
- 4- Discussion and approval of all the financial tables, reports and accounts of the Fiscal Period between 01.01.2023 – 31.12.2023 which are prepared by the Board of Directors and Independent Auditing Company pursuant to the CMB, TCC, TPL and all other related legislation,
- 5- Release of each member of the Board of Directors,
- 6- Discussion and voting of the proposal made by the Board of Directors in connection with the distribution of the profit made in the Fiscal Period between 01.01.2023 - 31.12.2023,
- 7- Due to the expiry of the mandate of the Board Members, Election of the New Board Members and determination of their term of office and compensation,
- 8- Approval of the Independent Auditing Company to audit the activities and accounts of 2024 in frame of Capital Market Board Regulations and 6102 numbered Turkish Commercial Code which is selected by the Board of Directors based on the suggestion of Audit Committee.
- 9- Furnishing information to the General Assembly on the donations given during the year 2023 and obtaining approval in this respect, determining the upper limit of the donations for 2024,
- 10- Furnishing information to the General Assembly pursuant the CMB legislation, on the guarantees, liens and mortgages given to the third parties.
- 11- Authorization of the shareholders who have the control of management, the members of the Board, the senior officers, and their spouses, consanguinities and affinities up to second degree, to perform the transactions mentioned with the Corporate Governance Principle 1.3.6 and 1.3.7 under the CMB communiqué Serial No:171 and authorization of relevant persons for the such transactions and their allowance to compete; furnishing information to shareholders if such transactions have already been performed during this period.
- 12- In accordance with the provision of Article 12 of the Company's Articles of Association, the approval of the transactions made until the date of General Assembly and discussing the prior approval of the transactions to be made after this date,
- 13- Recommendation and Adjournment,



# Independent Auditor's Report

## CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH To the General Assembly of Türk Prysmian Kablo ve Sistemleri A.Ş.

### 1) Opinion

We have audited the annual report of Türk Prysmian Kablo ve Sistemleri A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

### 2) Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

### 3) Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 22 February 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

### 4) Board of Director's Responsibility for the Annual Report

The Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- To prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- To prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- To include the matters below in the annual report:
  - Events of particular importance that occurred in the Group after the operating year,
  - The Group's research and development activities,
  - Financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

### 5) Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özgür Beşikçioğlu, SMMM  
Partner

Istanbul, 22 February 2024

**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH  
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Türk Prysmian Kablo ve Sistemleri A.Ş.

**A) Audit of the Consolidated Financial Statements**

**1. Our opinion**

We have audited the accompanying consolidated financial statements of Türk Prysmian Kablo ve Sistemleri A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**2. Basis for opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

**3. Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How the key audit matter was addressed in the audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recoverability of trade receivables<br/>(Refer to Notes 2.5, 2.6, 4 and 27)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Trade receivables from third parties amounting TRY1,819,612,585 as of 31 December 2023 are material to the consolidated financial statements.<br><br>The Group management takes into account the customer risk base, guarantees received from its customers, past collection performances, maturity analysis and disputes or claims related to receivables when evaluating recoverability. The determination of doubtful receivables together with the respective provisions includes the Group management's estimations and assumptions. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, recoverability of trade receivables is a key matter for our audit. | We performed the following procedures in relation to the audit of the recoverability of trade receivables:<br><br><ul style="list-style-type: none"> <li>• The Group's credit risk management policy, including credit limit and collection management, were reviewed and assessed.</li> <li>• Trade receivables from non-related parties were tested on a sample basis by sending confirmation letters.</li> <li>• The aging of trade receivable balances were tested on a sample basis.</li> <li>• The collections of trade receivables in the subsequent period were tested on a sample basis.</li> <li>• The guarantee letters received from customers were tested on a sample basis.</li> <li>• Inquiries with the Group management in relation to any disputes with customers or lawsuits regarding the collectability of trade receivables from non-related parties, and written inquiries with the Group's legal counsellors on outstanding litigation and disputes with customers in relation to trade receivables were assessed.</li> <li>• Based on the inquiries with the Group management, the reasonableness of Group management's assumptions and judgements underlying the calculations of impairment of trade receivables were assessed.</li> <li>• The adequacy and appropriateness of the disclosures of recoverability of trade receivables in the consolidated financial statements were assessed in accordance with TFRS.</li> </ul> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the key audit matter was addressed in the audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p><b>Recognition of revenue from construction contracts (Refer to Notes 2.5, 2.6, 16 and 17)</b></p> <p>The amount of the consolidated revenue of the Group for the year ending on 31 December 2023 is TRY12,472,610,556 and TRY1,747,775,320 of the consolidated revenue was recognised in accordance with percentage of completion method and over a period of time as stated in TFRS 15 Revenue from Customer Contracts ("TFRS 15"). The Group accounted contractual assets amounting to TRY383,075,736 and contractual liabilities amounting to TRY117,208,780 in its consolidated financial statement of position as of 31 December 2023 in accordance with TFRS 15.</p> <p>Within the context of this method; amounts, which are recognised as revenue and cost of sales in relation to the ongoing construction projects, are based on the estimations and assumptions stated in construction project budgets. Revenue recognition and the determination of the results of construction projects including specific conditions to relevant projects, estimation of the cost to complete of the projects, the impact of the future incidents on the contract revenue and the recognition of changes in the project, depend on the estimations and judgements of the management. In addition, these estimations and assumptions mainly consist of compliance with the conditions specified in TFRS 15, the expected costs to be incurred for the completion of the project, the conclusion of the contracts and the estimation of the completion rate.</p> <p>Main risks determined by us regarding this matter are inaccurate estimations and assumptions by the management, not revising the budget as required and on time in line with the changing conditions and making inaccurate calculations according to percentage of completion method.</p> <p>Since contract terms and calculations are complex, they have significant impact on the consolidated financial statements and due to above-mentioned risk factors; we considered this matter as a key audit matter.</p> | <p>We performed the following procedures in relation to the audit of recognition of revenue from construction contracts:</p> <ul style="list-style-type: none"> <li>• We understood and assessed the processes for determining the accuracy and timing of the revenue recognition in the consolidated financial statements and controls designed by the Group management.</li> <li>• We reviewed the significant project contracts on a sample basis. We assessed the contract clauses and conditions and tested whether the project conditions have been appropriately reflected to the accounting records when recognising revenue related with relevant contracts as per in line with TFRS 15.</li> <li>• We reviewed the cost budgets for significant construction projects and the historical accuracy and prudence of the budgets and estimations were evaluated. We discussed with the Group management, including project managers, about the progress and cost budgets of construction projects and tested if the changes in budgets can be justified by the incidents.</li> <li>• We tested actual cost budgets (personnel, material, sub-contractor, etc.) by reviewing the supporting documents on a sample basis.</li> <li>• Percentage of completion worksheets prepared by the Group management were tested. Accordingly, existence and accuracy of the actual costs, additional cost to complete of the project, accuracy of the percentage of completion method and total calculations were tested by us using recalculation method. We questioned the expectations in the project schedule in the meetings with accounting and technical teams, and whether the provisions calculated for the projects falling behind the schedule (if any) are in line with the clauses of the contract.</li> <li>• We tested on a sample basis the sales invoices for identification of transfer of control and settlement of terms of contract with customers.</li> <li>• We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to revenue from project contracts with customers in accordance with TFRS.</li> </ul> |

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the key audit matter was addressed in the audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p><b>Application of TAS 29-Financial Reporting in Hyperinflationary Economies</b></p> <p>As described in Note 2.1, TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") is effective for the Group.</p> <p>TAS 29 requires consolidated financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and nonmonetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The implementation of TAS 29 leads to a change in several of the Group's control activities, pervasive and material effects on the consolidated financial statements and the impact of TAS 29 is reliant upon a number of key judgements of the Group management. The preparation of consolidated financial statements using a current purchasing power approach requires a complex series of procedures and reconciliations to ensure accurate results.</p> <p>We considered the application of TAS 29 to be a key audit matter due to the existence of judgements applied in the restatement, high degree of complexity in calculations and the existence of the risk of the data used in the restatement being incomplete or inaccurate.</p> | <p>We performed the following procedures in relation to the audit of the implementation of TAS 29 "Financial reporting in hyperinflationary economies":</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's processes and accounting policies for the implementation of TAS 29.</li> <li>• We gained an understanding and evaluated the relevant controls designed and implemented by management resulting from implementation of TAS 29.</li> <li>• We determined whether the segregation of monetary and non-monetary items made by the management is in accordance with TFRS.</li> <li>• We obtained detailed listings of non-monetary items and tested on a sample basis the original cost and dates of acquisition with supporting documentation.</li> <li>• We evaluated the reasonableness of judgements used by management by comparing them with recognised practices and applying our industry knowledge and experience. We also checked if the judgements were used consistently in all periods.</li> <li>• We tested the restatement of non-monetary items, the consolidated statement profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows with recognition of inflationary effects by checking the methodology and general price index rates used.</li> <li>• We assessed the appropriateness and adequacy of disclosures in the notes to the consolidated financial statements related to the implementation of TAS 29 in accordance with TFRS.</li> </ul> |

#### 4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material

misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### 5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.❌
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. ❌
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.❌
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### B) Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 22 February 2024.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

**Özgür Beşikçioğlu, SMMM**  
**Independent Auditor**  
**Istanbul, 22 February 2024**

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# Financial Statements

Türk Prysmian Kablo ve Sistemleri A.Ş. and its Subsidiaries  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 2022**  
 (Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2023, unless otherwise indicated)

|                                                                           |       | Audited              |                      |
|---------------------------------------------------------------------------|-------|----------------------|----------------------|
|                                                                           |       | 31 December 2023     | 31 December 2022     |
| Assets                                                                    | Notes |                      |                      |
| <b>Dönen varlıklar</b>                                                    |       |                      |                      |
| Cash and cash equivalents                                                 | 3     | 544.461.080          | 462.020.957          |
| Financial investments                                                     | 3     | 59.075.600           | -                    |
| Derivative instruments                                                    | 12    | 65.161.925           | 25.292.882           |
| Trade receivables                                                         |       | 1.819.612.585        | 1.858.820.173        |
| - Due from related parties                                                | 26    | 343.442.705          | 101.077.258          |
| - Due from third parties                                                  | 4     | 1.476.169.880        | 1.757.742.915        |
| Other receivables                                                         |       | 1.576.408            | 124.623              |
| - Due from third parties                                                  | 5     | 1.576.408            | 124.623              |
| Contract assets                                                           |       | 383.075.736          | 1.322.598.704        |
| - Contract assets arising from ongoing construction and contracting busin | 16    | 383.075.736          | 1.322.598.704        |
| Inventories                                                               | 6     | 1.214.969.330        | 1.273.960.492        |
| Prepaid expenses                                                          | 7     | 176.122.855          | 294.337.152          |
| Current income tax assets                                                 | 24    | 283.505.935          | 136.222.722          |
| Other current assets                                                      | 10    | 358.057.152          | 216.306.963          |
| <b>TOTAL CURRENT ASSETS</b>                                               |       | <b>4.905.618.606</b> | <b>5.589.684.668</b> |
| <b>NON-CURRENT ASSETS</b>                                                 |       |                      |                      |
| Property, plant and equipment                                             | 8     | 456.752.128          | 477.878.782          |
| Right of use assets                                                       | 28    | 27.554.234           | 13.350.352           |
| Intangible assets other than goodwill                                     | 9     | 3.000.630            | 4.358.219            |
| Prepaid expenses                                                          | 7     | 1.000.000            | -                    |
| Deferred tax assets                                                       | 24    | 77.784.908           | 77.965.327           |
| Other non-current assets                                                  | 10    | 349.306.508          | 474.280.561          |
| <b>TOTAL NON-CURRENT ASSETS</b>                                           |       | <b>915.398.408</b>   | <b>1.047.833.241</b> |
| <b>TOTAL ASSETS</b>                                                       |       | <b>5.821.017.014</b> | <b>6.637.517.909</b> |

These consolidated financial statements as of and for the year ended 31 December 2023 have been examined by the Audit Committee and approved by the Board of Directors on 22 February 2024. The consolidated financial statements will be finalized upon the approval at the General Assembly.

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

Türk Prysmian Kablo ve Sistemleri A.Ş. and its Subsidiaries  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2022 AND 2021**  
(Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2023, unless otherwise indicated)

|                                                                                      |       | Audited<br>31 December<br>2023 | Audited<br>31 December<br>2022 |
|--------------------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| LIABILITIES                                                                          | Notes |                                |                                |
| <b>Current liabilities</b>                                                           |       |                                |                                |
| Short-term borrowings                                                                | 11    | 173.049.052                    | 115.341.043                    |
| Liabilities arising from leasing transactions                                        | 11    | 7.310.057                      | 4.896.331                      |
| Derivative instruments                                                               | 12    | 53.406.200                     | 24.262.155                     |
| Trade payables                                                                       |       | 3.445.005.503                  | 3.380.440.387                  |
| - Due to related parties                                                             | 26    | 1.861.147.945                  | 1.805.601.243                  |
| - Due to third parties                                                               | 4     | 1.583.857.558                  | 1.574.839.144                  |
| Employee benefit obligations                                                         | 13    | 18.631.251                     | 18.493.783                     |
| Other payables                                                                       |       | 175.000.000                    | 288.352.608                    |
| - Due to related parties                                                             | 26    | 175.000.000                    | 288.352.608                    |
| Contractual obligations                                                              |       | 117.208.780                    | 525.793.253                    |
| - Contractual obligations arising from ongoing construction and contracting business | 7     | 117.208.780                    | 525.793.253                    |
| Deferred income (excluding contractual obligations)                                  | 7     | 212.570.625                    | 336.039.358                    |
| Short-term provisions                                                                |       | 348.046.900                    | 508.989.050                    |
| - Short-term provisions for employee benefits                                        | 13    | 92.630.003                     | 34.638.256                     |
| - Other short-term provisions                                                        | 14    | 255.416.897                    | 474.350.794                    |
| Other current liabilities                                                            | 10    | 55.515.837                     | 78.833.163                     |
| <b>Total Current Liabilities</b>                                                     |       | <b>4.605.744.205</b>           | <b>5.281.441.131</b>           |
| <b>Non-Current Liabilities:</b>                                                      |       |                                |                                |
| Liabilities arising from leasing transactions                                        | 11    | 10.375.615                     | 4.812.966                      |
| Long-term provisions                                                                 |       | 141.207.149                    | 75.277.976                     |
| - Long-term provisions for employee benefits                                         | 13    | 138.875.895                    | 62.007.404                     |
| - Other long-term provisions                                                         | 14    | 2.331.254                      | 13.270.572                     |
| <b>Total Non-Current Liabilities</b>                                                 |       | <b>151.582.764</b>             | <b>80.090.942</b>              |
| <b>Total Liabilities</b>                                                             |       | <b>4.757.326.969</b>           | <b>5.361.532.073</b>           |
| <b>EQUITY</b>                                                                        |       | <b>1.063.690.045</b>           | <b>1.275.985.836</b>           |
| Paid in share capital                                                                | 15    | 216.733.652                    | 216.733.652                    |
| Adjustments to share capital                                                         |       | 1.745.658.215                  | 1.745.658.215                  |
| Repurchased shares (-)                                                               |       | (14.260.062)                   | (14.260.062)                   |
| Premiums related to shares                                                           |       | 232.238.586                    | 232.238.586                    |
| Other comprehensive expense                                                          |       | (133.445.403)                  | (31.571.803)                   |
| - That will not be reclassified to profit or loss                                    |       | (133.445.403)                  | (31.571.803)                   |
| Restricted reserves                                                                  | 15    | 70.900.056                     | 57.318.110                     |
| Retained earnings                                                                    |       | (967.273.964)                  | (751.577.505)                  |
| Net profit/(loss) for the year                                                       |       | 86.861.065                     | 178.553.357                    |
| <b>Total Equity</b>                                                                  |       | <b>1.063.690.045</b>           | <b>1.275.985.836</b>           |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                                  |       | <b>5.821.017.014</b>           | <b>6.637.517.909</b>           |

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

Türk Prysmian Kablo ve Sistemleri A.Ş. and its Subsidiaries  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2022 AND 2021**  
(Amounts expressed in TRY unless otherwise indicated)

|                                                                                  |              | <b>Audited</b>                | <b>Audited</b>                |
|----------------------------------------------------------------------------------|--------------|-------------------------------|-------------------------------|
| <b>PROFIT OR LOSS</b>                                                            | <b>Notes</b> | <b>1 Ocak -31 Aralık 2023</b> | <b>1 Ocak -31 Aralık 2022</b> |
| Revenue                                                                          | 17           | 12.472.610.556                | 13.829.947.641                |
| Cost of sales                                                                    | 17           | (11.281.971.218)              | (12.815.442.181)              |
| <b>Gross profit</b>                                                              |              | <b>1.190.639.338</b>          | <b>1.014.505.460</b>          |
| General administrative expenses (-)                                              | 19           | (294.332.003)                 | (316.777.088)                 |
| Marketing selling and distribution expenses (-)                                  | 19           | (605.556.776)                 | (734.466.947)                 |
| Research and development expenses (-)                                            | 18           | (22.673.970)                  | (18.786.553)                  |
| Other operating income                                                           | 21           | 153.149.565                   | 361.514.739                   |
| Other operating expense (-)                                                      | 21           | (394.171.656)                 | (522.948.775)                 |
| <b>Operating profit/(loss)</b>                                                   |              | <b>27.054.498</b>             | <b>(216.959.164)</b>          |
| Income from investment activities                                                | 22           | 5.709.820                     | 11.892.011                    |
| <b>Operating profit/(loss) before financial income / (expense)</b>               |              | <b>32.764.318</b>             | <b>(205.067.153)</b>          |
| Finance income                                                                   | 23           | 69.131.216                    | 37.444.466                    |
| Financial expenses (-)                                                           | 23           | (501.096.015)                 | (220.879.950)                 |
| Monetary gain / (loss)                                                           | 23           | 328.874.906                   | 271.327.230                   |
| <b>Profit/(loss) before taxation</b>                                             |              | <b>(70.325.575)</b>           | <b>(117.175.407)</b>          |
| <b>Tax expenses</b>                                                              |              | <b>(16.535.460)</b>           | <b>(61.377.950)</b>           |
| Taxation on expense                                                              | 24           | (21.502.270)                  | (176.801.425)                 |
| Deferred tax income                                                              | 24           | 4.966.810                     | 115.423.475                   |
| <b>Net Profit/(Loss) for The Period</b>                                          |              | <b>(86.861.035)</b>           | <b>(178.553.357)</b>          |
| Loss per share                                                                   | 25           | (0,4008)                      | (0,8238)                      |
| <b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>                                      |              |                               |                               |
| <b>Items that will not be reclassified to profit or loss, before tax</b>         |              | <b>(135.831.467)</b>          | <b>(39.464.754)</b>           |
| Actuarial losses from defined benefit plans, before tax                          | 13           | (135.831.467)                 | (39.464.754)                  |
| <b>Total other comprehensive (expense)/income, before tax</b>                    |              | <b>(135.831.467)</b>          | <b>(39.464.754)</b>           |
| <b>Total tax effect of other comprehensive income/expense</b>                    |              | <b>33.957.867</b>             | <b>7.892.951</b>              |
| <b>Total taxes related items that will not be reclassified to profit or loss</b> |              |                               |                               |
| Deferred tax (expenses)/income                                                   | 24           | 33.957.867                    | 7.892.951                     |
| <b>Total other comprehensive income/(expenses)</b>                               |              | <b>(101.873.600)</b>          | <b>(31.571.803)</b>           |
| <b>Total comprehensive income/(expenses)</b>                                     |              | <b>(188.734.635)</b>          | <b>(210.125.160)</b>          |

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

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

Türk Prysmian Kablo ve Sistemleri A.Ş. and its Subsidiaries  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 2022**  
(Amounts expressed in TRY unless otherwise indicated)

|                                                                                 |    | Bağımsız<br>denetimden geçmiş<br>1 Ocak - 31 Aralık<br>2023 | Bağımsız<br>denetimden geçmiş<br>1 Ocak - 31 Aralık<br>2022 |
|---------------------------------------------------------------------------------|----|-------------------------------------------------------------|-------------------------------------------------------------|
| <b>Dipnotlar</b>                                                                |    |                                                             |                                                             |
| <b>Cash flows from operating activities</b>                                     |    | <b>256.958.066</b>                                          | <b>(869.509.264)</b>                                        |
| <b>Net profit / (loss) for the period</b>                                       |    | <b>(86.861.035)</b>                                         | <b>(178.553.357)</b>                                        |
| <b>Adjustments to reconcile the profit/(loss) for the period</b>                |    |                                                             |                                                             |
| Adjustments for tax expense                                                     | 24 | 16.535.460                                                  | 61.377.950                                                  |
| Adjustments for financial expense                                               | 23 | 168.935.874                                                 | 203.366.121                                                 |
| Adjustments for interest income (-)                                             | 23 | (69.131.216)                                                | (37.444.466)                                                |
| Adjustments for unrealized foreign currency conversion differences              |    | 8.349.847                                                   | -                                                           |
| Adjustments for increase in inventories                                         |    | 83.945.143                                                  | 137.684.748                                                 |
| Adjustments for increase in trade receivables                                   |    | (661.862.859)                                               | (423.998.320)                                               |
| Adjustments for increase(decrease) in other receivables arising from operations |    | (401.463.725)                                               | (396.698.614)                                               |
| Adjustments for increases in contract assets                                    |    | 402.772.648                                                 | (593.595.421)                                               |
| Adjustments for decrease in trade payables                                      |    | 1.393.430.271                                               | 724.452.487                                                 |
| Adjustments for increase(decrease) in other payables arising from operations    |    | 130.525.180                                                 | 345.132.829                                                 |
| Adjustments for increase in contract liabilities                                |    | (194.485.511)                                               | 6.944.268                                                   |
| Adjustments for depreciation and amortization expense                           | 20 | 58.848.708                                                  | 72.887.888                                                  |
| Adjustments for impairment                                                      |    | (54.593.464)                                                | (39.678.347)                                                |
| Adjustments for provisions                                                      |    | 29.628.351                                                  | 217.033.692                                                 |
| <b>Total adjustments for the period net profit (loss) reconciliation (+/-)</b>  |    | <b>911.434.707</b>                                          | <b>277.464.815</b>                                          |
| <b>Cash flows from operating activities</b>                                     |    | <b>824.573.672</b>                                          | <b>98.911.458</b>                                           |
| Taxes returns (payments)                                                        |    | (183.230.105)                                               | (217.220.785)                                               |
| Other cash outflows                                                             | 13 | (26.846.000)                                                | (2.352.957)                                                 |
| Adjustments for monetary (loss)/gain                                            |    | (357.539.501)                                               | (748.846.980)                                               |
| <b>Net cash from operating activities</b>                                       |    | <b>256.958.066</b>                                          | <b>(869.509.264)</b>                                        |
| <b>Cash flows from investing activities</b>                                     |    |                                                             |                                                             |
| Cash inflows from the sale of property, plant and equipment                     |    | 9.754                                                       | 128.858                                                     |
| Cash outflows from the purchase of property, plant and equipment (-)            | 8  | (29.184.175)                                                | (29.956.958)                                                |
| Other cash inflows (outflows)                                                   |    | (70.205.781)                                                | 113.187.175                                                 |
| Advances and debts given to other parties                                       |    | -                                                           | 20.511.913                                                  |
| Interest received                                                               |    | 69.131.216                                                  | 37.444.466                                                  |
| Adjustments for monetary (loss)/gain                                            |    | 405.183                                                     | 193.841.045                                                 |
| <b>Net cash from investing activities</b>                                       |    | <b>(29.843.803)</b>                                         | <b>335.156.499</b>                                          |
| <b>Net cash from financing activities</b>                                       |    |                                                             |                                                             |
| Proceeds from borrowings                                                        | 11 | 1.255.116.245                                               | 1.265.481.578                                               |
| Repayments of borrowings                                                        | 11 | (1.153.376.946)                                             | (1.104.749.989)                                             |
| Cash outflows related to lease obligations                                      |    | 488.958                                                     | (3.561.192)                                                 |
| Dividends paid (-)                                                              | 15 | (23.561.156)                                                | (22.938.552)                                                |
| Interest paid (-)                                                               |    | (181.333.401)                                               | (208.924.296)                                               |
| Adjustments for monetary (loss)/gain                                            |    | (42.007.840)                                                | (44.085.298)                                                |
| <b>Net cash from financing activities</b>                                       |    | <b>(144.674.140)</b>                                        | <b>(118.777.749)</b>                                        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                     |    | <b>82.440.123</b>                                           | <b>(653.130.514)</b>                                        |
| <b>Cash and cash equivalents at the beginning of the period</b>                 |    | <b>462.020.957</b>                                          | <b>1.115.151.471</b>                                        |
| <b>Cash and cash equivalents at the end of the period</b>                       |    | <b>544.461.080</b>                                          | <b>462.020.957</b>                                          |

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

# Footnotes

## Türk Prysmian Kablo ve Sistemleri A.Ş. and its Subsidiaries CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2023 AND 2022 (Amounts expressed in TRY in terms of the purchasing power of TRY at 31 December 2023, unless otherwise indicated)

### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Türk Prysmian Kablo ve Sistemleri A.Ş. ("Company") and its subsidiaries (collectively referred to as the "Group") were established and are operating in Turkey. The Group is engaged in the production, import, export and trade of all kinds of cables, conductors, machinery, apparatus, tools and equipment, and their spare parts and accessories. The Company was established in 1964 and continues its activities under the parent company of Draka Holding BV, which currently owns 83,75% of its shares. The Group's shares have been traded in Borsa İstanbul A.Ş. ("BIST") since 1986. The share of the Group that is traded in BIST is 16.25% (31 December 2022: 16.25%). The ultimate parent of the Group is Prysmian SpA, located in Italy.

The subsidiary of the Group is Türk Prysmian - Prysmian Powerlink DB. KAB. 19 İşi Adi Ortaklığı (Ordinary Partnership); is engaged in DB KAB19 referenced 400 kV Çanakkale Strait (Lapseki 3-Sütlüce 3) crossing and İzmit Körfez (Hersek-Dilovası) crossing Submarine Cable Connection works projects. It was established in 2021 in line with the opinion of the Revenue Administration. 99.99% of this subsidiary is owned by the Company and the remaining 0.01% of shares are owned by Prysmian Powerlink Srl.

The publicly traded Group operates in one line of business (cable manufacturing and sales) and in one geographic region. The Group's product range includes all energy cables up to 220 kV, communication cables with copper conductors up to 3,600 pairs and fiber optic cables. The Group's factory is located in Bursa Mudanya, and this factory also includes thermal, mechanical, chemistry and electrical scientific research and test laboratories with TSE qualification, with the high technological level in the cable sector.

The registered address of the Company in the commercial registry is Ömerbey Mahallesi, Bursa Asfaltı Caddesi, No:51, 16941, Mudanya, Bursa and registered on 20 December 2012 at Ömer Avni Mah. İnebolu Sok. Haktan İş Merkezi No:39 K:2 Setüstü Kabataş Beyoğlu İstanbul has its registered office in İstanbul. The average number of personnel employed by the Group in the period ending as of 31 December 2023 is 589 (31 December 2022: 598).

The details of the Group's subsidiaries are as follows:

| Subsidiary                                                                   | Types of activities | Main fields of activity |
|------------------------------------------------------------------------------|---------------------|-------------------------|
| Türk Prysmian - Prysmian Powerlink DB. KAB. 19 Business Ordinary Partnership | Sales               | Energy cables sales     |

Approval of the consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors on 22 February 2024 and authorized for publication. The General Assembly and some other regulatory institutions and organizations have the authority to change the consolidated financial statements.

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

#### 2.1 Basis of Presentation

##### Declaration of conformity with TFRS

The Company and its subsidiaries located in Turkey keep and prepare their legal books and statutory financial statements in accordance with the accounting principles determined by the Turkish Commercial Code ("TCC") and tax legislation.

The consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board ("CMB"), Serial II, No. 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 June 2013 and numbered 28676. and Turkish Accounting Standards and their annexes and comments ("TFRS"), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority ("KGGK"), pursuant to Article 5 of the Communiqué.

The consolidated financial statements have been presented in accordance with the formats determined in the "Announcement on TMS Taxonomy" published by POA on October 4, 2022 and the Financial Statement Examples and User Guide published by the CMB.

The consolidated financial statements are prepared on the historical cost basis, except for derivative financial instruments measured at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

##### Financial reporting in hyperinflationary economy

The Group has prepared the consolidated financial statements as of 31 December 2023 and for the annual reporting period ending on the same date by applying TAS 29 "Financial Reporting in Hyperinflation Economies" Standard according to the announcement made and "Implementation Guide on Financial Reporting in Hyperinflation Economies" published by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy have to be prepared on purchasing power on reporting date and comparative period information is expressed in terms of current measurement unit at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 December 2022 on the basis of purchasing power as of 31 December 2023.

In accordance with CMB's decision dated 28 December 2023 and numbered 81/1820, it is decided that issuers and capital market institutions subject to financial reporting regulations implementing TAS to apply inflation accounting starting from the annual financial statements for the period ended as of 31 December 2023.

Adjustments have been made in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TAS29 Standard requires that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods be rearranged in the same way. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%.

Restatements made in accordance with TAS 29, is made by using the conversion coefficient derived from the Customer Price Indexes (CPI) published by Turkish Statistical Institute. Indexes and the conversion coefficients used in restatements of the consolidated financial statements of the current period and previous periods since 1 January 2005 are as follow:

| Date             | Index    | Conversion Coefficient | 3-Year Compound Inflation Rate |
|------------------|----------|------------------------|--------------------------------|
| 31 December 2023 | 1.859,38 | 1,00000                | %268                           |
| 31 December 2022 | 1.128,45 | 1,64773                | %156                           |
| 31 December 2021 | 686,95   | 2,70672                | %74                            |

The main procedures that the Group has applied for the purpose of financial reporting in hyperinflationary economy are as follows:

- Current period financial statements prepared Turkish Lira denominated, are stated in terms of purchasing power as of balance sheet date. Prior reporting period figures are also stated in terms of purchasing power as of reporting period end date by restating.
- Monetary assets and liabilities are not restated because they are already expressed in terms of purchasing power at the balance sheet date. In the cases that value of inflation-adjusted nonmonetary items exceed recoverable amount or net realizable value, TAS 36 and TAS 2 has applied, respectively.
- Non-monetary items and monetary items, that are not stated in terms of purchasing power at the balance sheet date and components of shareholders' equity are restated by applying the relevant conversion coefficient.
- All the statement of comprehensive income items except the ones that non-monetary items in the balance sheet that have an impact on the statement of comprehensive income, are indexed with the conversion coefficient calculated over the periods that profit and loss accounts reflected in financial statements.
- The effect of inflation in the net monetary assets/liabilities position of the Group in the current period, amounting to TRY328,874,906 in 2023, has recorded as net monetary position gain in the consolidated statement of profit and loss(2022: TRY271,327,230).

#### Comparative information

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit valid at the end of the reporting period.

In order to allow the determination of financial position and performance, the Group's consolidated financial statements are prepared in comparison with the previous period. The Company presented the consolidated statement of financial position at 31 December 2023 comparatively with the statement of consolidated financial position at 31 December 2022. The Group presented the statements of consolidated profit or loss and other comprehensive income, cash flows and changes in equity for the period 1 January 2023 - 31 December 2023 comparatively with the consolidated statements of profit or loss and comprehensive income, cash flows and changes in equity for the period 1 January 2022 - 31 December 2022. Comparative information for the previous reporting period is expressed in purchasing power as of 31 December 2023.

#### Functional and reporting currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in TRY, which is the Company's functional and presentation currency.

#### Going Concern

The Company has prepared its financial statements according to the going concern principle.

#### Consolidation principles

The Company and its Subsidiaries registered in Turkey comply with the principles and conditions issued by the CMB, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in keeping accounting records and preparing legal financial statements.

The consolidated financial statements are prepared based on the legal records of the Group and expressed in TRY and have been prepared by reflecting the necessary adjustments and classifications, including those related to changes in the purchasing power of TRY, in order to present the Group's situation in accordance with TFRS.

Consolidated financial statements include the financial statements of the Company and its subsidiaries, Control is provided by the Company's fulfillment of the following conditions:

- Having power over the invested group;
- Being open to or entitled to variable returns to be obtained by the investee group;
- Ability to use power to have an impact on .

In the event that a situation or event arises that may cause any change in at least one of the criteria listed above, the Group re-evaluates whether it has control over its investment. In cases where the company does not have majority voting rights on the investee company, it has control power over the investee company, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment. The Group considers all relevant events and circumstances in assessing whether the majority of the votes in the relevant investment is sufficient to exercise control, including the following:

- Comparison of the voting rights of the Group with the voting rights of other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual agreements; and
- Other events and conditions that may indicate whether the Group has the current power to manage the relevant activities (including voting at previous general assembly meetings) in cases where a decision is required.

Consolidation of a subsidiary begins when the Group has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal. Each item of profit or loss and other comprehensive income belongs to the parent shareholders and non-controlling interests. Even if the non-controlling interests result in a reverse balance, the total comprehensive income of the subsidiaries is transferred to the parent shareholders and non-controlling interests. Since non-controlling interests do not have a significant share in the net assets, current period consolidated profit or loss and other comprehensive income or expenses of the subsidiary, they are named as "non-controlling interests" in the consolidated statements of profit or loss and other comprehensive income and expense and changes in consolidated equity. also not classified. All intragroup assets and liabilities, equity, income and expenses, and cash flows from transactions between Group companies are eliminated on consolidation.

## 2.2 Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements for the accounting period 1 January - 31 December 2023 have been applied in a consistent manner with the consolidated financial statements prepared as of 31 December 2022. Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated.

## 2.3 Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in the current period if the change is made, if it relates to only one period, and in both the period in which the change is made and in future periods if it relates to future periods. There has been no significant change in the accounting estimates of the Group in the current year.

## 2.4 Amendments in Turkish Financial Reporting Standards (Continued)

### a) Standards, amendments, and interpretations applicable as of 31 December 2023:

#### • Narrow scope amendments to TAS 1, Practice Statement 2 and TAS 8;

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

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

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

#### • TFRS 17, 'Insurance Contracts';

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

#### • Amendment to TAS 12 - International tax reform;

The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The above changes did not have a material impact on the financial position or performance of the Group.

### b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023::

#### • Amendment to TAS 1 – Non-current liabilities with covenants;

effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

#### • Amendment to TFRS 16 – Leases on sale and leaseback;

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

#### • Amendment to TAS 7 and TFRS 7 on Supplier finance arrangements;

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

#### • Amendment to TAS 21 - Lack of Exchangeability ;

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

#### • TFRS S1, 'General requirements for disclosure of sustainability-related financial information;

Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

#### • TFRS S2, 'Climate-related disclosures';

Effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group will evaluate the effects of the above changes on its operations and apply it as of their effective date. It is expected that the implementation of the above standards and interpretations will not have a significant impact on the Group's consolidated financial statements in the future.

## 2.5 Summary of significant accounting policies

### Related parties

Related parties are people or businesses that are related to the entity that prepared its consolidated financial statements (the reporting entity).

#### a) directly, or indirectly through one or more intermediaries, the party:

- (i) controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
- (ii) Has significant impact on the Company,
- (iii) The Company or a parent of the Company is a member of the key management personnel.

#### b) An entity is related to a reporting entity if any of the following conditions exist:

- (i) The entity and the reporting entity are members of the same group (ie, each parent, subsidiary, and other subsidiary is related to the others).
- (ii) The entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
- (iii) If both entities are joint ventures of the same third party.

- (iv) If one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity.
- (v) If the entity has post-employment benefit plans for employees of the reporting entity or an entity associated with the reporting entity.
- (c) An entity is associated with the reporting entity if any of the following conditions exist:
  - (i) The sponsoring employers are also related to the reporting entity if the reporting entity itself has such a plan.
  - (ii) The entity is controlled or jointly controlled by a person identified in (a).
  - (iii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).
  - (iv) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## Revenue

The accrual basis is applied in the determination of income and expense items. Accordingly, revenue, income and profits are accounted for in comparison with costs, expenses and losses for the same period.

### Goods and services sales

The Group adopted TFRS 15, "Revenue From Contracts with Customers"; which proposes a five step model framework mentioned below for recognizing the revenue

- Identify the contact with customers,
- Identify separate performance obligations in the contract,
- Determine the transaction price in contract,
- Allocate the transaction price to the performance obligations in the contract,
- Recognise revenue.

The Group recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

According to this model, the goods or services undertaken in each contract with the customers are evaluated and each commitment to transfer the goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled in time or at a certain time. If the company transfers the control of a good or service over time and thus fulfils the performance obligations related to the sales in time, it measures the progress of the fulfilment of the performance obligations in full and takes the proceeds to the financial statements. Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

The Group recognizes a contract with its customer as revenue when all of the following conditions are met.

- a) The parties to the convention have ratified the contract (in accordance with written, oral or other commercial practices) and undertakes to perform their acts,
- b) The Group may define rights related to the goods or services to be transferred by each party,
- c) The Group may define payment terms for the goods or services to be transferred,
- d) The contract is essentially commercial,
- e) It is probable that the Group will be charged for the goods or services to be transferred to the customer. When evaluating whether the collectability of a price is probable, the entity shall consider only the customer's ability to pay the price at the due date and its intent.

The Group generates revenue from the production and sale of energy cables, copper conductor communication cables and fiber optic cables. Revenue is recognized when control of the products is transferred to the customer.

The Group evaluates the transfer of control of the goods sold to the customer,

- Ownership of the right to collect goods or services
- Ownership of the right of the customer
- The transfer of the physical possession of the goods
- Ownership of significant risks and benefits of property ownership
- Takes into account the conditions of the customer's acceptance of the goods.

For each performance obligation, the Group determines whether it has fulfilled its performance obligation at the beginning of the contract or whether the performance obligation fulfilled at a certain point in time. The Group records revenue from product sales in the financial statements following the transfer of control to the customer.

In the event that the Company has the right to collect a price directly corresponding to the value of its customer (from the delivery of products), the Group pays the revenue to the financial statements for the amount that it has the right to invoice.

If the group expects to pay back some or all of the amount collected from a customer to that customer, it reflects a refund liability in the financial statements. The refund obligation is calculated over the part of the amount that the business collects (or will be paid) that it does not expect to receive. The return obligation is updated at the end of each reporting period, taking into account changes in conditions.

### Interest income

Interest income is calculated over the effective interest rate and accrued. In case of accruing unpaid interest prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods, and only the post-acquisition portion is reflected in the financial statements as income.

### Construction contracts

In case the results of construction contracts cannot be estimated reliably, the income to be obtained from the contract is accounted for as much as the recoverable portion of the realized contract expenses. Contract expenses are recognized when incurred.

Contract revenue is recognized over the contract period when the outcome of construction contracts can be estimated reliably, and the contract is likely to yield a profit. Changes to contracts, requested payments and incentive payments are added to contract revenues at the rate accepted by the customer and as long as they can be measured reliably.

Where it is probable that total contract expenses will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Group uses the "percentage of completion method" to determine the appropriate amount of revenue to be recognized for the relevant period. The completion stage is measured according to the contract expenses incurred in the period up to the balance sheet date as a percentage of the total costs estimated for each contract. Expenses incurred during the period related to a future activity within the scope of the contract are presented to the contract expenses in determining the stage of completion. Progress payments that have not been paid by the customers and the amounts retained as collateral over the progress payments are included in the "trade receivables" account.

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

## Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements in inventories; It consists of all purchase costs. Net realizable value is calculated by deducting the estimated sales expenses required to make the sale from the estimated selling price in normal market conditions (Note 7). Cost of inventories is calculated according to the weighted average cost method. When the net realizable value of the inventory falls below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the income statement in the year in which the impairment occurred. In cases where the conditions that previously caused the inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment allocated is cancelled. The cancelled amount is limited to the previously reserved impairment amount.

## Property, plant and equipment

Property, plant and equipment are presented at their net value after deducting accumulated depreciation and accumulated impairment losses from their acquisition cost. Land and lands are not subject to depreciation and are shown at cost less accumulated impairment losses.

Assets under construction for administrative purposes or for other purposes that have not yet been determined are shown at cost less any impairment loss, if any. Legal fees are also included in the cost. When these assets are completed and ready for use, they are classified into the relevant property, plant and equipment. Such assets are depreciated when they are ready for use, as is the depreciation method used for other fixed assets.

Cost amounts of property, plant and equipment, excluding land and ongoing investments, are depreciated over their expected useful lives using the straight-line method. The expected useful life, residual value and depreciation method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

Buildings, underground and surface improvements, machinery, facilities and devices are capitalized and depreciated as soon as they are brought to the necessary condition and location in order to be able to operate in line with the management's purposes. It is estimated that the salvage value of tangible fixed assets is not significant. In each reporting period, the salvage value and approximate useful lives of tangible fixed assets are reviewed and necessary adjustments are reflected prospectively.

A property, plant and equipment is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The gain or loss resulting from the disposal of tangible fixed assets or the retirement of a tangible asset is determined as the difference between the sales revenue and the book value of the asset and is included in the income statement.

The depreciation periods of tangible fixed assets are as follows:

### Useful life

|                                |            |
|--------------------------------|------------|
| Buildings                      | 4-50 years |
| Machinery, plant and equipment | 5-20 years |
| Motor vehicles                 | 5 years    |
| Fixtures                       | 2-10 years |
| Specific costs                 | 4-10 years |

Subsequent costs are included in the asset's carrying value recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are reviewed for impairment losses, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, property plant and equipment assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use. If the property, plant and equipment that are impaired, are revalued, the impairment is charged to the revaluation reserves to the extent that the amount offsetting previous increases of the same asset charged in the revaluation reserves and all other decreases are recognised in the consolidated statement of comprehensive income.

Repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred. The Group derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Major overhauls are depreciated over shorter of their useful lives or the remaining useful life of the related assets.

Gains or losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are included in income/expense as appropriate.

## Intangible assets

### Purchased intangible assets

Purchased intangible assets with finite lives are reported at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and depreciation method are reviewed every year in order to determine the possible effects of the changes in the estimates and the changes in the estimates are accounted for prospectively. Purchased intangible assets with indefinite lives are reported at cost less accumulated impairment losses.

### Computer software

Purchased computer software is capitalized over the costs incurred during its purchase and during the period from purchase until it is ready for use. These costs are amortized over their useful lives.

The amortization periods used for intangible assets are as follows:

#### Useful lives

Rights

3-10 years

### **Impairment of intangible assets other than tangible assets and goodwill**

At each reporting date, the Group examines the book value of its tangible and intangible assets to determine whether the assets are impaired. In case of impairment of assets, the recoverable amount of assets, if any, is measured in order to determine the amount of impairment. Where the recoverable amount of an asset cannot be measured, the Group measures the recoverable amount of the cash-generating unit associated with the asset. If a reasonable and consistent allocation basis is determined, Group assets are allocated to cash-generating units. Where this is not possible, Group assets are allocated to the smallest cash-generating units to determine a reasonable and consistent basis of allocation.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is the present value of the expected future cash flows from an asset or cash-generating unit. In calculating value in use, a pre-tax discount rate is used, which reflects the value in use of money according to the market assessment in the current period and the risks specific to the asset that are not taken into account in estimating future cash flows.

When the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized directly in profit or loss. If the impairment loss is reversed in subsequent periods, the carrying amount of the asset (or related cash-generating unit) is increased to correspond to the estimated amount re-updated for the recoverable amount. The increased carrying amount should not exceed the carrying amount of the asset (or related cash-generating unit) that it would have had had no impairment loss been recognized for the asset in prior periods. The reversal of an impairment loss is recognized directly in profit or loss.

## Financial instruments

### Financial assets

#### Classification

The Group accounts its financial assets in two classes as "financial assets at amortized cost" and "financial assets at fair value through profit or loss". The classification is made on the basis of the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets on the date of purchase. Financial assets are not reclassified after initial recognition, except when the Group's business model in the management of financial assets changes. In case of business model change, financial assets are reclassified on the first day of the following reporting period after the change.

#### Classification and measurement

Financial assets that are not traded in an active market and are not derivative instruments, which the Group management has adopted the "contractual cash flow collection business model" and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are "amortized". are classified as "assets accounted for at cost". If their maturities are less than 12 months from the date of the consolidated statement of financial position, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables", "other receivables" and "cash and cash equivalents" items in the consolidated statement of financial position.

Financial assets at fair value through profit or loss; "derivative instruments" items in the consolidated statement of financial position and "financial instruments" held for trading purposes, which are obtained for the purpose of benefiting from the fluctuations in prices and similar factors in the short-term in the market, or which are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition, consists of "assets". Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Group consist of transactions related to forward foreign currency purchase and sale contracts. Financial assets measured at fair value and associated with the profit or loss statement are initially reflected in the consolidated statement of financial position with their cost values, including transaction costs. These financial assets are valued over their fair values in the periods following their recording. Realized or unrealized gains and losses are accounted for in "income/expenses from main operations". Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss.

### Derecognition

The Group derecognises the financial asset when the contractual rights to the cash flows on the financial asset expire or when it transfers the related rights and ownership of all the risks and rewards related to the financial asset in a trading transaction. Any rights created or held in financial assets transferred by the Group are accounted for as a separate asset or liability.

Impairment of financial assets and contract assets is calculated using the “Expected Credit Loss” (EXP) model. The impairment model is applied to amortized cost financial assets and contract assets.

Loss provisions are measured on the following basis;

- 12-month ECLs: ECLs resulting from possible default events within 12 months of the reporting date.
- Lifetime ECLs: ECLs resulting from all possible default events over the expected life of a financial instrument.

The lifetime ECL measurement is applied if, at the reporting date, the credit risk associated with a financial asset increases significantly after initial recognition. In all other cases where the relevant increase was not experienced, the 12-month ECL calculation was applied.

The Group may determine that if the credit risk of the financial asset has a low credit risk at the reporting date, the credit risk of the financial asset has not increased significantly. However, lifetime ECL measurement (simplified approach) always applies to trade receivables and contract assets without a significant financing element.

### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand accounts and bank deposits with maturities less than 3 months. Cash and cash equivalents are stated at their fair values in the consolidated financial statements

### **Trade receivables**

Trade receivables consist of current account receivables, forward notes and checks. Trade receivables are reflected from the invoiced amount with their carrying values after the provision for impairment in accordance with the ECL model, and are measured at their amortized cost using the effective interest method in cases where the effect is significant.

The “simplified approach” is applied within the scope of the impairment calculations of trade receivables accounted at amortized cost in the financial statements. With this approach, allowances for losses on trade receivables are measured at an amount equal to “lifetime expected credit losses”, in cases where trade receivables are not impaired for specific reasons (other than realized impairment losses). Under the simplified approach, the Company accounts for the provision for impairment in accordance with the ECL model, taking into account the guarantees it has received from its customers.

In the event that all or part of the amount of the impaired receivable is collected following the provision for impairment, the collected amount is deducted from the provision for impairment and recorded in the “Other income (expenses) from main operations” accounts (Note 21).

Foreign exchange gains (losses) on commercial transactions are recognized in the consolidated statement of profit or loss under the “other operating income (expenses)” account (Note 21).

It is assumed that the amortized cost values of trade receivables, after the provision for impairment, are close to the fair value of the assets.

### **Financial liabilities**

A financial liability is measured at fair value at initial recognition. During the initial recognition of financial liabilities whose fair value difference is not recognized in profit or loss, the transaction costs directly attributable to the underwriting of the related financial liability are added to the said fair value. Financial liabilities are accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate in the following periods.

### **Leases**

#### **The Group – as a lessee**

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

- The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
  - i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
  - ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

The Group reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

### **Right of use asset**

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)..

The Group re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value. The Group applies TAS16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment.

Applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to recognize any identified impairment losses.

### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date.
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option. and penalties for early termination of a lease unless the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured:

- Increasing the carrying amount to reflect interest on lease liability,
- Reducing the carrying amount to reflect the lease payments made and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The duration of the contract that make up the Group's lease liabilities varies between 1 and 5 years.

### **Trade payables**

Trade payables represent the payments to be made for the goods and services provided from the suppliers in the ordinary course of operations. Trade payables are measured initially at their fair value and subsequently at amortized cost using the effective interest method (Note 4).

### **Derivative financial instruments**

The Group's activities expose the entity to financial risks, mainly due to changes in exchange rates and interest rates. The Group uses derivative financial instruments (mainly exchange rate forward contracts) to hedge financial risks associated with exchange rate fluctuations due to certain binding commitments and forecasted future transactions.

Financial assets at fair value through profit or loss; "derivative instruments" items in the consolidated statement of financial position and "financial instruments" held for trading purposes, which are obtained for the purpose of benefiting from the fluctuations in prices and similar factors in the short-term in the market, or which are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition. consists of "assets". Derivative instruments are recognized as an asset if the fair value is positive and as a liability if the fair value is negative. Derivative instruments of the Group consist of transactions related to forward foreign currency purchase and sale contracts. Financial assets measured at fair value and associated with the profit or loss statement are initially reflected in the consolidated statement of financial position with their cost values, including transaction costs. These financial assets are valued over their fair values in the periods following their recording. Realized or unrealized gains and losses are accounted for in "income/expenses from main operations". Financial assets that constitute derivative products that have not been determined as an effective hedging instrument against financial risk are also classified as financial assets at fair value through profit or loss.

Derivative financial instruments are calculated with their fair value at the contract date and recalculated with their fair value in subsequent reporting periods.

#### The effective interest method

It is the method of valuing the financial asset at amortized cost and allocating the related interest income to the related period.

Effective interest rate; It is the rate that exactly discounts the estimated future cash received over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial asset.

### **Effects of currency changes**

#### Foreign currency transactions and balances

The financial statements of each enterprise of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial position and operating results of each business are expressed in TRY, which is the functional currency of the Group and the presentation unit for the consolidated financial statements.

During the preparation of the financial statements of each enterprise, transactions in foreign currencies (currencies other than TRY) are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the statement of financial position are translated into Turkish Lira using the exchange rates prevailing on the balance sheet date. Among the non-monetary items that are followed at fair value, those recorded in foreign currency are translated into TRY based on the exchange rates at the date of determination of the fair value. Foreign currency non-monetary items measured at historical cost are not reconverted.

### **Earnings per share**

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

### **Subsequent events**

Subsequent events consist of all events between balance sheet date and date of authorization for validity, even if they have been existed after public explanation of an announcement about profit or other financial information.

The Group adjusts the amounts included in the consolidated financial statements in accordance with this new situation, in case of occurrence of events requiring adjustment after the balance sheet date.

### **Contingent assets and liabilities**

A provision is made in the financial statements if there is a present obligation as a result of past events, it is probable that the obligation will be settled and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is calculated by estimating in the most reliable way the expense to settle the obligation as of the balance sheet date, taking into account the risks and uncertainties associated with the obligation. If the provision is measured using the estimated cash flows required to settle the present obligation, the carrying amount of the provision is equal to the present value of the relevant cash flows.

Where it is expected that some or all of the economic benefits required to settle the provision are expected to be met by third parties, the amount to be collected is recognized as an asset if it is almost certain that the amount will be collected and can be measured reliably.

### Contracts that will cause loss

Existing liabilities arising from contracts that will cause loss are calculated and accounted for as provisions. If the Group has a contract that exceeds the unavoidable costs to be incurred in order to fulfill its contractual obligations, the economic benefits expected to be obtained in relation to the contract in question, the contract that will cause loss is deemed to exist.

### Warranty provisions

Provisions for warranty costs are recognized at the date of sale of the related products, according to the most appropriate expenditure estimated by the management to meet the obligations of the Group.

### **Government incentives and aids**

Government incentives are not reflected in the financial statements without reasonable assurance that the enterprise will fulfill the conditions necessary to obtain the incentive and that the incentive will be obtained.

Government grants are systematically recognized in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as an expense. Government incentives, which are a financing instrument, should be associated with the statement of financial position as deferred income and systematically reflected in profit or loss over the economic life of the relevant assets, rather than being recognized in profit or loss to clarify the expenditure item they finance.

Government grants given to cover previously incurred expenses or losses or to provide emergency financing support to the business without incurring any future costs are recognized in profit or loss in the period they become collectible.

### **Taxes calculated on corporate income**

Since Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare a consolidated tax return, tax provisions have been calculated on a separate-entity basis, as reflected in the accompanying consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense. Tax is included in the income statement unless it relates to a transaction accounted for directly under equity. Otherwise, the tax is accounted for under equity along with the related transaction.

### **Current corporate tax**

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the balance sheet date.

In Turkey, the corporate tax rate is 25% for 2023 (2022: 23%). The corporate tax rate is applied to the net income, which will be found as a result of adding the expenses that are not deductible in accordance with the tax laws to the commercial income of the institutions and deducting the exemptions and deductions in the tax laws. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

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

Dividend payments made to resident companies in Turkey, to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 10% income tax.

Dividend payments from companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation. In the statements of financial position dated 31 December 2023 and 31 December 2022, the tax amounts to be paid are netted for each subsidiary and are classified as gross in the consolidated financial statements.

### **Deferred tax**

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except when the Group is able to control the temporary differences and it is unlikely that the temporary differences will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of the deferred tax asset is reduced to the extent that it is not probable that a financial profit will be obtained to allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and that have been enacted or substantially enacted as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities, if there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the in-kind tax authority, or if the Group intends to settle current tax assets and liabilities on a net basis, is deducted.

### **Current period tax expense and deferred tax**

Tax expense includes current period tax expense and deferred tax expense. Tax is included in the income statement unless it relates to a transaction accounted for directly under equity. Otherwise, the tax is accounted for under equity along with the related transaction.

Period tax expense is calculated considering the tax laws in force in the countries where the Group's subsidiaries and investments accounted for using the equity method operate as of the date of the statement of financial position.

In the Turkish tax system, financial losses can be offset against financial profits within the following five years, but it is not possible to offset (retrospectively) against previous years' earnings. In addition, a provisional tax of 25% is paid on the bases declared in the interim periods during the year, to be offset against the corporate tax in 2023 (31 December 2022: 23%). As of 31 December 2023, and 31 December 2022, tax provisions have been allocated within the framework of the applicable tax legislation.

75% of the profits arising from the sale of participation shares held in the Group's assets for more than two years, as well as founding shares, usufruct shares and preemptive rights held for the same period, and 25% of the profits arising from the sale of immovable properties included in the Group's assets for the same period, are subject to Corporate Tax. It is exempt from tax, provided that it is added to the capital as stipulated in the Law or kept in a special passive fund account for 5 years.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values

for financial reporting purposes. Deferred tax is calculated using tax rates enacted or substantively enacted at the statement of financial position date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

### **Employee benefits**

#### *Severance pay:*

According to the provisions of current laws and collective bargaining agreements in Türkiye, severance pay is paid in case of retirement or dismissal. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are considered as defined retirement benefit plans.

Severance pay liability recognized in the statement of financial position is calculated according to the net present value of the expected future liability amounts due to the retirement of all employees and reflected in the consolidated financial statements. All calculated actuarial gains and losses are accounted for under other comprehensive income.

#### *Accumulated leave provisions:*

Liabilities arising from unused leave rights, which are defined as long-term provisions provided to employees, are accounted for by accruing in the periods in which they are vested.

### **Statement of cash flows**

In the consolidated statement of cash flows, cash flows for the period are classified and reported based on operating, investing and financing activities.

Cash flows from operating (core) operations represent the cash flows from the Group's core business transactions.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (tangible and intangible assets).

Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources.

### **Capital and dividends**

Ordinary shares are classified as equity. Dividends distributed over ordinary shares are recorded by deducting from the accumulated profit in the period when the dividend decision is taken.

### **Repurchased shares**

Repurchased shares are presented as "Repurchased shares" by deducting the cost values, including the parts exceeding the nominal value of these shares, in case the Group buys its own shares. Gains or losses from the Group's repurchased shares are also accounted for under equity.

### **Issue premiums related to shares**

Share premiums represent the difference between the nominal values and fair values of the shares issued by the Group.

## **2.6 Significant accounting evaluations, estimates and assumptions**

The preparation of financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. The Group makes predictions and assumptions about the future. Accounting estimates may not result in exactly the same amounts as the actual results due to their nature. Some estimates and assumptions that may cause significant adjustments in the carrying value of assets and liabilities in the next financial reporting period are as follows:

#### *a) Accounting for construction contracts*

The Group uses the percentage of completion rate method in accounting for construction contracts. According to this method, the ratio of the contract expense incurred until a certain date to the estimated total cost of the contract is calculated. The Group uses the "percentage of completion" method in accounting for fixed price contracts to account revenue related to long term contractual construction projects. The percentage of completion method requires estimating the service performed in proportion to the total service to be delivered (Note 16).

#### *b) Deferred taxes*

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its legal taxable financial statements and its financial statements prepared in accordance with TFRS. The Group has unused tax losses that can be deducted from future profits and deferred tax assets consisting of other deductible temporary differences. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections, expiry dates of unused losses and other tax assets, and tax planning strategies that can be used when necessary are considered. In the light of the data obtained, if the future taxable profit of the Group is not sufficient to cover all deferred tax assets, a provision is made for all and part of the deferred tax asset (Note 24).

#### *c) Impairment of trade receivables*

Provision for impairment of trade receivables is calculated under the simplified approach in accordance with the ECL model. Pursuant to the said model, the Group monitors its customers in terms of past payment performances and receivables aging. In calculating the provision for impairment, it calculates the net risk by taking into account the guarantees it has received on the basis of customers in the relevant groups, and uses the expected loan loss rates that it has determined based on past experience (Note 4).

d) *Impairment of inventory*

Inventories are physically inspected for impairment of inventory, their availability is determined in line with the opinions of technical personnel, and a provision is made for items that are not expected to be used. As a result of these studies, a provision is made for inventories with a net realizable value below the cost value (Note 6).

## 2.7 Statement of Compliance with TFRS and Policy Decisions Issued by KGK

Company management is responsible for the preparation and fair presentation of financial statements in accordance with TFRSs published by KGK and KGK policy decisions. The company management declares that the current and previous period financial statements, the summary of important accounting policies and footnotes are prepared and presented in accordance with TFRS.

## 2.8 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the key management that takes strategic decisions.

The chief operating decision makers regularly monitor and review the operational results based on the main products' performances and domestic/ foreign market basis. Main products and domestic/ foreign markets can be separately defined as operating segments. On the other hand, considering that the production process of each product type, the processed products obtained as a result of this process, the raw materials in the production process, the customer portfolio together with the domestic/foreign sales channels, and the legislation and laws affecting the Group's activities are significantly similar. In accordance with the relevant provisions in the TFRS 8 "Operating Segments", the financial information is not reported according to the operating segments, since the Group has only one reportable operating segment.

## NOTE 3 - CASH AND CASH EQUIVALENTS

|                         | 31 December 2023   | 31 December 2022   |
|-------------------------|--------------------|--------------------|
| Cash                    | 6.763              | 9.430              |
| Bank                    | 412.070.857        | 179.541.561        |
| - Time deposit          | 404.147.662        | 88.534.124         |
| - Demand deposit        | 7.923.195          | 91.007.437         |
| Cheques and notes       | 83.051.090         | 208.216.645        |
| Credit card receivables | 49.332.370         | 74.253.321         |
|                         | <b>544.461.080</b> | <b>462.020.957</b> |

The Group's time deposits are in TRY, USD and EUR with average maturities less than one week and annual weighted average effective interest rates are 41.10%, 2% and 2% respectively. (31 December 2022: Time deposits are in TRY and EUR and annual weighted average effective interest rates are 23% and 2.50%, respectively). Checks and credit card receivables have a maturity of less than 3 months.

The maturity of foreign-currency-linked deposit is 6 months amounting to TRY59,075,600 which shown in financial investments as of 31 December 2023. (31 December 2022: None)

Credit risks of banks with group deposits are evaluated by taking into account independent data and no credit risk is expected.

The market values of cash and cash equivalents approximate their carrying values including the accrued interest income at the balance sheet date. As of 31 December 2023 and 2022, the Group has blocked deposits for POS receivables amounting to TRY83,051,090 (31 December 2022: TRY208,216,645).

| Currency | 31 December 2023 | 31 December 2022  |
|----------|------------------|-------------------|
| TRY      | 1.153.094        | 1.458.755         |
| USD      | 6.770.101        | 55.015.707        |
| EUR      | -                | 34.532.975        |
|          | <b>7.923.195</b> | <b>91.007.437</b> |

As of 31 December 2023 and 2022, the details of the Group's time deposits are as follows:

|     | 31 December 2023   | 31 December 2022  |
|-----|--------------------|-------------------|
| TRY | 326.194.642        | 61.211.492        |
| USD | 52.636.258         | -                 |
| EUR | 25.316.762         | 27.322.632        |
|     | <b>404.147.662</b> | <b>88.534.124</b> |

## NOTE 4 - TRADE RECEIVABLES AND PAYABLES

| Short-term trade receivables           | 31 December 2023     | 31 December 2022     |
|----------------------------------------|----------------------|----------------------|
| Trade receivables                      | 1.399.280.113        | 1.450.036.627        |
| Notes receivables                      | 225.031.517          | 485.487.521          |
| Trade receivables from related parties | 343.442.705          | 101.077.258          |
| Less: Provision for impairment         | (148.141.750)        | (177.781.233)        |
|                                        | <b>1.819.612.585</b> | <b>1.858.820.173</b> |

The average maturity period of the Group's trade receivables is 3 months (31 December 2022: 3 months). The carrying value of trade receivables approximates their amortized costs, Details of trade receivable balances in foreign currency are shown in Note 27.

The movement table of the provision for impairment in trade receivables is as follows:

|                                                   | 2023                 | 2022                 |
|---------------------------------------------------|----------------------|----------------------|
| <b>At the beginning of the period - 1 January</b> | <b>(177.781.233)</b> | <b>(282.040.963)</b> |
| Provisions made during the period                 | (83.113.503)         | (9.770.960)          |
| Provisions no longer required                     | 42.866.445           | 2.702.295            |
| Monetary (loss)/gain, net                         | 69.886.541           | 111.328.395          |
| <b>At the end of the period - 31 December</b>     | <b>(148.141.750)</b> | <b>(177.781.233)</b> |

The allowance for doubtful receivables for trade receivables has been determined by estimating expected credit losses based on past experience of uncollectibility. The aging of trade receivables is as follows

|                  | 31 December 2023     | 31 December 2022     |
|------------------|----------------------|----------------------|
| <b>Overdue</b>   | <b>349.886.090</b>   | <b>184.398.537</b>   |
| 0 - 30 days      | 491.855.063          | 938.089.349          |
| 31 - 60 days     | 456.551.822          | 600.197.536          |
| 61 - 90 days     | 501.839.335          | 69.122.493           |
| 91 and more days | 19.480.276           | 67.012.258           |
|                  | <b>1.819.612.585</b> | <b>1.858.820.173</b> |

| Time past due:   | 31 December 2023   | 31 December 2022   |
|------------------|--------------------|--------------------|
| 0 - 30 days      | 235.771.416        | 149.352.772        |
| 31 - 90 days     | 31.075.989         | 12.831.657         |
| 91 and more days | 83.038.685         | 22.214.108         |
|                  | <b>349.886.090</b> | <b>184.398.537</b> |

The collection risk of trade receivables is limited due to the Group's wide and dispersed customer base, which covers production and distribution. The Group's experience in the collection of trade receivables in the past years shows that the provisions set aside are sufficient. For this reason, the Group management believes that there is no additional trade receivable risk other than the provision for possible collection losses. Credit risk assessment related to trade receivables is disclosed in Note.

| Short-term trade payables         | 31 December 2023     | 31 December 2022     |
|-----------------------------------|----------------------|----------------------|
| Trade payables to related parties | 1.861.147.945        | 1.805.601.243        |
| Trade payables                    | 1.582.171.287        | 1.486.500.245        |
| Expense accruals (*)              | 1.686.271            | 88.338.899           |
|                                   | <b>3.445.005.503</b> | <b>3.380.440.387</b> |

(\*) Expense accruals consist of amounts that have been finalized and have not yet been invoiced

Average payment term of the Group's trade payables is 3 months (31 December 2022: 3 months).

The Group has financial risk management policies implemented to ensure that all its debts are paid within the lending period.

As of 31 December 2023, the Group has commercial debt of TRY10,457,615 (USD354,600) with letter of credit (31 December 2022: TRY3,743,316 (USD121,500)).

## NOTE 5 - OTHER RECEIVABLES AND PAYABLES

| Other receivables from unrelated parties | 31 December 2023   | 31 December 2022   |
|------------------------------------------|--------------------|--------------------|
| Deposits and guarantees given            | 1.576.408          | 124.623            |
| Other short-term payables                |                    |                    |
| Other payables to related parties (*)    | 175.000.000        | 288.352.608        |
|                                          | <b>175.000.000</b> | <b>288.352.608</b> |

(\*) It consists of short-term financial debts that the Group receives from Headquarters for its operational activities. As of 31 December 2022, the effective weighted interest rate of other debts in TL currency is 44.48% and their maturity is less than one year.

## NOTE 6 - INVENTORIES

|                                          | 31 December 2023     | 31 December 2022     |
|------------------------------------------|----------------------|----------------------|
| Raw materials                            | 565.569.734          | 368.585.312          |
| Semi products                            | 76.598.434           | 213.715.361          |
| Finished product                         | 354.594.325          | 614.293.759          |
| Trade goods                              | 239.761.451          | 123.874.655          |
| Less: Provision for inventory impairment | (21.554.614)         | (46.508.595)         |
|                                          | <b>1.214.969.330</b> | <b>1.273.960.492</b> |

In the accounting period of 1 January - 31 December 2023, the cost of first materials and materials associated with the cost of sales is TRY7,642,214,022 (31 December 2022: TRY9,181,832,732) (Note 17).

The movement of inventory impairment during the year is as follows:

|                                                   | 2023                | 2022                 |
|---------------------------------------------------|---------------------|----------------------|
| <b>At the beginning of the period - 1 January</b> | <b>(46.508.595)</b> | <b>(126.433.999)</b> |
| Increase during the period                        | (21.554.614)        | (46.508.595)         |
| Used during the period                            | 46.508.595          | 126.433.999          |
| <b>At the end of the period - 31 December</b>     | <b>(21.554.614)</b> | <b>(46.508.595)</b>  |

TRY7,549,968 of inventory impairment provisions consists of finished goods, TRY5,586,432 of raw materials and materials and TRY15,089,473 of commercial goods.

## NOTE 7 - PREPAID EXPENSES AND DEFERRED TAX

| Short-term prepaid expenses       | 31 December 2023   | 31 December 2022   |
|-----------------------------------|--------------------|--------------------|
| Order advances for projects (*)   | 170.261.227        | 255.036.387        |
| Expenses for incoming months (**) | 5.861.628          | 39.300.765         |
|                                   | <b>176.122.855</b> | <b>294.337.152</b> |

(\*) It consists of the order advances given to the suppliers for the construction projects of the Group over the years.

(\*\*) Expenses for the next months consist of insurance policies.

| Long-term prepaid expenses  | 31 December 2023 | 31 December 2022 |
|-----------------------------|------------------|------------------|
| Expenses for incoming years | 1.000.000        | -                |
|                             | <b>1.000.000</b> | -                |

| Short-term contractual obligations and deferred income       | 31 December 2023   | 31 December 2022   |
|--------------------------------------------------------------|--------------------|--------------------|
| Contractual obligations (*)                                  | 212.570.625        | 336.039.358        |
| Order advances received (except for contractual obligations) | 117.208.780        | 525.793.253        |
|                                                              | <b>329.779.405</b> | <b>861.832.611</b> |

(\*) Order advances received consist of cash advances received from customers regarding the Group's projects. A significant portion of the order advances received consists of the cash advances received for the Submarine project made with TEIAS in 2021.

## NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

|                                       | 1 January 2022         | Additions           | Disposals          | 31 December 2022       |
|---------------------------------------|------------------------|---------------------|--------------------|------------------------|
| <b>Cost</b>                           | 71.314.234             | -                   | -                  | 71.314.234             |
| Land                                  | 869.217.485            | -                   | -                  | 869.217.485            |
| Buildings                             | 3.621.597.680          | 27.051.151          | -                  | 3.648.648.831          |
| Machinery and equipment               | 97.436.398             | -                   | (2.241.468)        | 95.194.930             |
| Vehicles, floors and fixtures         | 263.014.428            | 2.133.024           | -                  | 265.147.452            |
| Specific costs                        | 1.299.980              | -                   | -                  | 1.299.980              |
| Ongoing investments                   | 1.067.518              | -                   | -                  | 1.067.518              |
|                                       | <b>4.924.947.723</b>   | <b>29.184.175</b>   | <b>(2.241.468)</b> | <b>4.951.890.430</b>   |
| <b>Less: Accumulated depreciation</b> |                        |                     |                    |                        |
| Buildings (-)                         | (665.594.769)          | (20.025.403)        | -                  | (685.620.172)          |
| Machinery and equipment (-)           | (3.440.042.388)        | (26.050.488)        | -                  | (3.466.092.876)        |
| Vehicles (-)                          | (86.342.498)           | (2.149.444)         | 2.231.714          | (86.260.228)           |
| Fixtures (-)                          | (253.789.306)          | (2.075.740)         | -                  | (255.865.046)          |
| Leasehold improvements (-)            | (1.299.980)            | (2.075.740)         | -                  | (255.865.046)          |
|                                       | <b>(4.447.068.941)</b> | <b>(50.301.075)</b> | <b>2.231.714</b>   | <b>(4.495.138.302)</b> |
| <b>Net book value</b>                 | <b>477.878.782</b>     |                     |                    | <b>456.752.128</b>     |

As of 31 December 2023, the Group has depreciation and amortization expenses amounting to TRY58,848,708 (31 December 2022: TRY72,887,88) which consists of TRY50,301,075 (31 December 2022: TRY67,152,664) for tangible assets, TRY7,190,044 (31 December 2022: TRY3,916,416) for right-of-use assets and TRY1,357,589 (31 December 2022: TRY1,818,808) for intangible assets. Of the current period depreciation and amortization expenses, TRY31,081,120 (31 December 2022: TRY48,038,864) is reflected to the cost of sales, TRY27,445,504 (31 December 2022: TRY24,665,830) to general administrative expenses, TRY309,151 (31 December 2022: TRY158,873) to marketing expenses and TRY12,933 (31 December 2022: TRY24,321) to research and development expenses. An important part of the plant, machine and device additions in 2023 consists of the purchase of cable outer sheath and insulation spraying machine.

|                                       | 1 January 2022         | Additions           | Disposals          | 31 December 2022       |
|---------------------------------------|------------------------|---------------------|--------------------|------------------------|
| <b>Cost</b>                           |                        |                     |                    |                        |
| Land                                  | 71.314.234             | -                   | -                  | 71.314.234             |
| Buildings                             | 868.762.081            | 455.404             | -                  | 869.217.485            |
| Machinery and equipment               | 3.600.427.008          | 21.170.672          | -                  | 3.621.597.680          |
| Vehicles                              | 98.912.503             | 2.793.015           | (4.269.120)        | 97.436.398             |
| Fixtures                              | 257.476.561            | 5.537.867           | -                  | 263.014.428            |
| Leasehold improvements                | 1.299.980              | -                   | -                  | 1.299.980              |
| Construction in progress              | 1.067.518              | -                   | -                  | 1.067.518              |
|                                       | <b>4.899.259.885</b>   | <b>29.956.958</b>   | <b>(4.269.120)</b> | <b>4.924.947.723</b>   |
| <b>Less: Accumulated depreciation</b> |                        |                     |                    |                        |
| Buildings (-)                         | (645.597.196)          | (19.997.573)        | -                  | (665.594.769)          |
| Machinery and equipment (-)           | (3.402.510.894)        | (37.531.494)        | -                  | (3.440.042.388)        |
| Vehicles (-)                          | (85.386.184)           | (5.096.576)         | 4.140.262          | (86.342.498)           |
| Fixtures (-)                          | (249.262.285)          | (4.527.021)         | -                  | (253.789.306)          |
| Leasehold improvements (-)            | (1.299.980)            | -                   | -                  | (1.299.980)            |
|                                       | <b>(4.384.056.539)</b> | <b>(67.152.664)</b> | <b>4.140.262</b>   | <b>(4.447.068.941)</b> |
| <b>Net book value</b>                 | <b>515.203.346</b>     |                     |                    | <b>477.878.782</b>     |

#### NOTE 9 - INTANGIBLE ASSETS

|                                 | 1 January 2023      | Additions          | 31 December 2023    |
|---------------------------------|---------------------|--------------------|---------------------|
| <b>Cost</b>                     |                     |                    |                     |
| Rights                          | 26.760.855          | -                  | 26.760.855          |
|                                 | <b>26.760.855</b>   | -                  | <b>26.760.855</b>   |
| <b>Accumulated amortisation</b> |                     |                    |                     |
| Rights (-)                      | (22.402.636)        | (1.357.589)        | (23.760.225)        |
|                                 | <b>(22.402.636)</b> | <b>(1.357.589)</b> | <b>(23.760.225)</b> |
| <b>Net book value</b>           | <b>4.358.219</b>    | -                  | <b>3.000.630</b>    |

|                                 | 1 January 2022      | Additions          | 31 December 2022    |
|---------------------------------|---------------------|--------------------|---------------------|
| <b>Cost</b>                     |                     |                    |                     |
| Rights                          | 26.760.855          | -                  | 26.760.855          |
|                                 | <b>26.760.855</b>   | -                  | <b>26.760.855</b>   |
| <b>Accumulated amortisation</b> |                     |                    |                     |
| Rights (-)                      | (20.583.828)        | (1.818.808)        | (22.402.636)        |
|                                 | <b>(20.583.828)</b> | <b>(1.818.808)</b> | <b>(22.402.636)</b> |
|                                 | <b>6.177.027</b>    |                    | <b>4.358.219</b>    |
| <b>Net book value</b>           | <b>4.358.219</b>    | -                  | <b>3.000.630</b>    |

## NOTE 10 - OTHER ASSETS AND LIABILITIES

| Other non-current assets         | 31 December 2023   | 31 December 2022   |
|----------------------------------|--------------------|--------------------|
| Transferred VAT (*)              | 334.312.429        | 134.586.847        |
| Receivables from tax office (**) | 23.744.723         | 81.720.116         |
|                                  | <b>358.057.152</b> | <b>216.306.963</b> |

(\*) It consists of the short-term part of the value added taxes that have not been deducted due to the change in the communiqué regarding export registered sales.

(\*\*) It consists of SCT and other VAT receivables from the tax office.

| Other non-current assets | 31 December 2023   | 31 December 2022   |
|--------------------------|--------------------|--------------------|
| Deferred VAT (*)         | 349.306.508        | 474.280.561        |
|                          | <b>349.306.508</b> | <b>474.280.561</b> |

(\*) It consists of long term part of the value added taxes that have not been deducted due to the change in the communiqué regarding export registered sales which are expected to be refunded after one year period. The refund process is ongoing and VAT receivables, which are expected to take more than one year to be refunded, have been classified as non-current assets by the Group management.

| Other short-term current liabilities | 31 December 2023  | 31 December 2022  |
|--------------------------------------|-------------------|-------------------|
| Taxes and funds payable              | 55.248.002        | 78.391.841        |
| Other                                | 267.835           | 441.322           |
|                                      | <b>55.515.837</b> | <b>78.833.163</b> |

## NOTE 11 - BORROWINGS

| Short-term borrowings                                  | 31 December 2023   | 31 December 2022   |
|--------------------------------------------------------|--------------------|--------------------|
| Short-term bank borrowings                             | 173.049.052        | 115.341.043        |
| Short-term liabilities arising from lease transactions | 7.310.057          | 4.896.331          |
|                                                        | <b>180.359.109</b> | <b>120.237.374</b> |
| Long-term borrowings                                   |                    |                    |
| Long-term liabilities arising from lease transactions  | 10.375.615         | 4.812.966          |
|                                                        | <b>10.375.615</b>  | <b>4.812.966</b>   |

Carrying values of short-term financial borrowings and liabilities arising from lease transactions approximate to their fair values.

As of 31 December 2023, the repayment details of the Group's bank loans are as follows:

### 31 December 2023

| Currency | Maturity    | Effective interest rate (%) | Short-term         | Long-term |
|----------|-------------|-----------------------------|--------------------|-----------|
| TRY      | 3-12 months | 27,08                       | 124.104.182        | -         |
| TRY      | 3-12 months | 8,42                        | 48.944.870         | -         |
|          |             |                             | <b>173.049.052</b> | -         |
| Currency | Maturity    | Effective interest rate (%) | Short-term         | Long-term |
| TRY      | 1 year      | 14,30                       | 115.341.043        | -         |
|          |             |                             | <b>115.341.043</b> | -         |

The repayment schedule of borrowings is as follows:

|           | 31 December 2023   | 31 December 2022   |
|-----------|--------------------|--------------------|
| In 1 year | 173.049.052        | 115.341.043        |
|           | <b>173.049.052</b> | <b>115.341.043</b> |

The movement table of financial borrowings as of 1 January - 31 December 2023 and 2022 is as follows:

| At the beginning of the period - 1 January    | 2023               | 2022               |
|-----------------------------------------------|--------------------|--------------------|
| <b>1 January</b>                              | <b>115.341.043</b> | -                  |
| New financial debts received                  | 1.255.116.245      | 1.265.481.578      |
| Principal payments                            | (1.134.224.960)    | (1.104.749.989)    |
| Change in foreign exchange                    | (8.349.847)        | -                  |
| Change in interest accruals                   | (10.802.138)       | (49.504)           |
| Monetary gain                                 | (44.031.291)       | (45.341.042)       |
| <b>At the end of the period - 31 December</b> | <b>173.049.052</b> | <b>115.341.043</b> |

## NOTE 12 - DERIVATIVE INSTRUMENTS

| 31 December 2022                      | Contract amount        | Fair value        | Contract EUR        | Contract USD        |
|---------------------------------------|------------------------|-------------------|---------------------|---------------------|
| <b>Derivative assets</b>              |                        |                   |                     |                     |
| Foreign currency forward transactions | 871.351.825            | 11.755.725        | 29.000.000          | -                   |
|                                       | -                      | <b>11.755.725</b> | -                   | -                   |
| <b>31 December 2021</b>               | <b>Contract amount</b> | <b>Fair value</b> | <b>Contract EUR</b> | <b>Contract USD</b> |
| <b>Derivative liabilities</b>         |                        |                   |                     |                     |
| Foreign currency forward transactions | 507.870.427            | 1.030.727         | 32.740.379          | 7.744.327           |
|                                       | -                      | <b>1.030.727</b>  | -                   | -                   |

The Group uses foreign currency derivatives to hedge significant future transactions and cash flows from financial risk. The Group is a party to various forward foreign currency contracts, depending on the management of exchange rate fluctuations. Derivative instruments purchased are mainly in foreign currencies in the market in which the Group operates.

These contracts are related to foreign exchange risks in 2023 and 2022 and are renewed when necessary.

The change in the fair value of foreign currency derivative transactions for hedging purposes is recorded in the profit or loss statement during the period.

## NOTE 13 - EMPLOYEE BENEFITS

| Employee benefits payables                         | 31 December 2023        | 31 December 2022        |
|----------------------------------------------------|-------------------------|-------------------------|
| Social security deductions to be paid ("SGK")      | 11.147.371              | 6.583.115               |
| Taxes and funds payable                            | 3.979.088               | 6.145.567               |
| Payables to personnel                              | 3.504.792               | 5.765.10                |
|                                                    | <b>18.631.251</b>       | <b>18.493.783</b>       |
| <b>Short-term provisions for employee benefits</b> | <b>31 December 2023</b> | <b>31 December 2022</b> |
| Personnel provisions                               | 68.000.000              | 8.849.804               |
| Personnel bonus provisions                         | 16.017.462              | 15.466.041              |
| Provision for unused vacation                      | 8.612.541               | 6.038.201               |
| Personnel for a fee provisions                     | -                       | 4.284.210               |
|                                                    | <b>92.630.003</b>       | <b>34.638.256</b>       |

The movement tables regarding personnel premium provisions as of 31 December 2023 and 2022 are as follows:

|                                                   | 2023             | 2022             |
|---------------------------------------------------|------------------|------------------|
| <b>At the beginning of the period - 1 January</b> | <b>4,284,210</b> | <b>6,105,212</b> |
| Paid during the year                              | (4,284,210)      | (6,105,212)      |
| Provisions during the year                        | -                | 4,284,210        |
| <b>At the end of the period - 31 December</b>     | <b>-</b>         | <b>4,284,210</b> |

|                                                      | 31 December 2023   | 31 December 2022  |
|------------------------------------------------------|--------------------|-------------------|
| <b>Long-term provisions due to employee benefits</b> |                    |                   |
| Provisions for employee termination benefits         | 138.875.895        | 62.007.404        |
|                                                      | <b>138.875.895</b> | <b>62.007.404</b> |

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The compensation to be paid is equal to one month's salary for each year of service, and this amount is limited to TRY23,489.83 as of 31 December 2023 (31 December 2022: TRY25,327.90). The provision for severance pay is not legally subject to any funding and there are no funding requirements. The provision for severance pay is calculated by estimating the present value of the probable obligation to be paid in case of retirement of the employees, taking into account actuarial assumptions.

TAS 19, "Employee Benefits"; It envisages the development of actuarial valuation methods to estimate the severance pay provision of the Company. Accordingly, the following actuarial assumptions were used in the calculation of the provision:

The following actuarial assumptions were used in the calculation of the total liability:

|                    | 31 December 2023 | 31 December 2022 |
|--------------------|------------------|------------------|
| Inflation rate (%) | 25,10            | 18,40            |
| Discount rate (%)  | 21,90            | 0,50             |

The basic assumption is that the ceiling provision for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The severance pay provision of the Company is calculated over TRY19,982.83 (1 January 2022: TRY10,848.59), effective as of 1 January 2023, since the severance pay ceiling is adjusted semi-annually:

Movements of the provision for employment termination benefits were as follows:

|                                                    | 2023               | 2022              |
|----------------------------------------------------|--------------------|-------------------|
| <b>At the beginning of the period - 1 January</b>  | <b>62,007,404</b>  | <b>51,842,898</b> |
| Current service cost                               | 3,391,000          | 3,027,900         |
| Interest costs                                     | 3,949,000          | 5,781,882         |
| Defined benefit plans remeasurement gains/(losses) | 135,831,467        | 39,464,754        |
| Payments                                           | (26,846,000)       | (2,352,957)       |
| Monetary (gain)/loss, net                          | (39,456,976)       | (35,757,072)      |
| <b>At the end of the period - 31 December</b>      | <b>138,875,895</b> | <b>62,007,404</b> |

## NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

| Other short-term provisions                             | 31 December 2023   | 31 December 2022   |
|---------------------------------------------------------|--------------------|--------------------|
| Various provisions for ongoing projects (*)             | 222.279.874        | 251.377.787        |
| Expense accruals related to overseas service agreements | 20.484.470         | 67.085.259         |
| Provisions for maintenance and repair expenses (***)    | 11.232.648         | 21.602.817         |
| Provision for copper incentive (**)                     | -                  | 23.034.529         |
| Provisions for commission expenses                      | -                  | 13.492.206         |
| Other                                                   | 1.419.905          | 97.758.196         |
|                                                         | <b>255.416.897</b> | <b>474.350.794</b> |

(\*) Provisions arising from the purchase agreements made by the Group for the projects that are at the order stage.

(\*\*) The copper incentive provision is a record taken against the risk of withdrawal of the copper incentive for not being able to sell the copper with incentives to third world countries.

| Other long-term provisions        | 31 December 2023 | 31 December 2022   |
|-----------------------------------|------------------|--------------------|
| Warranty provision                | 2.331.254        | 3.841.275          |
| Provisions related to litigations | -                | 9.429.297          |
|                                   | <b>2.331.254</b> | <b>13.270.5720</b> |

The amount in question represents the provisions for the lawsuits brought against the Group by various parties. The provision amount is recognized as general administrative expense in the profit or loss statement.

The balance dated 31 December 2023 is not expected to be paid within one year. In the opinion of the management, with the appropriate legal opinion, these lawsuits will not result in a significant loss beyond the amount of the provision as at 31 December 2023.

As of 31 December 2023 and 2022, the movements in the provision for lawsuits during the period are as follows:

|                                                   | 2022             | 2021             |
|---------------------------------------------------|------------------|------------------|
| <b>At the beginning of the period - 1 January</b> | <b>3.841.275</b> | <b>1.460.946</b> |
| Increase during the period                        | (1.510.021)      | 2.380.329        |
| <b>At the end of the period - 31 December</b>     | <b>2.331.254</b> | <b>3.841.275</b> |

As of 31 December 2023 and 2022, the movements of warranty provisions during the period are as follows:

|                                                   | 2022             | 2021             |
|---------------------------------------------------|------------------|------------------|
| <b>At the beginning of the period - 1 January</b> | <b>3.841.275</b> | <b>1.460.946</b> |
| Increase during the period                        | (1.510.021)      | 2.380.329        |
| <b>At the end of the period - 31 December</b>     | <b>2.331.254</b> | <b>3.841.275</b> |

| Guarantees received                           | 31 December 2022     | 31 December 2021     |
|-----------------------------------------------|----------------------|----------------------|
| Guarantee letters                             | 1.129.364.681        | 1.186.296.328        |
| Credit insurance                              | 659.378.822          | 936.330.943          |
| Bails                                         | 118.316.258          | 122.862.134          |
| Letters of credit                             | 22.078.650           | 23.107.301           |
| <b>At the end of the period - 31 December</b> | <b>1.929.138.411</b> | <b>2.268.596.706</b> |

A significant portion of the Group's collaterals received consist of the assurance collaterals received from customers regarding their trade receivables

| Guarantees given                              | 31 December 2022     | 31 December 2021     |
|-----------------------------------------------|----------------------|----------------------|
| Guarantee letters                             | 1.831.997.365        | 1.414.729.960        |
| <b>At the end of the period - 31 December</b> | <b>1.831.997.365</b> | <b>1.414.729.960</b> |

A significant portion of the letters of guarantee given were given to customers, customs directorates and tax offices regarding the projects the Group received in 2022.

The Group's collateral/pledge/mortgage/guarantee ("CPM") position is as follows:

|                                                                                                     | 31 December 2023 | 31 December 2022 |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
| A. Total amount of CPM given for the Group's own legal personality                                  | 980.149.749      | 1.000.999.124    |
| B. Total amount of CPM given on behalf of fully consolidated companies                              | 637.393.828      | 2.017.636.403    |
| C. Total amount of CPM given for continuity of its economic activities on behalf of third parties   | -                | -                |
| D. Total amount of other CPM                                                                        | -                | -                |
| i) Total amount of CPM given behalf of the majority shareholder                                     | -                | -                |
| ii) Total amount of CPM given to on behalf of other third parties which are not in scope of B and C | -                | -                |
| iii) Total amount of CPM given on behalf of third parties which are not in scope of C.              | -                | -                |
| The ratio of total amount of other CPM to Equity (%)                                                | 0%               | 0%               |

## NOTE 15 - SHARE CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Compositions of the Group's paid-in share capital at 31 December 2023 and 2022 are as follows:

|                              | 31 December 2023 |                    | 31 December 2022 |                    |
|------------------------------|------------------|--------------------|------------------|--------------------|
|                              | Share ratio (%)  | Amount             | Share ratio (%)  | Amount             |
| Draka Holding B.V.           | 83,75            | 181.506.654        | 83,75            | 181.506.654        |
| Public (*)                   | 16,25            | 35.226.998         | 16,25            | 35.226.998         |
| <b>Paid in share capital</b> |                  | <b>216.733.652</b> |                  | <b>216.733.652</b> |

(\*) As of 31 December 2023 and 2022, the share ratio of repurchased shares is 0.73%.

As of 31 December 2023, the Group's capital consists of 216,733,652 shares (31 December 2022: 216,733,652 shares). The nominal value of the shares is TRY1 per share (31 December 2022: TRY1 per share). All issued shares were paid in cash. Capital adjustment differences are TRY1,745,658,215 and represent the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to paid-in-capital and their amounts before inflation adjustment.

According to the Communiqué on Principles of Financial Reporting in the Capital Markets (Series: II14.1) and the CMB announcements explaining it, "Paid-in Capital", "Restricted Reserves Allocation from Profit" and "Share Issuance Premiums" must be shown at their amounts in the legal records. Differences in valuations that occur during the implementation of the said communiqué (such as differences resulting from inflation adjustment):

- If it arises from "Paid-in Capital" and has not been added to the capital yet, with the "Capital Adjustment Differences" item to be opened after the "Paid-in Capital" item;
- If the difference is arising from "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, should be associated with "Retained Earnings". Other equity items are carried at the amounts valued in accordance with TAS and CMB announcements.

Adjustment to share capital has no other use except to be added to share capital.

The details of the Restricted Reserves are as follows:

|                | 31 December 2023  | 31 December 2022  |
|----------------|-------------------|-------------------|
| Legal reserves | 70.900.056        | 57.318.110        |
|                | <b>70.900.056</b> | <b>57.318.110</b> |

According to the Turkish Commercial Code, the general legal reserve is appropriated at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. After paying five percent dividend to the shareholders, 10% of the total amount to be distributed to the shareholders reserved as other legal reserves. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the issued capital or the capital, it can be used only to cover the losses, to continue the business when the works are not going well or to prevent unemployment and to mitigate the results.

### Distribution of dividend

Publicly traded companies make their dividend distributions in accordance with the CMB's Dividend Communiqué No. II-19 19.1, which came into force as of 1 February 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assembly and in accordance with the provisions of the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend policy.

On 25 May 2023, the management decided to pay dividends from the profit of 2022 to the shareholders. In 2023, the amount of TRY23,561,156 (2022: TRY22,938,552) dividends distributed per share is TRY0.0763 in gross (2022: TRY0,0530) and is TRY0,0687 (2022: TRY0,0473) in net.

### Premiums Related to Shares

Share premiums represent the positive or negative differences between the nominal amount of the shares offered to the public and the purchase amount.

#### Repurchased shares:

Consists of the Group's repurchased shares within the scope of liquidity provider transactions carried out within the framework of CMB legislation. The Company's repurchased shares are realized at the market prices in Borsa Istanbul on the date of the transaction; Repurchased shares are accounted for in "Repurchased Shares" accounts, including the parts exceeding their nominal value.

## NOTE 16 - CONTRACTUAL ASSETS AND LIABILITIES

|                                       | 31 December 2022   | 31 December 2021     |
|---------------------------------------|--------------------|----------------------|
| Costs on work-in-progress             | 3.642.495.491      | 3.618.853.875        |
| Recognized profits less/losses (net)  | 823.270.654        | 555.681.740          |
| Minus: Realized progress payments (-) | (4.082.690.409)    | (2.851.936.911)      |
|                                       | <b>383.075.736</b> | <b>1.322.598.704</b> |

The Group takes the completion percentage of the contract activities as a basis in the transfer of the income and expenses of the mentioned construction works to the financial statements. Contracts regarding the works signed / completed or in progress by the Group are as follows:

**a) Çanakkale Strait\_Lapseki3-Sütlüce3\_Lot1**

The Group has signed the contract for the construction works in question on 30 June 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 95% as of the current period.

**b) İzmit Gulf\_Hersek-Dilovası\_Lot2**

The Group has signed the contract for the construction works in question on 30 June 2021. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 85% as of the current period.

**c) Sultanmurat-İstanbul DG Fuel Oil B) Brş. N. - Halkalı GIS TM**

The Group signed the contract for the mentioned construction works on 31 March 2022. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 80% as of the current period.

**d) ITM 362 Halkalı 154Kv**

The Group signed the contract for the mentioned construction works on 11 May 2022. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 100% as of the current period.

**e) ITM.368 Silahtar GIS TM**

The Group signed the contract for the mentioned construction works on 21 January 2022. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 29% as of the current period.

**f) HKABY.8 - Çerkezköy OSB-Kemerburgaz RES**

The Group signed the contract for the mentioned construction works on 27 October 2022. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 51% as of the current period.

**g) ITM 360 Bağlica 154Kv**

The Group signed the contract for the mentioned construction works on 8 August 2022. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 54% as of the current period.

**h) Mersin Akbelen**

The Group signed the contract for the mentioned construction works on 13 March 2023. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 64% as of the current period.

**i) HKABY12 Side GIS TM-Manavgat TM BrşN 154**

The Group signed the contract for the mentioned construction works on 15 September 2023. The income and expenses calculated according to the completion percentage related to the mentioned construction work are reflected in the consolidated financial statements with a completion rate of 2% as of the current period.

## NOTE 17 - REVENUE AND COST OF SALES

|                                     | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-------------------------------------|---------------------------------|---------------------------------|
| Domestic sales                      | 18.196.257.812                  | 14.521.072.079                  |
| Export sales                        | 2.515.580.177                   | 2.451.974.479                   |
| Other revenues                      | 118.694.815                     | 94.328.292                      |
| Minus: Discounts                    | (8.326.301.019)                 | (3.217.970.386)                 |
| Minus: Returns                      | (31.621.229)                    | (48.939.268)                    |
| <b>Net sales</b>                    | <b>12.472.610.556</b>           | <b>13.829.947.641</b>           |
| <b>Cost of sales (-)</b>            | <b>(11.281.971.218)</b>         | <b>(12.815.442.181)</b>         |
| <b>Gross profit from operations</b> | <b>1.190.639.338</b>            | <b>1.014.505.460</b>            |

The breakdown of net revenue according to the fulfillment times of performance obligations is as follows:

|                                                       | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| At a certain moment in time                           | 10.724.835.236                  | 11.267.248.578                  |
| Pervasive in time (As part of construction contracts) | 1.747.775.320                   | 2.562.699.063                   |
|                                                       | <b>12.472.610.556</b>           | <b>13.829.947.641</b>           |

The breakdown of cost of sales is as follows:

|                                        | 1 January - 31 December<br>2022 | 1 January - 31 December<br>2021 |
|----------------------------------------|---------------------------------|---------------------------------|
| Raw material expenses                  | 7.642.214.022                   | 9.156.636.740                   |
| Cost of service sold                   | 2.040.384.135                   | 1.445.210.417                   |
| Cost of merchandise sold               | 770.674.341                     | 1.652.636.536                   |
| General production expense             | 507.594.112                     | 341.777.533                     |
| Personnel expenses                     | 290.023.488                     | 171.142.091                     |
| Depreciation and amortization expenses | 31.081.120                      | 48.038.864                      |
|                                        | <b>11.281.971.218</b>           | <b>12.815.442.181</b>           |

## NOTE 18 - RESEARCH AND DEVELOPMENT EXPENSES

|                                          | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|------------------------------------------|---------------------------------|---------------------------------|
| <b>Research and development expenses</b> |                                 |                                 |
| Personnel expenses                       | 14.670.530                      | 11.859.234                      |
| Test, measurement and document expenses  | 5.362.878                       | 4.937.219                       |
| Depreciation and amortization            | 12.933                          | 24.321                          |
| Other                                    | 2.627.629                       | 1.965.779                       |
|                                          | <b>22.673.970</b>               | <b>18.786.553</b>               |

## NOTE 19 - MARKETING EXPENSES, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

|                                                     | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-----------------------------------------------------|---------------------------------|---------------------------------|
| <b>Marketing, selling and distribution expenses</b> |                                 |                                 |
| Logistics and freight costs                         | 516.896.432                     | 651.679.554                     |
| Personnel expenses                                  | 74.439.606                      | 61.437.262                      |
| External service expenses                           | 642.306                         | 636.178                         |
| Depreciation and amortization                       | 309.151                         | 158.873                         |
| Other                                               | 13.269.281                      | 20.555.080                      |
|                                                     | <b>605.556.776</b>              | <b>734.466.947</b>              |

|                                            | 1 January - 31<br>December 2023 | 1 January - 31<br>December 2022 |
|--------------------------------------------|---------------------------------|---------------------------------|
| <b>General administrative expenses:</b>    |                                 |                                 |
| License and service expenses               | 162.921.470                     | 170.557.431                     |
| Personnel expenses                         | 79.078.201                      | 96.041.491                      |
| Depreciation and amortization              | 27.445.504                      | 24.665.830                      |
| Litigation, consultancy and audit expenses | 6.295.048                       | 4.437.529                       |
| Donations and membership dues              | 3.082.753                       | 2.407.505                       |
| Insurance expense                          | 2.143.419                       | 2.554.977                       |
| External service expenses                  | 1.348.711                       | 1.012.954                       |
| Other                                      | 12.016.897                      | 15.099.371                      |
|                                            | <b>294.332.003</b>              | <b>316.777.088</b>              |

## NOTE 20 - EXPENSES BY NATURE

|                                                               | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|---------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Expenses by Nature</b>                                     |                                 |                                 |
| Raw material expenses                                         | 7.642.214.022                   | 9.181.832.732                   |
| Cost of merchandise sold                                      | 2.040.384.135                   | 1.445.210.417                   |
| Logistics expenses, sales and letter of guarantee commissions | 770.674.341                     | 1.652.636.536                   |
| Cost of merchandise sold                                      | 516.896.432                     | 651.679.554                     |
| Production costs                                              | 507.594.112                     | 341.777.533                     |
| Labor expense                                                 | 458.211.825                     | 345.529.789                     |
| License and service expenses                                  | 162.921.470                     | 170.557.431                     |
| Depreciation and amortization                                 | 58.848.708                      | 72.887.888                      |
| Litigation, consultancy and audit expenses                    | 6.295.048                       | 4.437.529                       |
| Other                                                         | 40.493.874                      | 18.923.360                      |
|                                                               | <b>12.204.533.967</b>           | <b>13.885.472.769</b>           |

## Fees for Services Received from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of the KGK dated 19 August 2021 are as follows:

|                                                | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|------------------------------------------------|---------------------------------|---------------------------------|
| Independent audit fee for the reporting period | 1.072.686                       | 1.035.879                       |
| Fees for tax consultancy services              | 550.870                         | 250.465                         |
|                                                | <b>1.623.556</b>                | <b>1.286.344</b>                |

## NOTE 21 - OTHER OPERATING INCOME AND EXPENSE

Details of other income from main operations are as follows:

|                                                       | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| Realized income from derivative financial instruments | 68.126.751                      | 282.422.011                     |
| Provisions for trade receivables no longer required   | 42.866.445                      | 2.953.595                       |
| Cost reflection revenues                              | 23.768.347                      | 11.917.583                      |
| Interest income of trade receivables                  | -                               | 3.545.809                       |
| Other                                                 | 18.388.022                      | 60.675.741                      |
|                                                       | <b>153.149.565</b>              | <b>361.514.739</b>              |

Details of other expense from main operations are as follows:

|                                                         | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|---------------------------------------------------------|---------------------------------|---------------------------------|
| Realized expenses from derivative financial instruments | (204.728.207)                   | (193.556.676)                   |
| Foreign exchange losses from commercial activities, net | (80.795.949)                    | (311.761.756)                   |
| Provision expense for impairment of trade receivables   | (83.113.503)                    | (9.770.960)                     |
| Other                                                   | (25.533.997)                    | (7.859.383)                     |
|                                                         | <b>(394.171.656)</b>            | <b>(522.948.775)</b>            |

## NOTE 22 - INVESTMENT ACTIVITIES INCOME AND EXPENSES

Details of income from investment activities are as follows:

|                                                 | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-------------------------------------------------|---------------------------------|---------------------------------|
| Gain on sales of tangible and intangible assets | 5.709.820                       | 11.892.013                      |
|                                                 | <b>5.709.820</b>                | <b>11.892.013</b>               |

## NOTE 23 - FINANCIAL INCOME AND EXPENSES

| Financial income:                                 | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|---------------------------------------------------|------------------------------|------------------------------|
| Interest income                                   | 15.417.160                   | 8.277.432                    |
| Monetary gain (Note 2.1)                          | 328.874.906                  | 271.327.230                  |
|                                                   | <b>398.006.122</b>           | <b>308.771.696</b>           |
| Financial expense:                                | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
| Foreign exchange losses on financing activities   | (293.808.293)                | -                            |
| Interest expenses on bank loans                   | (168.935.874)                | (203.366.121)                |
| Severance pay interest expenses                   | (5.712.640)                  | (8.522.493)                  |
| Interest expenses related to leasing transactions | (3.054.692)                  | (2.833.644)                  |
| Other                                             | (29.584.516)                 | (6.157.692)                  |
|                                                   | <b>(501.096.015)</b>         | <b>(220.879.950)</b>         |

## NOTE 24 - INCOME TAXES

The income tax payable as of 31 December 2022 and 31 December 2021 is summarized below:

|                                              | 31 December 2023     | 31 December 2022     |
|----------------------------------------------|----------------------|----------------------|
| Corporate tax provision                      | 21,502,270           | 176,801,425          |
| Loss: Prepaid taxes                          | (262,003,667)        | (284,635,255)        |
| Monetary gain/(loss)                         | (43,004,538)         | (28,388,892)         |
| <b>Current income tax liability/(assets)</b> | <b>(283,505,935)</b> | <b>(136,222,722)</b> |

In Turkey, the corporation tax rate is 25% for 2023 (2022: 23%). The corporate tax rate is applied to the tax base that will be found as a result of the deduction of the expenses that are not allowed to be deducted in accordance with the tax laws to the commercial income of the corporations, the exception to the tax law (except for the participation earnings exemption, investment allowance exception etc.) and the reduction of discounts (such as R & D discount). No further tax is payable unless the profit is distributed calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that it does not exceed 5 years. Declarations and relevant accounting records can be examined by the tax office within five years. Dividend payments made from companies resident in Turkey to companies other than those who are not liable for corporate tax and income tax and those who are exempt, as well as dividend payments made to natural persons who are resident and non-resident of Turkey and legal entities who are not resident in Turkey, are subject to 10% income tax. Dividend payments made from companies resident in Turkey to joint stock companies resident in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

Turkish tax legislation does not allow the parent company to file tax returns based on the financial statements in which the subsidiaries are consolidated. For this reason, the tax liabilities reflected in the Group's consolidated financial statements are calculated separately for all companies included in the scope of consolidation. Tax amounts to be paid in the statements of financial position dated 31 December 2023 and 31 December 2022 are netted for each Subsidiary and are classified separately in the consolidated financial statements.

For the period ended 31 December 2023 and 2022, tax expense in the profit or loss comprised the following:

|                                      | 1 January - 31 December 2023 | 1 January - 31 December 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Corporate tax expense current period | (21.502.270)                 | (176.801.425)                |
| Deferred tax assets/(liabilities)    | 4.966.810                    | 115.423.475                  |
| <b>Total tax income/(expense)</b>    | <b>(16.535.460)</b>          | <b>(61.377.950)</b>          |

The reconciliation between the corporate tax expense with the legal tax rate applied to the profit before tax and the tax income/(expense) shown in the profit or loss statement for the one-year accounting periods ending on 31 December 2023 and 31 December 2022 is as follows:

|                                                      | 1 January - 31 December<br>2022 | 1 January - 31 December<br>2021 |
|------------------------------------------------------|---------------------------------|---------------------------------|
| Profit before tax                                    | (70.325.575)                    | (117.175.407)                   |
| The current legal corporate tax rate                 | %25                             | %23                             |
| Tax calculated over the tax rate                     | 17.581.394                      | 26.950.344                      |
| Expenses and additions that are not legally accepted | (17.883.281)                    | (55.366.128)                    |
| Used investment contribution                         | 7.814.682                       | 7.814.682                       |
| Impact of investment contribution with deferred tax  | 1.406.511                       | 10.382.030                      |
| Discounts                                            | 43.768.582                      | 7.903.840                       |
| Other                                                | (82.218.727)                    | (62.405.263)                    |
| Other                                                | 12.995.379                      | 3.342.545                       |
| <b>Tax income/(expense)</b>                          | <b>(16.535.460)</b>             | <b>(61.377.950)</b>             |

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2023 and 2022 are as follows:

|                                               | Cumulative temporary differences |                     | Deferred income tax assets/(liabilities) |                     |
|-----------------------------------------------|----------------------------------|---------------------|------------------------------------------|---------------------|
|                                               | 31 December<br>2023              | 31 December<br>2022 | 31 December<br>2023                      | 31 December<br>2022 |
| <b>Deferred tax assets/(liabilities)</b>      |                                  |                     |                                          |                     |
| Long-term construction projects               | 552,045,856                      | (124,619,134)       | (138,011,464)                            | 28,662,401          |
| Inventory impairment                          | 86,183,183                       | 27,325,427          | (21,545,796)                             | (6,284,848)         |
| Derivative instruments                        | 11,755,725                       | 1,030,727           | (2,938,931)                              | (237,067)           |
| Investment incentive discount                 | -                                | (33,976,879)        | -                                        | 7,814,682           |
| Litigation provision                          | (2,331,253)                      | (3,841,275)         | 582,813                                  | 883,493             |
| Trade receivables                             | (17,665,609)                     | 10,040,224          | 4,416,402                                | (2,309,251)         |
| Unused leave allowances                       | (24,630,003)                     | (34,638,256)        | 6,157,501                                | 7,966,799           |
| Trade payables                                | (55,899,817)                     | (173,556,885)       | 13,974,954                               | 40,215,394          |
| Provision for severance pay                   | (138,840,413)                    | (62,007,404)        | 34,710,103                               | 12,397,384          |
| Provisions                                    | (180,387,999)                    | (266,990,410)       | 45,097,000                               | 61,407,794          |
| Tangible and intangible assets                | (255,066,235)                    | 312,463,017         | 63,766,559                               | (72,551,454)        |
| Carryforward tax losses                       | (283,041,929)                    | -                   | 70,760,482                               | -                   |
| Other                                         | 3,261,137                        | -                   | 815,285                                  | -                   |
| <b>Deferred tax assets/(liabilities), Net</b> |                                  |                     | <b>77,784,908</b>                        | <b>77,965,327</b>   |

A deferred tax asset of TRY70,760,482 was recognized related with the carryforward tax losses amounting to TRY283,041,929 for financial year 2023, as the Group foresees that they can be utilised in the tax base in the foreseeable future. The expiry year for the utilization of these tax losses carried forward is 2028.

Movements of deferred tax assets and liabilities are as follows:

|                                                   | 2023              | 2022                |
|---------------------------------------------------|-------------------|---------------------|
| <b>At the beginning of the period - 1 January</b> | <b>77.965.327</b> | <b>(27.189.435)</b> |
| Associated with the profit or loss                | 4.966.810         | 115.423.475         |
| Associated with other comprehensive income        | 33.957.867        | 7.892.951           |
| Monetary gain/loss                                | (39.105.096)      | (18.161.664)        |
| <b>At the end of the period - 31 December</b>     | <b>77.784.908</b> | <b>77.965.327</b>   |

## NOTE 25 - EARNINGS PER SHARE

Earnings/(losses) per share is calculated by dividing the net profit/(loss) for the period attributed to the parent company shares by the weighted average number of shares of the Company during the period.

There are no ordinary shares issued or to be issued as of the date of preparation of the financial statements and prior to the completion of these consolidated financial statements.

|                                                   | 31 December 2023 | 31 December 2022 |
|---------------------------------------------------|------------------|------------------|
| Net profit per share of the parent                | (86.861.035)     | (178.553.357)    |
| Weighted average number of ordinary shares issued | 216.733.652      | 216.733.652      |
| <b>Earnings per share</b>                         | <b>(0,4008)</b>  | <b>(0,8238)</b>  |
| <b>Loss/gain per share</b>                        | <b>(0,4008)</b>  | <b>(0,8238)</b>  |

## NOTE 26 - RELATED PARTY DISCLOSURES

Short-term trade receivables from related parties are as follows:

|                                       | 31 December 2022   | 31 December 2021   |
|---------------------------------------|--------------------|--------------------|
| Prysmian Power Link Srl               | 94.923.868         | -                  |
| Prysmian Kabel und Systeme GmbH       | 65.608.557         | 4.933.486          |
| LLC Rybinskelektrokabel               | 46.549.322         | 7.643.775          |
| Singapore Cables Manufacturers Pte    | 28.789.832         | -                  |
| Prysmian Cavi e Sistemi Italia S.r.l. | 25.722.967         | 22.668.786         |
| Conducen SRL                          | 16.621.653         | -                  |
| Prysmian Baltics AS                   | 15.397.024         | -                  |
| Prysmian MKM Magyar Kabel Muve        | 8.218.649          | 5.260.496          |
| Prysmian Cabluri Si Sisteme S.        | 7.619.312          | 2.697.267          |
| General Cable Celcat, Energia         | 7.596.367          | -                  |
| Prysmian Finland Oy                   | 6.821.331          | 5.009.673          |
| Prysmian S.P.A.                       | 2.922.505          | 2.997.916          |
| Oman Cables Industry (SAOG)           | 2.433.825          | 14.002.754         |
| Prysmian Australia Pty Ltd            | 1.991.251          | 1.378.810          |
| Draka Comteq UK Limited               | 1.589.315          | 1.462.821          |
| Prysmian Cables & Systems Limited     | 802.309            | 414.064            |
| Prysmian Spain, S.A.                  | 334.359            | 738.356            |
| Prysmian Cables et Systèmes Fr        | 215.871            | 334.929            |
| Prysmian Norge AS                     | 190.351            | 29.598.746         |
| Other                                 | 9.094.037          | 1.935.379          |
|                                       | <b>343.442.705</b> | <b>101.077.258</b> |

|                                        | 31 December 2023<br>Trade payables | 31 December 2023<br>Other payables | 31 December 2022<br>Trade payables | 31 December 2022<br>Other payables |
|----------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Prysmian S.P.A.                        | 1.294.962.392                      | -                                  | 595.646.979                        | -                                  |
| Prysmian Power Link Srl                | 377.890.470                        | -                                  | -                                  | -                                  |
| Prysmian Powerli                       | 81.019.490                         | -                                  | -                                  | -                                  |
| Prysmian Wuxi Cable Company Lt         | 36.369.786                         | -                                  | -                                  | -                                  |
| Prysmian Cavi e Sistemi Italia S.r.l.  | 29.875.914                         | -                                  | 86.734.484                         | -                                  |
| Prysmian Netherlands B.V.              | 14.757.349                         | -                                  | 24.824.472                         | -                                  |
| Oman Aluminium Processing Industrie    | 9.249.739                          | -                                  | 8.523.754                          | -                                  |
| Prysmian Cavi e Sistemi S.r.l          | 4.553.909                          | -                                  | -                                  | -                                  |
| Prysmian MKM Magyar Kabel Muve         | 2.257.537                          | -                                  | -                                  | -                                  |
| Prysmian Cables et Systèmes Fr         | 904.253                            | -                                  | 7.753.983                          | -                                  |
| Draka Comteq UK Limited                | 713.928                            | -                                  | 121.363                            | -                                  |
| Prysmian Cables and Systems OY/Finland | 286.188                            | -                                  | 1.041.654.309                      | -                                  |
| Prysmian Kabel und Systeme GmbH        | -                                  | -                                  | 30.390.425                         | -                                  |
| Draka Kabely SRO                       | -                                  | -                                  | 1.472.429                          | -                                  |
| Draka Holding BV (*)                   | -                                  | 175.000.000                        | -                                  | 288.352.608                        |
| Other                                  | 8.306.990                          | -                                  | 8.479.045                          | -                                  |
|                                        | <b>1.861.147.945</b>               | <b>175.000.000</b>                 | <b>1.805.601.243</b>               | <b>288.352.608</b>                 |

(\*) It consists of short-term financial debts that the Group receives from its partners for its operational activities. As of 31 December 2023, the effective weighted interest rate of other debts in TL currency is 38.70% and their maturity is less than one year.

Sales transactions with related parties are as follows:

|                                        | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|----------------------------------------|---------------------------------|---------------------------------|
| Prysmian Kabel und Systeme GmbH        | 183.770.115                     | 61.002.935                      |
| Prysmian Norge AS                      | 102.004.232                     | 182.384.562                     |
| Prysmian Cavi e Sistemi Italia S.R.L   | 100.859.184                     | 313.548.283                     |
| Prysmian Power Link Srl                | 96.259.946                      | -                               |
| Draka Denmark Optical Cable AS         | 67.627.554                      | 97.366.481                      |
| Prysmian Cables et Systemes France SAS | 62.911.481                      | 2.231.444                       |
| Prysmian Baltics AS                    | 62.142.270                      | 10.330.240                      |
| Singapore Cables Manufacturers Pte Ltd | 56.551.228                      | 4.376.117                       |
| Prysmian Spain, S.A.                   | 54.345.460                      | 1.093.278                       |
| LLC Rybinskelektrokabel                | 44.409.962                      | 33.711.430                      |
| Prysmian Finland Oy                    | 34.195.523                      | 23.755.595                      |
| Oman Cables Industry SAOG              | 28.973.757                      | 29.731.335                      |
| Prysmian Cabluri si Sisteme S.A.       | 27.705.724                      | 49.615.736                      |
| Prysmian MKM Magyar Kabel Muve         | 23.092.251                      | -                               |
| Draka Comteq UK Ltd                    | 14.503.048                      | 11.969.597                      |
| Prysmian Australia Pty Ltd             | 9.490.003                       | 6.238.491                       |
| General Cable de Mexico, S.A d         | 8.021.080                       | -                               |
| Prysmian Cables & Systems Ltd.         | 6.173.243                       | 18.532.420                      |
| Prysmian Spa                           | 4.123.672                       | 3.878.115                       |
| Draka Kabel Sverige AB                 | 950.239                         | 6.574.003                       |
| Other                                  | 32.863.693                      | 33.275.940                      |
|                                        | <b>1.020.973.665</b>            | <b>889.616.002</b>              |

Purchase transactions with related parties are as follows:

|                                        | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|----------------------------------------|---------------------------------|---------------------------------|
| Prysmian S.P.A.                        | 920.277.706                     | 593.853.731                     |
| Prysmian Power Link Srl                | 544.655.687                     | -                               |
| Prysmian Kabel und System GmbH         | 348.365.412                     | 311.023.689                     |
| Prysmian MKM Magyar Kabel Muve         | 249.755.350                     | 68.572.053                      |
| Prysmian Cavi e Sistemi Italia S.r.l.  | 201.570.182                     | 211.362.677                     |
| Prysmian Wuxi Cable Company Lt         | 110.156.117                     | -                               |
| Oman Aluminium Processing Industrie    | 54.666.567                      | 44.967.910                      |
| Draka Comteq UK Ltd                    | 33.674.467                      | 50.731.351                      |
| Oman Cables Industry (SAOG)            | 26.673.484                      | -                               |
| Prysmian Cables & Systems Limited      | 25.457.619                      | 10.182.597                      |
| Prysmian Cabluri Si Sisteme S.         | 22.473.940                      | 23.395.036                      |
| Prysmian Netherlands B.V.              | 19.930.386                      | 37.087.767                      |
| Draka Comteq Germany GmbH              | 16.101.232                      | -                               |
| Prysmian Finland Oy                    | 15.668.930                      | 627.118.809                     |
| Prysmian Cables et Systemes France SAS | 14.166.202                      | 113.819.995                     |
| Draka Kabely SRO                       | 14.120.780                      | -                               |
| Prysmian Cables (Shangai) Trad         | 14.055.625                      | -                               |
| Prysmian Specialty                     | 12.368.399                      | -                               |
| Norddeutsche Seekabelwerke Gmb         | 8.015.249                       | -                               |
| Fibre Ottiche Sud - F.O.S. S.r.l.      | 1.163.157                       | 16.224.782                      |
| Draka Comteq Fibre BV                  | 502.905                         | -                               |
| SILEC Cable, S.A.S.                    | -                               | 297.969.543                     |
| Draka Kabel Sverige AB                 | -                               | 12.867.244                      |
| Prysmian Spain, S.A.                   | -                               | 5.989.420                       |
| Singapore Cables Manufacturers Pte Ltd | -                               | 4.364.172                       |
| Prysmian Norge AS                      | -                               | 1.006.280                       |
| Other                                  | 19.830.386                      | 54.999.750                      |
|                                        | <b>2.673.649.782</b>            | <b>2.485.536.806</b>            |

Key management personnel include consists of senior executives in the board of directors, executive board and other important management levels. Benefits provided to senior executives during the period are as follows:

|                       | 1 January - 31 December<br>2023 | 1 January - 31 December<br>2022 |
|-----------------------|---------------------------------|---------------------------------|
| Paid to board members | 8.545.545                       | 12.848.376                      |
| Other                 | 68.252                          | 12.734                          |
|                       | <b>8.613.797</b>                | <b>12.861.110</b>               |

Service purchases made with related parties are as follows:

|                                | 1 January - 31 December<br>2022 | 1 January - 31 December<br>2021 |
|--------------------------------|---------------------------------|---------------------------------|
| Prysmian S.P.A.                | 106.042.695                     | 111.012.806                     |
| Prysmian Cavi e Sistemi S.r.l. | 56.878.775                      | 59.544.625                      |
|                                | <b>162.921.470</b>              | <b>170.557.431</b>              |

Service purchases from group companies cover three types of service fees. These are;

**TAF (Technical Assistance Fees) license agreement:**

License fee; It is calculated as 1.25% over net production sales and invoiced by the relevant companies.

**SAG (Service Agreement)**

Service agreement: made for all group companies at the Prysmian Holding headquarters; Cost allocations are invoiced according to various distribution keys on a company basis, such as legal, sales support, R&D, consultancy

#### IT (IT Service Agreement) IT service agreement:

All IT expenses incurred on behalf of group companies are calculated at the Prysmian Holding headquarters. Cost allocations are determined according to various distribution keys, and the amount of their shares is invoiced to the group companies.

The IT service fee received from Prysmian SPA is related to the SAP system, which was revised in 2011. It covers all of the technical assistance, consultancy and expenses incurred in line with the system revision.

With the statement made on 26 July 2019, the Group was announced by the Prysmian central management; Provided that the 3-year targets committed within the framework of Prysmian Turkey R&D center activities are achieved, it has been decided to revise the license rate from 2% to 1,25% (effective from 1 January 2019).

#### NOTE 27 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

In managing the capital, the Company's objectives are to ensure the continuity of the Company's activities by maintaining the most appropriate capital structure in order to provide returns to its shareholders and to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and sell assets to reduce debt.

The Company monitors the capital using the financial liability/equity ratio. The Company has not determined a specific target for these ratios and determines its periodical strategies by evaluating the needs and market conditions.

#### Capital risk management

|                                 | 31 December 2022     | 31 December 2021     |
|---------------------------------|----------------------|----------------------|
| Total Financial liabilities     | 173.049.052          | 115.341.043          |
| Less: Cash and cash equivalents | (544.461.080)        | (462.020.957)        |
| <b>Net financial debt</b>       | <b>(371.412.028)</b> | <b>(346.679.914)</b> |
| <b>Equity</b>                   | <b>1.063.690.045</b> | <b>1.275.985.836</b> |
| <b>Net debt/equity</b>          | <b>%(35)</b>         | <b>%(27)</b>         |

#### Credit risk

Credit risk arises from deposits in banks, receivables from related parties and other trade receivables, and holding the financial assets also carries the risk that counterparties may be unable to meet the requirements of the agreement. Credit risk arises from deposits in banks, receivables from related parties and other trade receivables, and holding the financial assets also carries the risk that counterparties may be unable to meet the requirements of the agreement. The Company management meets these risks by limiting the average risk for the counterparty (excluding related parties) in each agreement and obtaining collateral if necessary. Trade receivables are evaluated by the Company management based on past experiences and current economic conditions and are presented in the statement of financial position net of provision for doubtful receivables. The Company considers that it manages the receivables risk effectively. The following tables present an analysis of the credit risk of the Company as of 31 December 2023 and 2022.

|                                                                                                                 | Trade receivables | Trade receivables | Other receivables |               |                        |
|-----------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|---------------|------------------------|
|                                                                                                                 | Related party     | Other             | Other             | Bank deposits | Derivative instruments |
| <b>31 December 2023</b>                                                                                         |                   |                   |                   |               |                        |
| Maximum credit risk as of reporting date A+B+C+D+E                                                              | 343.442.705       | 1.474.414.268     | 1.576.408         | 412.070.857   | 11.755.725             |
| - <i>Guaranteed portion of maximum risk</i>                                                                     | -                 | 530.774.501       | -                 | -             | -                      |
| A. Net book value of the assets that are not due or that are not impaired                                       | 262.440.008       | 1.050.156.399     | 1.576.408         | 412.070.857   | 11.755.725             |
| B. Value of the financial assets whose terms have been renegotiated otherwise considered as overdue or impaired | -                 | -                 | -                 | -             | -                      |
| C. Book value of the overdue but not impaired assets                                                            | 81.002.697        | 426.013.481       | -                 | -             | -                      |
| - <i>Guaranteed portion of the maximum risk</i>                                                                 | -                 | -                 | -                 | -             | -                      |
| D. Net book value of the assets impaired                                                                        | -                 | -                 | -                 | -             | -                      |
| - Overdue (net book value)                                                                                      | -                 | 148.141.750       | -                 | -             | -                      |
| - Impairment (-)                                                                                                | -                 | (148.141.750)     | -                 | -             | -                      |
| - The portion of the net worth secured by collateral, etc.                                                      | -                 | -                 | -                 | -             | -                      |
| E. Off balance sheet items with credit risk                                                                     | -                 | (1.755.612)       | -                 | -             | -                      |

|                                                                                                                 | Trade<br>receivables | Trade<br>receivables | Other<br>receivables |                  |                           |
|-----------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|------------------|---------------------------|
| 31 December 2022                                                                                                | Related<br>party     | Other                | Other                | Bank<br>deposits | Derivative<br>instruments |
| Maximum credit risk as of reporting date A+B+C+D+E                                                              | 101.077.258          | 1.757.742.915        | 124.623              | 179.541.561      | 1.030.727                 |
| - <i>Guaranteed portion of maximum risk</i>                                                                     | -                    | 980.534.777          | -                    | -                | -                         |
| A. Net book value of the assets that are not due or that are not impaired                                       | 85.634.868           | 1.573.344.378        | 124.623              | 179.541.561      | 1.030.727                 |
| B. Value of the financial assets whose terms have been renegotiated otherwise considered as overdue or impaired | -                    | -                    | -                    | -                | -                         |
| C. Book value of the overdue but not impaired assets                                                            | 15.442.389           | 184.398.537          | -                    | -                | -                         |
| - <i>Guaranteed portion of the maximum risk</i>                                                                 | -                    | -                    | -                    | -                | -                         |
| D. Net book value of the assets impaired                                                                        | -                    | -                    | -                    | -                | -                         |
| - Overdue (net book value)                                                                                      | -                    | 177.781.233          | -                    | -                | -                         |
| - Impairment (-)                                                                                                | -                    | (177.781.233)        | -                    | -                | -                         |
| - The portion of the net worth secured by collateral, etc.                                                      | -                    | -                    | -                    | -                | -                         |
| E. Off balance sheet items with credit risk                                                                     | -                    | (2.333.526)          | -                    | -                | -                         |

### Liquidity risk

Prudent liquidity risk management consists of providing sufficient cash, enabling funding through adequate credit facilities and the ability to close open positions. Due to the dynamic nature of the business environment, the Company aimed for flexibility in funding through borrowing from related parties.

Due to the dynamic nature of the business environment, the Company sought flexibility in funding by borrowing from related parties.

The breakdown of the liabilities of the Company, which include interest to be paid on the Company's liabilities, on the remaining maturities is as follows:

| 31 December 2023    | Net book value       | Total<br>contractual<br>cash outflow | Up to 3 months       | 3 - 12 months      | 1 - 5 years       |
|---------------------|----------------------|--------------------------------------|----------------------|--------------------|-------------------|
| Bank borrowings     | 173.049.052          | 195.170.867                          | -                    | 195.170.867        | -                 |
| Trade payables      | 3.445.005.503        | 3.445.005.503                        | 3.405.710.827        | 39.294.676         | -                 |
| Leasing liabilities | 17.685.672           | 17.685.672                           | 1.827.514            | 5.482.543          | 10.375.615        |
| Other debts         | 175.000.000          | 208.862.500                          | -                    | 208.862.500        | -                 |
| <b>Total</b>        | <b>3.810.740.226</b> | <b>3.866.724.542</b>                 | <b>3.407.538.341</b> | <b>448.810.586</b> | <b>10.375.615</b> |

| 31 December 2022    | Net book value       | Total<br>contractual<br>cash outflow | Up to 3 months       | 3 - 12 months        | 1 - 5 years      |
|---------------------|----------------------|--------------------------------------|----------------------|----------------------|------------------|
| Bank borrowings     | 115.341.043          | -                                    | -                    | -                    | -                |
| Trade payables      | 3.380.440.387        | 3.380.440.387                        | 2.340.519.677        | 1.039.920.710        | -                |
| Leasing liabilities | 9.709.297            | 3.803.104                            | 621.633              | 1.864.896            | 1.316.575        |
| Other debts         | 288.352.608          | 288.352.608                          | 288.352.608          | -                    | -                |
| <b>Total</b>        | <b>3.793.843.335</b> | <b>3.672.596.099</b>                 | <b>2.629.493.918</b> | <b>1.041.785.606</b> | <b>1.316.575</b> |

31 December 2023

|                                                                                                                 | TRY<br>Equivalent      | USD                 | EUR                 | GBP             |
|-----------------------------------------------------------------------------------------------------------------|------------------------|---------------------|---------------------|-----------------|
| 1. Trade Receivables                                                                                            | 1.418.475.503          | 16.455.940          | 28.674.560          | -               |
| 2a. Monetary Financial Assets (including cash bank accounts)                                                    | 80.017.756             | 1.628.133           | 985.097             | -               |
| 2b. Non-monetary Financial Assets                                                                               | -                      | -                   | -                   | -               |
| 3. Other                                                                                                        | 110.596.940            | 27.960              | 3.369.994           | -               |
| <b>4. Current Assets (1+2+3)</b>                                                                                | <b>1.609.090.199</b>   | <b>18.112.033</b>   | <b>33.029.651</b>   | <b>-</b>        |
| 5. Trade Receivables                                                                                            | -                      | -                   | -                   | -               |
| 6a. Monetary Financial Assets                                                                                   | -                      | -                   | -                   | -               |
| 6b. Non-monetary Financial Assets                                                                               | -                      | -                   | -                   | -               |
| 7. Other                                                                                                        | -                      | -                   | -                   | -               |
| <b>8. Non-Current Assets (5+6+7)</b>                                                                            | <b>-</b>               | <b>-</b>            | <b>-</b>            | <b>-</b>        |
| <b>9. Total Assets (4+8)</b>                                                                                    | <b>1.609.090.199</b>   | <b>18.112.033</b>   | <b>33.029.651</b>   | <b>-</b>        |
| 10. Trade Payables                                                                                              | (2.199.684.820)        | (3.998.873)         | (63.740.130)        | (46.409)        |
| 11. Financial Liabilities                                                                                       | (55.475.420)           | -                   | (1.700.000)         | -               |
| 12a. Other Monetary Liabilities                                                                                 | (507.234.641)          | (7.964.882)         | (8.345.455)         | (160)           |
| 12b. Other Non-monetary Liabilities                                                                             | (61.208.610)           | -                   | (1.875.689)         | -               |
| <b>13. Short-term Liabilities (10+11+12)</b>                                                                    | <b>(2.823.603.491)</b> | <b>(11.963.755)</b> | <b>(75.661.274)</b> | <b>(46.569)</b> |
| 14. Trade Payables                                                                                              | -                      | -                   | -                   | -               |
| 15. Financial Liabilities                                                                                       | -                      | -                   | -                   | -               |
| 16a. Other Monetary Liabilities                                                                                 | -                      | -                   | -                   | -               |
| 16b. Other Non-monetary Liabilities                                                                             | -                      | -                   | -                   | -               |
| <b>17. Long-term Liabilities (14+15+16)</b>                                                                     | <b>-</b>               | <b>-</b>            | <b>-</b>            | <b>-</b>        |
| <b>18. Total Liabilities (13+17)</b>                                                                            | <b>(2.823.603.491)</b> | <b>(11.963.755)</b> | <b>(75.661.274)</b> | <b>(46.569)</b> |
| <b>19. Net Asset/(Liability) Position of the Off-Balance Sheet Foreign Exchange Based Derivatives (19a-19b)</b> | <b>944.643.100</b>     | <b>-</b>            | <b>29.000.000</b>   | <b>-</b>        |
| 19a. The Amount of the Asset Type Off Balance                                                                   | 944.643.100            | -                   | 29.000.000          | -               |
| 19b. The Amount of the Liability Type Off Balance                                                               | -                      | -                   | -                   | (46.569)        |
| <b>20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)</b>                                            | <b>(265.593.776)</b>   | <b>6.148.278</b>    | <b>(13.631.623)</b> | <b>(46.569)</b> |
| <b>21. Net Foreign Currency Asset/ (Liability) Position of (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>    | <b>(1.261.525.326)</b> | <b>6.120.318</b>    | <b>(44.125.928)</b> | <b>-</b>        |
| <b>22. Total Fair Value of Financial Instruments Used for - Foreign Currency Hedging</b>                        | <b>944.643.100</b>     | <b>-</b>            | <b>29.000.000</b>   | <b>-</b>        |
| <b>23. Hedged Foreign Exchange Assets</b>                                                                       | <b>-</b>               | <b>-</b>            | <b>-</b>            | <b>-</b>        |
| <b>24. Hedged Foreign Exchange Liabilities</b>                                                                  | <b>944.643.100</b>     | <b>-</b>            | <b>29.000.000</b>   | <b>-</b>        |
| <b>25. Export</b>                                                                                               | <b>2.515.580.177</b>   | <b>41.236.007</b>   | <b>41.156.867</b>   | <b>-</b>        |
| <b>26. Import</b>                                                                                               | <b>8.508.289.908</b>   | <b>349.298.737</b>  | <b>-</b>            | <b>-</b>        |

|                                                                                                                 | 31 December 2022       |                     |                      |                  |
|-----------------------------------------------------------------------------------------------------------------|------------------------|---------------------|----------------------|------------------|
|                                                                                                                 | TRY<br>Equivalent      | USD                 | EUR                  | GBP              |
| 1. Trade Receivables                                                                                            | 941.023.721            | 22.130.494          | 26.447.141           | -                |
| 2a. Monetary Financial Assets (including cash bank accounts)                                                    | 116.872.912            | 1.846.851           | 4.130.442            | -                |
| 2b. Non-monetary Financial Assets                                                                               | -                      | -                   | -                    | -                |
| 3. Other                                                                                                        | 196.611.620            | -                   | 9.862.684            | -                |
| <b>4. Current Assets (1+2+3)</b>                                                                                | <b>1.254.508.269</b>   | <b>23.977.345</b>   | <b>40.440.267</b>    | <b>-</b>         |
| 5. Trade Receivables                                                                                            | -                      | -                   | -                    | -                |
| 6a. Monetary Financial Assets                                                                                   | -                      | -                   | -                    | -                |
| 6b. Non-monetary Financial Assets                                                                               | -                      | -                   | -                    | -                |
| 7. Other                                                                                                        | -                      | -                   | -                    | -                |
| <b>8. Non-Current Assets (5+6+7)</b>                                                                            | <b>-</b>               | <b>-</b>            | <b>-</b>             | <b>-</b>         |
| <b>9. Total Assets (4+8)</b>                                                                                    | <b>1.254.508.269</b>   | <b>23.977.345</b>   | <b>40.440.267</b>    | <b>-</b>         |
| 10. Trade Payables                                                                                              | (964.896.127)          | (5.671.382)         | (42.993.484)         | (2.014)          |
| 11. Financial Liabilities                                                                                       | -                      | -                   | -                    | -                |
| 12a. Other Monetary Liabilities                                                                                 | (878.645.957)          | (12.543.159)        | (32.231.433)         | -                |
| 12b. Other Non-monetary Liabilities                                                                             | (1.163.713.211)        | -                   | (58.270.437)         | (264)            |
| <b>13. Short-term Liabilities (10+11+12)</b>                                                                    | <b>(3.007.255.255)</b> | <b>(18.214.541)</b> | <b>(133.495.354)</b> | <b>(2.278)</b>   |
| 14. Trade Payables                                                                                              | -                      | -                   | -                    | -                |
| 15. Financial Liabilities                                                                                       | -                      | -                   | -                    | -                |
| 16a. Other Monetary Liabilities                                                                                 | -                      | -                   | -                    | -                |
| 16b. Other Non-monetary Liabilities                                                                             | -                      | -                   | -                    | -                |
| <b>17. Long-term Liabilities (14+15+16)</b>                                                                     | <b>-</b>               | <b>-</b>            | <b>-</b>             | <b>-</b>         |
| <b>18. Total Liabilities (13+17)</b>                                                                            | <b>(3.007.255.255)</b> | <b>(18.214.541)</b> | <b>(133.495.354)</b> | <b>(2.278)</b>   |
| <b>19. Net Asset/(Liability) Position of the Off-Balance Sheet Foreign Exchange Based Derivatives (19a-19b)</b> | <b>797.481.931</b>     | <b>7.744.327</b>    | <b>32.740.379</b>    | <b>-</b>         |
| 19a. The Amount of the Asset Type Off Balance                                                                   | 797.481.931            | 7.744.327           | 32.740.379           | -                |
| 19b. The Amount of the Liability Type Off Balance                                                               | -                      | -                   | -                    | -                |
| <b>20. Net Foreign Exchange Asset/(Liability) Position (9+18+19)</b>                                            | <b>(952.024.081)</b>   | <b>13.507.131</b>   | <b>(60.314.708)</b>  | <b>(2.278)</b>   |
| <b>21. Net Foreign Currency Asset/ (Liability) Position of (UFRS 7.B23) (=1+2a+5+6a+10+11+12a+14+15+16a)</b>    | <b>(783.933.869)</b>   | <b>5.762.804</b>    | <b>(44.647.334)</b>  | <b>(2.014)</b>   |
| <b>22. Total Fair Value of Financial Instruments Used for - Foreign Currency Hedging</b>                        | <b>797.481.931</b>     | <b>7.744.327</b>    | <b>32.740.379</b>    | <b>-</b>         |
| <b>23. Hedged Foreign Exchange Assets</b>                                                                       | <b>-</b>               | <b>-</b>            | <b>-</b>             | <b>-</b>         |
| <b>24. Hedged Foreign Exchange Liabilities</b>                                                                  | <b>797.481.931</b>     | <b>7.744.327</b>    | <b>32.740.379</b>    | <b>-</b>         |
| <b>25. Export</b>                                                                                               | <b>2.474.304.000</b>   | <b>55.134.022</b>   | <b>69.784.885</b>    | <b>1.300.536</b> |
| <b>26. Import</b>                                                                                               | <b>864.805.681</b>     | <b>598.503</b>      | <b>43.716.791</b>    | <b>-</b>         |

## Exchange rate risk

The table below shows the effect of a 10% depreciation in TRY on the profit before tax level:

| Table of Sensitivity Analysis for Foreign Currency Risk |                                                      | 31 December 2023                                     |
|---------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
|                                                         | Profit/(Loss)<br>Depreciation of<br>foreign currency | Profit/(Loss)<br>Appreciation of<br>foreign currency |
| <b>10% change in USD against TRY:</b>                   |                                                      |                                                      |
| USD net assets/liabilities                              | 18.017.115                                           | (18.017.115)                                         |
| <b>USD net effect</b>                                   | <b>18.017.115</b>                                    | <b>(18.017.115)</b>                                  |
| <b>10% change in EUR against TRY:</b>                   |                                                      |                                                      |
| EUR net assets/liabilities                              | (143.994.376)                                        | 143.994.376                                          |
| <b>EUR net effect</b>                                   | <b>(143.994.376)</b>                                 | <b>143.994.376</b>                                   |
| <b>10% change in Others against TRY:</b>                |                                                      |                                                      |
| Others net assets/liabilities                           | (175.271)                                            | 175.271                                              |
| <b>Others net effect</b>                                | <b>(175.271)</b>                                     | <b>175.271</b>                                       |
| <b>Total</b>                                            | <b>(126.152.532)</b>                                 | <b>126.152.532</b>                                   |

| Exchange rate sensitivity analysis table    |                                                      | 31 December 2022                                     |
|---------------------------------------------|------------------------------------------------------|------------------------------------------------------|
|                                             | Profit/(Loss)<br>Depreciation of<br>foreign currency | Profit/(Loss)<br>Appreciation of<br>foreign currency |
| <b>Change of USD against TRY by 10%:</b>    |                                                      |                                                      |
| USD net assets/liabilities                  | 10.775.464                                           | (10.775.464)                                         |
| <b>USD net effect</b>                       | <b>10.775.464</b>                                    | <b>(10.775.464)</b>                                  |
| <b>Change of EUR against TRY by 10%:</b>    |                                                      |                                                      |
| EUR net assets/liabilities                  | (89.164.298)                                         | 89.164.298                                           |
| <b>EUR net effect</b>                       | <b>(89.164.298)</b>                                  | <b>89.164.298</b>                                    |
| <b>Change of Others against TRY by 10%:</b> |                                                      |                                                      |
| Others net assets/liabilities               | (4.553)                                              | 4.553                                                |
| <b>Others net effect</b>                    | <b>(4.553)</b>                                       | <b>4.553</b>                                         |
| <b>Total</b>                                | <b>(78.393.387)</b>                                  | <b>78.393.387</b>                                    |

The Group evaluates its foreign currency assets at the "buying" rate, while valuing its foreign currency liabilities at the "sales" rate.

## NOTE 28 - RIGHT OF USE ASSETS

|                               | Buildings        | Vehicles, floors and<br>fixtures         | Total             |
|-------------------------------|------------------|------------------------------------------|-------------------|
| <b>As of 1 January 2022</b>   | <b>841.723</b>   | <b>12.508.629</b>                        | <b>13.350.352</b> |
| Additions                     | 9.811.218        | 11.582.709                               | 21.393.927        |
| Disposals                     | (3.571.373)      | (89.975)                                 | (3.661.348)       |
| Depreciation expense          | (2.126.619)      | (5.063.425)                              | (7.190.044)       |
| Depreciation disposals        | 3.571.372        | 89.975                                   | 3.661.347         |
| <b>As of 31 December 2022</b> | <b>8.526.321</b> | <b>19.027.913</b>                        | <b>27.554.234</b> |
|                               | <b>Buildings</b> | <b>Vehicles, floors and<br/>fixtures</b> | <b>Total</b>      |
| <b>As of 1 January 2021</b>   | <b>1.511.142</b> | <b>5.323.881</b>                         | <b>6.835.023</b>  |
| Additions                     | 1.708.026        | 8.929.876                                | 10.637.902        |
| Disposals                     | -                | (1.115.605)                              | (1.115.605)       |
| Depreciation expense          | (1.572.927)      | (2.343.489)                              | (3.916.416)       |
| Depreciation disposals        | -                | 909.448                                  | 909.448           |
| <b>As of 31 December 2021</b> | <b>1.646.241</b> | <b>11.704.112</b>                        | <b>13.350.352</b> |

## NOTE 29 - FAIR VALUE DISCLOSURES AND EXPLANATIONS IN THE FRAMEWORK OF HEDGE ACCOUNTING

### Classification of financial instruments

The Group has classified its financial assets and liabilities as financial investments, loans and receivables. The Group's financial assets are classified as cash and cash equivalents, trade receivables and other receivables, loans and derivative instruments and are presented at amortized cost using the effective interest method. The Group's financial liabilities consist of financial liabilities, trade payables, derivative instruments payables and other payables and are classified as financial liabilities carried at discounted cost and presented at amortized cost using the effective interest method.

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between voluntary parties, other than in a forced sale or liquidation, and is best determined by an established market price, if any.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methods. However, judgment is used in interpreting market data for the purpose of estimating fair value. Accordingly, the estimates presented here may not be indicative of the values that the Group could realize in a current market transaction.

The following methods and assumptions have been used in estimating the fair values of financial instruments whose fair value can be determined:

### Financial assets

The fair values of the balances denominated in foreign currency translated at period-end rates are considered to approximate their book values. Cash and cash equivalents are presented at their fair values. It is assumed that the fair values of trade receivables and receivables from related parties approximate their book values due to their short-term nature. Derivative instruments are shown at their fair values.

### Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be approximated to their fair values together with their discounted book values, and it is accepted that the fair values of the foreign currency balances translated with year-end rates approximate their book values. Liabilities from derivative instruments are shown at their fair values

The table below contains the analysis of financial instruments whose fair value is determined by valuation method. Fair value calculations are based on the stages described below:

- Quoted prices (unadjusted) in active markets for certain assets and liabilities (Level 1).
- Observable inputs, either directly (as prices) or indirectly (derived from prices), for assets or liabilities other than quoted prices within Level 1 (Level 2).
- Inputs (unobservable inputs) for assets and liabilities that cannot be determined on the basis of observable market data (Level 3).

The table below consists of the Group's assets calculated at fair value as of 31 December 2023 and 2022.

| Financial assets / liabilities                                          | Reasonable value |                  | Reasonable value level | Valuation technique                                                                                                                                                                                           |
|-------------------------------------------------------------------------|------------------|------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         | 31 December 2022 | 31 December 2021 |                        |                                                                                                                                                                                                               |
| Financial assets/ (liabilities) from foreign currency forward contracts | 11,755,725       | 1,030,727        | Level 2                | Future cash flows estimated using forward exchange rates (observable forward exchange rates at maturity) and contract rates are discounted using a rate that reflects the credit risk of the various parties. |

# Principles of Sustainability Compliance Statement

As an industry pioneer, Türk Prysmian Kablo began its sustainability journey about 4 years ago. A Sustainability Report with stakeholder input was released in 2022 and 2023, marking the culmination of Türk Prysmian Kablo's four-years effort; by adhering to and following good practices in this area, including those specified in The Capital Markets Board's Sustainability Principles Compliance Framework, the company continues to work in line with its commitment to sustainability. Although Türk Prysmian Kablo has implemented a majority of the sustainability principles outlined in the Sustainability Principles Compliance Framework, it continues to work on the items that have not yet been fully implemented.

The principles included in the CMB's Sustainability Principles Compliance Framework are cited in the Sustainability Section of the Annual Report; on Türk Prysmian Kablo and Prysmian Website, as well as in the 2022 Sustainability Report.

- Under principle number B.9, Scope 1 and Scope 2 greenhouse gas emissions are calculated using international standards determined by Prysmian Group. Scope 1 and Scope 2 emissions are presented in the Sustainability Report, but Scope 3 emissions are referenced in the Prysmian sustainability report. Currently, special studies are being conducted for Türk Prysmian Kablo.
- Under principle number B.14; Türk Prysmian Kablo has conducted a life cycle analysis of a product, but the Prysmian is coordinating the comprehensive study. Third-party (e.g. suppliers, subcontractors, dealers, etc.) greenhouse gas reduction efforts are managed by the Prysmian Group, while Türk Prysmian Kablo is also conducting company-specific studies.
- B.19 renewable energy production and use studies continue. Currently not available for 2023, but included in work plans for 2024.
- Under the principle numbered B.23; No internal carbon pricing studies have yet been conducted. There are no accumulated/purchased carbon credits.
- Under the principle numbered B.24; No internal carbon pricing studies have yet been conducted. Studies for the transition to a low-carbon economy continue under the leadership of both the Prysmian and the region we are affiliated with.

As part of our annual report, we have attached the Sustainability Principles Report prepared in accordance with the CMB's decision dated 23.06.2022, number 34/977, and approved by the Board of Directors.

|      | When determining compliance with the principles as "Yes" or "Partial", include information/links regarding information disclosed to the public must be shared.<br><br>Explicit explanations of compliance with the principles shall be provided in the "Explanation" column.<br><br>A note should be included in the "Explanation" column detailing whether the information is presented consolidated or solo. | COMPLIANCE STATUS |    |         |                | Explanation                                                                                                                       | Information about the report (including the page number)/links to publicly disclosed information should be included                                                         |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----|---------|----------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                                                                                                                                                                                                                                                                                                                                | Yes               | No | Partial | Not Applicable |                                                                                                                                   |                                                                                                                                                                             |
|      | <b>A. General Principles</b>                                                                                                                                                                                                                                                                                                                                                                                   |                   |    |         |                |                                                                                                                                   |                                                                                                                                                                             |
|      | <b>A1. Strategy, Policies, and Targets</b>                                                                                                                                                                                                                                                                                                                                                                     |                   |    |         |                |                                                                                                                                   |                                                                                                                                                                             |
| A1.1 | The Board of Directors of the partnership determines material environmental, social, and corporate governance (ESG) risks and opportunities and creates ESG policies accordingly.                                                                                                                                                                                                                              | X                 |    |         |                | We are continuing to work on the Sustainability report for 2023. Risk analyses have been conducted both in Turkey and as a group. | Sustainability Report   Prysmian – 58. Page<br><br>Detailed information about the "Sustainability" section of the Annual Report is provided in the Risk Management section. |
|      | The partnership's Board of Directors has developed and publicly disclosed the ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights Policy, etc.)                                                                                                                                                                                                                                              | X                 |    |         |                | The ESG policies are included both in the Türkiye Sustainability report and on our website.                                       | Our Policies (prysmiangroup.com)                                                                                                                                            |
| A1.2 | The public is informed about short and long-term ESG targets.                                                                                                                                                                                                                                                                                                                                                  | X                 |    |         |                |                                                                                                                                   | Sustainability (prysmiangroup.com) 15-16. pages.<br><br>Prysmian targets can also be found in the Prysmian sustainability report.                                           |

|      |                                                                                                                                                                                                                            |   |   |  |                                                                                          |                                                                                                                                                                         |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|--|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | <b>A2. Implementation/Monitoring</b>                                                                                                                                                                                       |   |   |  |                                                                                          |                                                                                                                                                                         |
| A2.1 | Committees and/or units involved in the implementation of ESG policies and highest-ranking officials in the partnership handling the ESG issues and their duties have been identified and disclosed.                       | X |   |  |                                                                                          | Detailed information about ESG organization can be found in the annual report under the sustainability section. Sustainability (prysmiangroup.com) – pages 25-26-27     |
|      | A report on activities within the scope of policies is submitted at least once a year to the Board of Directors by the responsible committee and/or unit.                                                                  | X |   |  |                                                                                          | Sustainability (prysmiangroup.com) – Explained on page 27.                                                                                                              |
| A2.2 | Action plans and execution plans aligned with the ESG targets were developed and disclosed.                                                                                                                                | X |   |  |                                                                                          | Sürdürülebilirlik (prysmiangroup.com) – A full explanation of all projects can be found on pages 37 through 72.                                                         |
| A2.3 | ESG Key Performance Indicators (KPIs) and the level of attainment of these indicators on a yearly basis were disclosed.                                                                                                    | X |   |  |                                                                                          | Sustainability (prysmiangroup.com) – Page 34-35. 2023 targets are regularly followed. Also, under the heading “sustainability” of the annual report has been explained. |
| A2.4 | The public has been informed of activities aimed at improving the sustainability performance of business processes or products and services.                                                                               | X |   |  |                                                                                          | Prysmian Ecovadis regularly shares performance results based on evaluation criteria such as CDP. Sustainability (prysmiangroup.com) – pages 37 to 72.                   |
|      | <b>A3. Reporting</b>                                                                                                                                                                                                       |   |   |  |                                                                                          |                                                                                                                                                                         |
| A3.1 | A clear, accurate, and adequate presentation of the partnership's sustainability performance, targets, and actions is provided in the annual report.                                                                       | X |   |  | Every page of our 2022 report explains our performance and goals clearly and concisely.  | Detailed information can be found in the annual report's "sustainability" section. Sustainability (prysmiangroup.com)                                                   |
| A3.2 | The partnership has disclosed information about its activities related to the United Nations (UN) 2030 Sustainable Development Goals.                                                                                      | X |   |  |                                                                                          | Sustainability (prysmiangroup.com) – Refer to Page 38.                                                                                                                  |
| A3.3 | Lawsuits filed and/or resolved against ESG issues that are significant in relation to ESG policies and/or have a significant impact on operations have been disclosed.                                                     |   | X |  |                                                                                          | No lawsuit has been filed against our company in relation to this matter.                                                                                               |
|      | <b>A4. Verification</b>                                                                                                                                                                                                    |   |   |  |                                                                                          |                                                                                                                                                                         |
| A4.1 | ESG Key Performance metrics have been verified by an independent third party and made public.                                                                                                                              | X |   |  |                                                                                          | Prysmian performs the verification.                                                                                                                                     |
|      | <b>B. Environmental Principles</b>                                                                                                                                                                                         |   |   |  |                                                                                          |                                                                                                                                                                         |
| B1   | Partnership environmental policies and practices, action plans, environmental management systems (known as ISO 14001 standards) and programs have been made public.                                                        | X |   |  |                                                                                          | It is described in detail in the annual report Sürdürülebilirlik (prysmiangroup.com) – 38-39 Page                                                                       |
| B2   | In regards to the report issued to inform the public about environmental issues management, the scope, period, and date of the report, as well as limitations regarding the reporting conditions are disclosed.            | X |   |  |                                                                                          | Sürdürülebilirlik (prysmiangroup.com) – refer to page 5                                                                                                                 |
| B3   | Explained in A2.1                                                                                                                                                                                                          |   |   |  |                                                                                          |                                                                                                                                                                         |
| B4   | The public has been provided with information on environmental targets that are included in the reward criteria of performance incentive systems offered to stakeholders (such as employees, managers, and board members). | X |   |  | Prysmian has incorporated ESG into its performance incentive criteria and reward system. | Details on the reward system can be found in the Sustainability: report and responsibility   Prysmian.                                                                  |
| B5   | Public disclosure has been made about how environmental issues of priority are integrated into business targets and strategies.                                                                                            | X |   |  |                                                                                          | Sürdürülebilirlik (prysmiangroup.com) – page 29 lists the materiality. Pages 44 to 47 explain the integration process.                                                  |
| B6   | Explained in A2.4.                                                                                                                                                                                                         | X |   |  |                                                                                          | Sustainability (prysmiangroup.com) – pages 40 to 69                                                                                                                     |

|     |                                                                                                                                                                                                                                                                                                                                              |   |   |  |  |  |                                                                                                                                                                                                                      |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|--|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B7  | How environmental issues are managed across the partner value chain, including customers and vendors, and are integrated into business objectives and strategies, including the operational process, have been disclosed.                                                                                                                    | X |   |  |  |  | Sustainability (prysmiangroup.com) – page 29 explains relations with stakeholders.                                                                                                                                   |
| B8  | Public disclosed have been made about the partnership involvement in the policy-making processes of relevant organizations and non-governmental organizations in the environmental field, as well as collaborations with these institutions and organizations.                                                                               | X |   |  |  |  | Sustainability (prysmiangroup.com) – page 29 explains relations with stakeholders.                                                                                                                                   |
| B9  | Information on environmental impacts has been publicly disclosed on a comparative basis, in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) | X |   |  |  |  | Sustainability (prysmiangroup.com) – Scope 1 and 2 _ is presented in our report. Sustainability Report   Prysmian Scope 3 is presented in the report issued by our Group. It is also presented in the annual report. |
| B10 | Details of the standard, protocol, methodology, and base year used to collect and calculate data have been disclosed.                                                                                                                                                                                                                        | X |   |  |  |  | The standard is specified in the Prysmian Report. Detailed information can be found in the annual report "sustainability" section.                                                                                   |
| B11 | The status (increase or decrease) of environmental indicators for the reporting year is disclosed comparatively with previous years.                                                                                                                                                                                                         | X |   |  |  |  | Sustainability (prysmiangroup.com) presented in the attachments section.                                                                                                                                             |
| B12 | A set of short and long-term targets have been determined to reduce environmental impacts, and these targets and the progress made in the reporting year are explained in relation to the previously defined targets.                                                                                                                        | X |   |  |  |  | Sustainability (prysmiangroup.com) presented between pages 36 and 43.                                                                                                                                                |
| B13 | A strategy and actions to combat the climate crisis have been developed and disclosed.                                                                                                                                                                                                                                                       | X |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 38. Also, detailed information can be found in the annual report "sustainability" section.                                                                      |
| B14 | The programs or procedures have been established to prevent or minimize the potential adverse impact of the products and/or services on the environment and have been disclosed.                                                                                                                                                             | X |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 51.                                                                                                                                                             |
|     | Actions have been taken and disclosed to reduce third parties' (eg suppliers, subcontractors, dealers, etc.) greenhouse gas emissions.                                                                                                                                                                                                       | X |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 42 and 43. Also detailed information can be found in the annual report "sustainability" section.                                                                |
| B15 | The environmental benefits/gains and cost savings provided by initiatives and projects carried out to reduce the environmental impacts have been disclosed.                                                                                                                                                                                  | X |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 38-43.                                                                                                                                                          |
| B16 | Total energy consumption data (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) are presented in the report as Scope-1 and Scope-2.                                                                                                                                                                            | X |   |  |  |  | Sustainability (prysmiangroup.com) presented in the attachments section.                                                                                                                                             |
| B17 | Information on the data pertaining to the electricity, heat, steam, and cooling produced in the reporting year has been provided.                                                                                                                                                                                                            | X |   |  |  |  | Sustainability (prysmiangroup.com) presented in the attachments section.                                                                                                                                             |
| B18 | Studies on increasing the use of renewable energy and transition to zero or low-carbon electricity have been conducted and publicly announced.                                                                                                                                                                                               | X |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 46.                                                                                                                                                             |
| B19 | Data on renewable energy production and use have been disclosed.                                                                                                                                                                                                                                                                             |   | X |  |  |  | No disclosure has been made in this regard.                                                                                                                                                                          |
| B20 | Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through these projects has been disclosed.                                                                                                                                                                             |   |   |  |  |  | Sustainability (prysmiangroup.com) presented on page 40, 41, and 48.                                                                                                                                                 |
| B21 | The amount of water drawn from underground or above ground, used, recycled, and discharged as well as its sources and procedures have been disclosed.                                                                                                                                                                                        | X |   |  |  |  | Sustainability (prysmiangroup.com) presented in the attachments section.                                                                                                                                             |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |   |  |  |                                                                                                                |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|--|--|----------------------------------------------------------------------------------------------------------------|
| B22                                         | Whether operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax) has been disclosed.                                                                                                                                                                                                                                                                                                       |   | X |  |  | No disclosure has been made in this regard.                                                                    |
| B23                                         | Information and details of carbon credits accumulated or purchased during the reporting period have been disclosed.                                                                                                                                                                                                                                                                                                                                        |   | X |  |  | No disclosure has been made in this regard.                                                                    |
| B24                                         | In the event that carbon pricing is applied within the partnership, the details of its application have been disclosed.                                                                                                                                                                                                                                                                                                                                    |   | X |  |  | No disclosure has been made in this regard.                                                                    |
| B25                                         | The platforms where environmental information is provided have been disclosed.                                                                                                                                                                                                                                                                                                                                                                             | X |   |  |  | Presented in the sustainability report.                                                                        |
| <b>C. Social Principles</b>                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |   |  |  |                                                                                                                |
| <b>C1. Human Rights and Employee Rights</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |   |  |  |                                                                                                                |
| C1.1                                        | The Corporate Human Rights and Employee Rights Policy is developed that ensures compliance with the Universal Declaration of Human Rights, the International Labor Organization Conventions ratified by Türkiye, as well as the Turkish legal framework governing human rights and working conditions. Roles and responsibilities related to the said policy and its implementation have been disclosed.                                                   | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 13.                                                       |
| C1.2                                        | A fair workforce, improved labor standards, and women's employment and inclusion issues that consider supply chain and value chain effects (including nondiscrimination against women, men, races, religions, languages, marital status, ethnic origin, sexual orientation, gender identity, domestic responsibilities, union participation, political views, disabilities, cultural differences, etc.) have been addressed in the employee rights policy. | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 62.                                                       |
| C1.3                                        | Measures taken along the value chain to protect the rights of certain groups vulnerable to specific economic, environmental, and social factors (low-income groups, women, etc.) or minority rights/equal opportunities have been disclosed.                                                                                                                                                                                                               | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 62.                                                       |
| C1.4                                        | Progress made in preventing discrimination, inequality, human rights violations, forced labor, and preventive corrective practices have been disclosed.                                                                                                                                                                                                                                                                                                    | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 62.                                                       |
| C1.5                                        | Investments made in employees (training, development policies), compensation, fringe benefits, the right to establish unions, solutions regarding work-life balance, and talent management issues have been addressed in the employee rights policy.                                                                                                                                                                                                       | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 62.                                                       |
|                                             | Mechanisms for employee complaints and the resolution of disputes have been established and dispute resolution processes have been developed.                                                                                                                                                                                                                                                                                                              | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 63.                                                       |
|                                             | The activities undertaken during the reporting period to ensure employee satisfaction are disclosed.                                                                                                                                                                                                                                                                                                                                                       | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 63.                                                       |
| C1.6                                        | Occupational health and safety policies are developed and disclosed.                                                                                                                                                                                                                                                                                                                                                                                       | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 70.                                                       |
|                                             | Measures taken to protect employee health and prevent occupational accidents, and accident statistics have been disclosed.                                                                                                                                                                                                                                                                                                                                 | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 70.                                                       |
| C1.7                                        | Policies for the protection of personal data and data security have been developed and disclosed.                                                                                                                                                                                                                                                                                                                                                          | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 28. It is also available in our website's privacy policy. |
| C1.8                                        | The ethics policy has been developed and disclosed.                                                                                                                                                                                                                                                                                                                                                                                                        | X |   |  |  | Sustainability (prysmiangroup.com) presented on page 13.                                                       |
| C1.9                                        | Studies conducted regarding social investment, social responsibility, financial inclusion, and access to financing have been disclosed.                                                                                                                                                                                                                                                                                                                    |   |   |  |  | Sustainability (prysmiangroup.com) presented on page 66-67.                                                    |

|                                                                  |                                                                                                                                                                          |   |  |  |  |  |                                                                                                                                                        |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--|--|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| C1.10                                                            | Informative meetings and training programs regarding ESG policies and practices have been organized for employees.                                                       |   |  |  |  |  | Sustainability (prysmiangroup.com) presented on page 62.                                                                                               |
| <b>C2. Stakeholders, International Standards and Initiatives</b> |                                                                                                                                                                          |   |  |  |  |  |                                                                                                                                                        |
| C2.1                                                             | A customer satisfaction policy for managing and resolving customer complaints has been created and disclosed.                                                            | X |  |  |  |  | Sustainability (prysmiangroup.com) presented on page 28. It is also available on our website. turkprysmian-iso-100022014-unacc.pdf (prysmiangroup.com) |
| C2.2                                                             | Information on communication with stakeholders (the concerned stakeholder, agenda, and frequency) is disclosed.                                                          | X |  |  |  |  | Sustainability (prysmiangroup.com) presented on page 29.                                                                                               |
| C2.3                                                             | The international reporting standards adopted have been disclosed.                                                                                                       | X |  |  |  |  | The information is included in the Report Overview section.                                                                                            |
| C2.4                                                             | International organizations, committees on sustainability, of which the company is a member or signatory, and the principles adopted by the company have been disclosed. | X |  |  |  |  | Sustainability (prysmiangroup.com) presented in the attachments section.                                                                               |
| C2.5                                                             | A concrete effort has been made to be incorporated into the Borsa Istanbul Sustainability Index as well as international sustainability indices.                         | X |  |  |  |  | Presented on page 38 of Prysmian Sustainability Report.<br>DNF_ENG 2021_15.03.2022_2.pdf (prysmiangroup.com)                                           |
| <b>D. Corporate Governance Principles</b>                        |                                                                                                                                                                          |   |  |  |  |  |                                                                                                                                                        |
| D1                                                               | Various stakeholders were consulted as part of the development of measures and strategies related to sustainability.                                                     | X |  |  |  |  | Sustainability (prysmiangroup.com) presented on page 30.                                                                                               |
| D2                                                               | Through social responsibility projects, awareness events, and training, efforts are made to raise awareness about sustainability.                                        | X |  |  |  |  | Sustainability (prysmiangroup.com) presented on page 67.                                                                                               |

# Compliance Report

## Türk Prysmian Kablo ve Sistemleri A.Ş. COMPLIANCE REPORT REGARDING INSTITUTIONAL MANAGEMENT PRINCIPLES

Corporate Governance Compliance Report ("CRF") and Corporate Governance Information Note (CGIF) is disclosed to the public through Public Disclosure Platform ("KAP") at least three weeks prior to the date of the General Assembly meeting. CRF template is used for the purpose of reporting the status of "compliance with voluntary principles" and CGIF template is used for the purposes of providing information on existing corporate governance practices.

Corporate Governance Compliance Report below is prepared as indicated in Capital Markets Board (the "CMB") Decision dated January 10, 2019 and in the format specified in Communiqué on Corporate Governance Principles II-171

Sections marked with (x) represent company's compliance status and required explanation is given practices not marked under column "Yes".

| Corporate Governance Compliance Report                                                                                                                                                                                                                                      | Company Compliance Status |         |    |          |                | Explanation                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------|----|----------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS                                                                                                                                                                                                                        | Yes                       | Partial | No | Exempted | Not Applicable |                                                                                                                                                                                                                                         |
| 1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.                                                                                                                      | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION                                                                                                                                                                                                                                 |                           |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.                                                                                                                                                                   |                           |         |    |          | X              | The request for the appointment of a special auditor has not yet been regulated as an individual right in the company's articles of association. There was no request during the period regarding the appointment of a special auditor. |
| 1.3. GENERAL ASSEMBLY                                                                                                                                                                                                                                                       |                           |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.                                                                                                                                      | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.            |                           |         | X  |          |                | There are no transactions made during the year.                                                                                                                                                                                         |
| 1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting. | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.                                                                                                               |                           | X       |    |          |                | There is a separate item on the agenda, but because there are many donations and beneficiaries, summary information is provided.                                                                                                        |
| 1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.                                                                                                                                      |                           | X       |    |          |                | There is no media participation.                                                                                                                                                                                                        |
| 1.4. VOTING RIGHTS                                                                                                                                                                                                                                                          |                           |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.                                                                                                                                                                           | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.4.2 - The company does not have shares that carry privileged voting rights.                                                                                                                                                                                               | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.4.3- The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.                                                             | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.5. MINORITY RIGHTS                                                                                                                                                                                                                                                        |                           |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.5.1 - The company pays maximum diligence to the exercise of minority rights.                                                                                                                                                                                              | X                         |         |    |          |                |                                                                                                                                                                                                                                         |
| 1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.                                                                                      |                           |         | X  |          |                | There is no article in the articles of association regarding the extension of minority rights.                                                                                                                                          |

|                                                                                                                                                                                                          | Company Compliance Status |         |    |          |                | Explanation                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------|----|----------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                          | Yes                       | Partial | No | Exempted | Not Applicable |                                                                                                                                                                                                                  |
| 1.6. DIVIDEND RIGHT                                                                                                                                                                                      |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.                                                                                              | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.  | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.                                                                                               |                           |         |    |          | X              | Profit distribution is made.                                                                                                                                                                                     |
| 1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.                                                                               | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 1.7. TRANSFER OF SHARES                                                                                                                                                                                  |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 1.7.1 - There are no restrictions preventing shares from being transferred.                                                                                                                              | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 2.1. CORPORATE WEBSITE                                                                                                                                                                                   |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.                                                                                                       | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months. |                           |         | X  |          |                | There are no real person shareholders holding more than 5% of the issued capital.                                                                                                                                |
| 2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.                                                  |                           | X       |    |          |                | It is prepared in English and the relevant information is updated as needed.                                                                                                                                     |
| 2.2. ANNUAL REPORT                                                                                                                                                                                       |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.                                                                           | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.                                                                                                          |                           | X       |    |          |                | Article 2.2.2/e has not created a conflict of interest with the institutions it receives services such as investment consultancy and rating, and there is no information on the measures taken to prevent these. |
| 3.1. CORPORATION'S POLICY ON STAKEHOLDERS                                                                                                                                                                |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.                                                   | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.                                                                                                   | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.                                                                                                                   | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.                                                                                                             | X                         |         |    |          |                |                                                                                                                                                                                                                  |
| 3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT                                                                                                                    |                           |         |    |          |                |                                                                                                                                                                                                                  |
| 3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.                                                    |                           | X       |    |          |                | Intra-company regulations have been drawn up; The relevant requirements are not included in the articles of association.                                                                                         |
| 3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.            | X                         |         |    |          |                |                                                                                                                                                                                                                  |

|                                                                                                                                                                                                                                    | Company Compliance Status |         |    |          |                | Explanation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------|----|----------|----------------|-------------|
|                                                                                                                                                                                                                                    | Yes                       | Partial | No | Exempted | Not Applicable |             |
| 3.3. HUMAN RESOURCES POLICY                                                                                                                                                                                                        |                           |         |    |          |                |             |
| 3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.                                                                                         | X                         |         |    |          |                |             |
| 3.3.2 - Recruitment criteria are documented.                                                                                                                                                                                       | X                         |         |    |          |                |             |
| 3.3.3 - The company has a policy on human resources development, and organises trainings for employees.                                                                                                                            | X                         |         |    |          |                |             |
| 3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.                                                                              | X                         |         |    |          |                |             |
| 3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.                                                                                    | X                         |         |    |          |                |             |
| 3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.                                                               | X                         |         |    |          |                |             |
| 3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment. | X                         |         |    |          |                |             |
| 3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.                                                                                                                               | X                         |         |    |          |                |             |
| 3.3.9 - A safe working environment for employees is maintained.                                                                                                                                                                    | X                         |         |    |          |                |             |
| 3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS                                                                                                                                                                                        |                           |         |    |          |                |             |
| 3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.                                                                                                                           | X                         |         |    |          |                |             |
| 3.4.2 - Customers are notified of any delays in handling their requests.                                                                                                                                                           | X                         |         |    |          |                |             |
| 3.4.3 - The company complied with the quality standards with respect to its products and services.                                                                                                                                 | X                         |         |    |          |                |             |
| 3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.                                                                    | X                         |         |    |          |                |             |
| 3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY                                                                                                                                                                                       |                           |         |    |          |                |             |
| 3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.                                                                                                                             | X                         |         |    |          |                |             |
| 3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.                                                                                                        | X                         |         |    |          |                |             |
| 4.1. ROLE OF THE BOARD OF DIRECTORS                                                                                                                                                                                                |                           |         |    |          |                |             |
| 4.1.1 - The board of directors ensures strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.                                                                  | X                         |         |    |          |                |             |
| 4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.              | X                         |         |    |          |                |             |

|                                                                                                                                                                                                                                                  | Company Compliance Status |         |    |          |                | Explanation                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------|----|----------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                  | Yes                       | Partial | No | Exempted | Not Applicable |                                                                                                                                                                                                                                                                                             |
| 4.2. ACTIVITIES OF THE BOARD OF DIRECTORS                                                                                                                                                                                                        |                           |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.                                                                                                                                            | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.                                                                                                                                      | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.                                                                                                                      | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.                                                                                                                        | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.                                                                                                                                                         | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.               | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.                                                                                                                        | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.3. STRUCTURE OF THE BOARD OF DIRECTORS                                                                                                                                                                                                         |                           |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy. |                           | X       |    |          |                | Although a written policy has not been established by the Board of Directors, 4 out of 8 board members are women and a 50% ratio has been achieved.                                                                                                                                         |
| 4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.                                                                                                                                   | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.4. BOARD MEETING PROCEDURES                                                                                                                                                                                                                    |                           |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system                                                                                                                            |                           | X       |    |          |                | The Board of Directors meetings will be held physically during the 2023 operating period. 68.75% of the Board Members physically attended these meetings. Members who could not physically participate in the meeting due to their agenda participated through online applications (Teams). |
| 4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.                                                                                  |                           | X       |    |          |                | There is no minimum duration. However, necessary information and documents are sent to all members in sufficient time.                                                                                                                                                                      |
| 4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.                                                                                        | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.4.4 - Each member of the board has one vote.                                                                                                                                                                                                   | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.                                                                                                                                             | X                         |         |    |          |                |                                                                                                                                                                                                                                                                                             |
| 4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.                                                                                                  |                           | X       |    |          |                | Since there was no dissenting vote, the minutes were not drawn up.                                                                                                                                                                                                                          |
| 4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.                                                                          |                           | X       |    |          |                | Independent members are not restricted from taking on other duties outside the company. Non-independent Members of the Board of Directors can take office in related companies outside the group. It was presented to the information of the shareholders in the Annual Report.             |

| 4.5. BOARD COMMITTEES                                                                                                                                                                                                                                                                                                     | Company Compliance Status |         |    |          |                | Explanation                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------|----|----------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                           | Yes                       | Partial | No | Exempted | Not Applicable |                                                                                                                                                                                                          |
| 4.5.5 - Board members serve in only one of the Board's committees.                                                                                                                                                                                                                                                        |                           |         | X  |          |                | Independent members take part in more than one committee.                                                                                                                                                |
| 4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.                                                                                                                                                                                                                        | X                         |         |    |          |                |                                                                                                                                                                                                          |
| 4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.                                                                                                                                                                                                       |                           | X       |    |          |                | The Committee did not receive any significant consultancy services other than the independent audit service.                                                                                             |
| 4.5.8 - Minutes of all committee meetings are kept and reported to board members.                                                                                                                                                                                                                                         | X                         |         |    |          |                |                                                                                                                                                                                                          |
| 4.6. FINANCIAL RIGHTS                                                                                                                                                                                                                                                                                                     |                           |         |    |          |                |                                                                                                                                                                                                          |
| 4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.                                                                                                                                                                       |                           | X       |    |          |                | The Chairman and Vice Chairman of the Board of Directors make the necessary evaluation in the annual report, and there are no relevant performance evaluations in the minutes of the board of directors. |
| 4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them. | X                         |         |    |          |                |                                                                                                                                                                                                          |
| 4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.                                                                                                                                                                                                                    |                           |         | X  |          |                | In accordance with the Law No. 6698 on the Protection of Personal Data, the total amount is disclosed in terms of categories, rather than on an individual basis.                                        |

## CORPORATE GOVERNANCE FACT SHEET

| 1. SHAREHOLDERS                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.1. Facilitating the Exercise of Shareholders Rights</b>                                                                                                                                                                      |                                                                                                                                                                                                                                                            |
| The number of investor meetings (conference, seminar/etc.) organised by the company during the year                                                                                                                               | In 2022, four webcast meetings were held where financial results for the end of 2021 and three quarters of 2022 were shared.                                                                                                                               |
| <b>1.2. Right To Obtain And Review Information</b>                                                                                                                                                                                |                                                                                                                                                                                                                                                            |
| The number of special audit request(s)                                                                                                                                                                                            | No request during the period regarding the appointment of a special auditor.                                                                                                                                                                               |
| The number of special audit requests that were accepted at the General Shareholders' Meeting                                                                                                                                      | There was no request for a special auditor at the General Assembly Meeting.                                                                                                                                                                                |
| <b>1.3. General Assembly</b>                                                                                                                                                                                                      |                                                                                                                                                                                                                                                            |
| Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)                                                                                                                                | <a href="https://www.kap.org.tr/tr/Bildirim/1129208">https://www.kap.org.tr/tr/Bildirim/1129208</a>                                                                                                                                                        |
| Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time                                                                                                              | The General Assembly Meeting documents are not published simultaneously in English.                                                                                                                                                                        |
| The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9               | There is no action taken within the scope of principle 1.3.9.                                                                                                                                                                                              |
| The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1) it was adopted with the decision numbered 2022/10 in the year 2022. | In 2023, all related party transactions and transaction principles were collectively presented to the Board of Directors. It was adopted in 2023 by decision no. 2023/08.                                                                                  |
| The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)                                                            | <a href="https://www.kap.org.tr/tr/Bildirim/1128486">https://www.kap.org.tr/tr/Bildirim/1128486</a>                                                                                                                                                        |
| The name of the section on the corporate website that demonstrates the donation policy of the company                                                                                                                             | Our company's corporate website at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> is available under the "Our Policies" heading under the Investor Relations Section.                                                              |
| The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved                                                                                                         | <a href="https://www.kap.org.tr/tr/bildirim/1129208">https://www.kap.org.tr/tr/bildirim/1129208</a>                                                                                                                                                        |
| The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting                                                                                   | Article 11                                                                                                                                                                                                                                                 |
| Identified stakeholder groups that participated in the General Shareholders' Meeting, if any                                                                                                                                      | Company employees, representatives, shareholders and independent auditor can attend the General Assembly meeting. General Assembly attendee list link: <a href="https://www.kap.org.tr/tr/Bildirim/1129208">https://www.kap.org.tr/tr/Bildirim/1129208</a> |
| <b>1.4. Voting Rights</b>                                                                                                                                                                                                         |                                                                                                                                                                                                                                                            |
| Whether the shares of the company have differential voting rights                                                                                                                                                                 | No                                                                                                                                                                                                                                                         |
| In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.                                                                                                                     | Not available.                                                                                                                                                                                                                                             |
| The percentage of ownership of the largest shareholder                                                                                                                                                                            | 83.75%                                                                                                                                                                                                                                                     |
| <b>1.5. Minority Rights</b>                                                                                                                                                                                                       |                                                                                                                                                                                                                                                            |
| Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association                                                                                                               | No                                                                                                                                                                                                                                                         |
| If yes, specify the relevant provision of the articles of association.                                                                                                                                                            | Not available.                                                                                                                                                                                                                                             |
| <b>1.6. Dividend Right</b>                                                                                                                                                                                                        |                                                                                                                                                                                                                                                            |
| The name of the section on the corporate website that describes the dividend distribution policy                                                                                                                                  | Our company's corporate website at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> is available under the "Our Policies" heading under the Investor Relations Section.                                                              |
| Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.                          | The Board of Directors has not made a proposal regarding the distribution of profit.                                                                                                                                                                       |
| PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends                                                                           | The Board of Directors has not made a proposal regarding the distribution of profit.                                                                                                                                                                       |

## General Assembly Meetings

| General Meeting Date | The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting | Shareholder participation rate to the General Shareholders' Meeting | Percentage of shares directly present at the GSM | Percentage of shares represented by proxy | Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against    | Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them                                         | The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions                                                           | The number of declarations by insiders received by the board of directors | The link to the related PDP general shareholder meeting notification                                |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 30/03/ 2022          | 0                                                                                                                                         | 83.75%                                                              | 83.75%                                           | 83.75%                                    | On the corporate website of our company at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> , Investor Relations Department under the heading "General Assemblies". | On the corporate website of our company at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> , Investor Relations Department under the heading "General Assemblies". | On the corporate website of our company at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> , Investor Relations Department under the heading "General Assemblies". | 24                                                                        | <a href="https://www.kap.org.tr/tr/Bildirim/1129208">https://www.kap.org.tr/tr/Bildirim/1129208</a> |

## 2. DISCLOSURE AND TRANSPARENCY

|                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.1. Corporate Website</b>                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                             |
| Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.                                                                                                                                                | It is constantly updated under the "Investor Relations" section of the corporate website at <a href="http://www.prysmiangroup.com.tr">www.prysmiangroup.com.tr</a> , as stipulated by the CMB's Corporate Governance Principles, in order to maintain our company's relations with the shareholders more effectively and quickly and to be in constant communication with the shareholders. |
| If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.                                                                      | No real person shareholders owning more than 5% of the shares, based on the latest shareholder list notified to our company by MKK.                                                                                                                                                                                                                                                         |
| List of languages for which the website is available                                                                                                                                                                                                       | Turkish, English                                                                                                                                                                                                                                                                                                                                                                            |
| <b>2.2. Annual Report</b>                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.</b>                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                             |
| a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members | It is included in the Corporate Governance Compliance Report section of the annual report.                                                                                                                                                                                                                                                                                                  |
| b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure                                                                                                      | It is included in the Corporate Governance Compliance Report section of the annual report.                                                                                                                                                                                                                                                                                                  |
| c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings                                                        | It is included in the Corporate Governance Compliance Report section of the annual report.                                                                                                                                                                                                                                                                                                  |
| ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation                                                    | Footnote 2 of the independent auditor's report                                                                                                                                                                                                                                                                                                                                              |
| d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof                                                               | Footnote 14 of the independent auditor's report                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                                                                                                                                                                                                                                                          |                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest | Not available.                                                                       |
| f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%                                                                                                                                                         | Not available.                                                                       |
| g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results                                                  | It is explained in the Corporate Social Responsibility section of the annual report. |

### 3. STAKEHOLDERS

|                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.1. Corporation's Policy on Stakeholders</b>                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The name of the section on the corporate website that demonstrates the employee remedy or severance policy                                                                                                                                               | Find it under the heading "Our Policies" under the Investor Relations Section on our company's corporate website at <a href="http://www.prysmiangroup.com">www.prysmiangroup.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| The number of definitive convictions the company was subject to in relation to breach of employee rights                                                                                                                                                 | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)                                                                                                                                                           | The whistle blowing mechanism, initiated by the internal audit department, is used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The contact detail of the company alert mechanism                                                                                                                                                                                                        | <a href="https://www.prysmiangroup.com/en/about-us/ethics-integrity/whistleblowing">https://www.prysmiangroup.com/en/about-us/ethics-integrity/whistleblowing</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies                                                                                                    | Not available.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Corporate bodies where employees are actually represented                                                                                                                                                                                                | It is based on keeping all communication channels open and eliminating all possible obstacles for the participation of company employees in the management. Our company has a union structure and our workers are members of the united metal business union. A suggestion box is used, making it possible to collect and convey suggestions regarding company activities to the senior management without making any distinction between white-collar and blue-collar. Participation in the management is supported by various working groups such as panels and workshops formed by the employees of the company at all levels. |
| <b>3.3. Human Resources Policy</b>                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The role of the board on developing and ensuring that the company has a succession plan for the key management positions                                                                                                                                 | The Board of Directors creates the necessary succession plans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.                                  | Find it under the heading "Our Policies" under the Investor Relations Section on our company's corporate website at <a href="http://www.prysmiangroup.com">www.prysmiangroup.com</a>                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Whether the company provides an employee stock ownership programme                                                                                                                                                                                       | There is an employee stock ownership programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.          | Not available.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The number of definitive convictions the company is subject to in relation to health and safety measures                                                                                                                                                 | Not available.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>3.5. Ethical Rules and Social Responsibility</b>                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The name of the section on the corporate website that demonstrates the code of ethics                                                                                                                                                                    | It is available under the heading "Ethical Values & Integrity" in the About section of our company's corporate website at <a href="https://tr.prysmiangroup.com/en">https://tr.prysmiangroup.com/en</a>                                                                                                                                                                                                                                                                                                                                                                                                                           |
| The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues. | Our company's corporate website at <a href="http://www.prysmiangroup.com">www.prysmiangroup.com</a> . tr is available under the "Our Policies" heading under the Investor Relations Section.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Any measures combating any kind of corruption including embezzlement and bribery                                                                                                                                                                         | <a href="https://tr.prysmiangroup.com/en/ethics-integrity">https://tr.prysmiangroup.com/en/ethics-integrity</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## 4. BOARD OF DIRECTORS-I

### 4.2. Activities Of The Board Of Directors

|                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of the last board evaluation conducted                                                                                                                                                                                                                                                                                           | Not available.                                                                                                                                                                                                                                                                                                                                                                   |
| Whether the board evaluation was externally facilitated                                                                                                                                                                                                                                                                               | No                                                                                                                                                                                                                                                                                                                                                                               |
| Whether all board members released from their duties at the GSM                                                                                                                                                                                                                                                                       | Yes                                                                                                                                                                                                                                                                                                                                                                              |
| Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties                                                                                                                                                                                                                        | Board of Directors, Management Deputy Chairman of the Board Ülkü Özcan is alone she is authorized without limit                                                                                                                                                                                                                                                                  |
| Number of reports presented by internal auditors to the audit committee or any relevant committee to the board                                                                                                                                                                                                                        | 5                                                                                                                                                                                                                                                                                                                                                                                |
| Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls                                                                                                                                                                                 | It is presented in the Corporate Governance Principles Compliance Report section of the annual report.                                                                                                                                                                                                                                                                           |
| Name of the Chairman                                                                                                                                                                                                                                                                                                                  | Halil İbrahim Kongur                                                                                                                                                                                                                                                                                                                                                             |
| Name of the CEO                                                                                                                                                                                                                                                                                                                       | Ülkü Özcan                                                                                                                                                                                                                                                                                                                                                                       |
| If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles                                                                                                                                                                                        | Different people                                                                                                                                                                                                                                                                                                                                                                 |
| Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital Board of Directors, Management Deputy Chairman of the Board Ülkü Özcan is alone he is authorized without limit. | Our company has issued an insurance policy within the scope of "Manager Liability Insurance", including the members of the Board of Directors and senior managers, due to the damages they may cause to the company through their faults during their duties. KAP link link: <a href="https://www.kap.org.tr/tr/Bildirim/1065134">https://www.kap.org.tr/tr/Bildirim/1065134</a> |
| The name of the section on the corporate website that demonstrates current diversity policy targeting women directors                                                                                                                                                                                                                 | Not available.                                                                                                                                                                                                                                                                                                                                                                   |
| The number and ratio of female directors within the Board of Directors                                                                                                                                                                                                                                                                | 4 people, the rate is 50%.                                                                                                                                                                                                                                                                                                                                                       |

### Composition of Board of Directors

| Name, Surname of Board Member | Whether Executive Director Or Not | Whether Independent Director Or Not | The First Election Date To Board | Link To PDP Notification That Includes The Independency Declaration                                 | Whether the Independent Director Considered By The Nomination Committee | Whether She He is the Director Who Ceased to Satisfy The Independence or Not | Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not |
|-------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Halil İbrahim Kongur          | Non-executive                     | Not independent director            | 30/03/2012                       | -                                                                                                   | -                                                                       | -                                                                            | Yes                                                                                              |
| Ülkü Özcan                    | Executive                         | Not independent director            | 01/06/2021                       | -                                                                                                   | -                                                                       | -                                                                            | Yes                                                                                              |
| Rinke Kieboom                 | Non-executive                     | Not independent director            | 29/03/2023                       | -                                                                                                   | -                                                                       | -                                                                            | Yes                                                                                              |
| Maria Cristina Bifulco        | Non-executive                     | Not independent director            | 08/07/2020                       | -                                                                                                   | -                                                                       | -                                                                            | Yes                                                                                              |
| Robert Van Veen               | Non-executive                     | Not independent director            | 09/08/2021                       |                                                                                                     | Not applicable                                                          | -                                                                            | Yes                                                                                              |
| Banu Uzgur                    | Non-executive                     | Independent director                | 30/03/2018                       | <a href="https://www.kap.org.tr/tr/Bildirim/1117194">https://www.kap.org.tr/tr/Bildirim/1117194</a> | Considered                                                              | No                                                                           | Yes                                                                                              |
| İsmet Su                      | Non-executive                     | Independent director                | 30/03/2018                       | <a href="https://www.kap.org.tr/tr/Bildirim/1117194">https://www.kap.org.tr/tr/Bildirim/1117194</a> | Considered                                                              | No                                                                           | Yes                                                                                              |
| Mine Ayhan                    | Non-executive                     | Independent director                | 30/03/2020                       | <a href="https://www.kap.org.tr/tr/Bildirim/1117194">https://www.kap.org.tr/tr/Bildirim/1117194</a> | Considered                                                              | No                                                                           | Yes                                                                                              |

## 4. BOARD OF DIRECTORS-II

### 4.4. Meeting Procedures of the Board of Directors

|                                                                                                                                     |                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of physical or electronic board meetings in the reporting period                                                             | During the 2023 activity period, Board of Directors meetings were held physically; 68.75% of the Board Members physically attended these meetings. Members who could not physically attend the meeting due to their agendas participated through online applications (Teams).                   |
| Director average attendance rate at board meetings                                                                                  | 69%                                                                                                                                                                                                                                                                                             |
| Whether the board uses an electronic portal to support its work or not                                                              | Yes.                                                                                                                                                                                                                                                                                            |
| Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter                     | Information and documents related to the issues included in the agenda of the Board of Directors meeting are presented to the members of the Board of Directors for examination, sufficient time before the meeting, by ensuring an equal flow of information. The exact time is not specified. |
| The name of the section on the corporate website that demonstrates information about the board charter                              | It is stated in Articles 8 and 9 of the Articles of Association within the Corporate Governance section under the Investor Relations Department on the corporate website of the company at <a href="http://www.prysmiangroup.com">www.prysmiangroup.com</a>                                     |
| Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors | Not available.                                                                                                                                                                                                                                                                                  |
| <b>4.5. Board Committees</b>                                                                                                        |                                                                                                                                                                                                                                                                                                 |
| Page numbers or section names of the annual report where information about the board committees are presented                       | It is included in the "Corporate Governance Principles Compliance Report" section of the annual report.                                                                                                                                                                                         |
| Link(s) to the PDP announcement(s) with the board committee charters                                                                | <a href="https://www.kap.org.tr/tr/Bildirim/1066843">https://www.kap.org.tr/tr/Bildirim/1066843</a> ;<br><a href="https://www.kap.org.tr/tr/Bildirim/258320">https://www.kap.org.tr/tr/Bildirim/258320</a>                                                                                      |

## Board Committees-I

| Names of the Board Committees        | Name Of Committees Defined As "Other" In The First Column | Name-Surname of Committee Members | Whether Committee Chair Or Not | Whether Board Member Or Not |
|--------------------------------------|-----------------------------------------------------------|-----------------------------------|--------------------------------|-----------------------------|
| Audit Committee                      | -                                                         | İsmet Su                          | Yes                            | Board member                |
| Audit Committee                      | -                                                         | Banu Uzgur                        | No                             | Board member                |
| Audit Committee                      | -                                                         | Mine Ayhan                        | No                             | Board member                |
| Corporate Governance Committee       | -                                                         | Banu Uzgur                        | Yes                            | Board member                |
| Corporate Governance Committee       | -                                                         | Mine Ayhan                        | No                             | Board member                |
| Corporate Governance Committee       | -                                                         | Ayşe Çiğdem Çelikbilek            | No                             | Not board member            |
| Committee of Early Detection of Risk | -                                                         | Mine Ayhan                        | Yes                            | Board member                |
| Committee of Early Detection of Risk | -                                                         | Banu Uzgur                        | No                             | Board member                |
| Committee of Early Detection of Risk | -                                                         | İsmet Su                          | No                             | Board member                |

## 4. BOARD OF DIRECTORS-III

### 4.5. Board Committees-II

|                                                                                                                                                                                 |                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)                   | It is included in the Corporate Governance Principles Compliance Report section of the annual report. |
| Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)    | It is included in the Corporate Governance Principles Compliance Report section of the annual report. |
| Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)              | It is included in the Corporate Governance Principles Compliance Report section of the annual report. |
| Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website) | It is included in the Corporate Governance Principles Compliance Report section of the annual report. |
| Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)            | It is included in the Corporate Governance Principles Compliance Report section of the annual report. |

### 4.6. Financial Rights

|                                                                                                                                                                          |                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)         | The "CEO's message" is included in the annual report.                                                                                                                                       |
| Specify the section of website where remuneration policy for executive and non-executive directors are presented.                                                        | Our company's corporate website at <a href="http://www.prysmiangroup.com">www.prysmiangroup.com</a> is available under the heading "Our Policies" under the Investor Relations Section.     |
| Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report) | It is stated in the "benefits and services provided to senior executives" section of the Annual Report and in Footnote 26 of the Independent Auditor's Report on Related Party Disclosures. |

## Board Committees-II

| Names Of The Board Committees        | Name of committees defined as "Other" in the first column | The Percentage Of Non-executive Directors | The Percentage Of Independent Directors In The Committee | The Number Of Meetings Held In Person | The Number Of Reports On Its Activities Submitted To The Board |
|--------------------------------------|-----------------------------------------------------------|-------------------------------------------|----------------------------------------------------------|---------------------------------------|----------------------------------------------------------------|
| Audit Committee                      | -                                                         | 100%                                      | 100%                                                     | 5                                     | 5                                                              |
| Corporate Governance Committee       | -                                                         | 100%                                      | 66.66%                                                   | 4                                     | 4                                                              |
| Committee of Early Detection of Risk | -                                                         | 100%                                      | 100%                                                     | 6                                     | 6                                                              |

# DUTIES AND WORK PRINCIPLES OF THE EARLY RISK ASSESSMENT COMMITTEE

## 1. PURPOSE

To ensure early detection and assessment of risks that may endanger the assets, development and continuity of the Company, to take and implement preventive measures regarding such risks and to carry out works regarding risk management and to review the risk management systems at least annually.

## 2. AUTHORITIES AND SCOPE

Early Risk Assessment Committee shall;

- a) Implement and arrange effective internal control systems and mechanisms to ensure risks that may prevent the Company from achieving its goals and targets and may put the Company at risk are defined according to the effects and possibilities of such risks are monitored and managed,
- b) Ensure that risk management and internal audit and control systems are integrated into the corporate structure of the Company and monitor the effectiveness of such systems,
- c) Ensure that the risk management and internal audit and control systems of the Company monitor and assess the risk elements, report and use the right decision mechanisms,
- d) Review the work principles of the committee on a periodical basis and if necessary, shall submit its opinions for the approval of the Board of Directors. The Board of Directors shall be responsible for the final decisions in this regards.

## 3. STRUCTURE OF THE COMMITTEE

- a) The Early Risk Assessment Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Committee shall consist of at least two members. The chairman for the Committee shall be elected amongst the independent members. The Chief Executive Officer / General Manager cannot serve on this committee.
- c) The Committee shall seek professional opinion if and when necessary.
- d) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- e) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

## 4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly and shall report the results of the meeting to the Board of Directors.
- b) The Committee shall ensure that the Board of Directors are informed of the authorities, duties and responsibilities of the Committee.
- c) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.

## 5. DUTIES AND RESPONSIBILITIES

- a) To define, measure, assess, analyse, monitor and report the risks the Company may encounter, to issue warnings and take measures to minimise controllable and uncontrollable risks.
- b) To determine the risk management policies and application principles in line with the suggestions and views of the Board of Directors based on the risk management strategies of the Company and to implement and ensure compliance to such policies.
- c) To design, select, implement and to participate in the preapproval of risk assessment models, which are a fundamental tool of risk management and to constantly review such models, to carry out analysis of scenarios and to make the necessary revisions.
- d) To request information, feedback, suggestions and reports from related departments in order to implement risk monitoring.

# DUTIES AND WORK PRINCIPLES OF CORPORATE GOVERNANCE COMMITTEE

## 1. PURPOSE

To determine whether corporate management policies are applied within the Company, if not, to detect the reasons thereof and evaluate the conflicts that may arise and to carry out improvement works in this regard, to submit suggestions related to corporate management to the Board of Directors and to protect the benefits of Shareholders and supervise the works of the Shareholders Relations Department.

## 2. AUTHORITIES AND SCOPE

The Corporate Management Committee shall,

- a) Develop a Corporate Management Policy and make sure such policies are adopted and implemented within the Company,
- b) Carry out the annual corporate management review of the Board of Directors,
- c) Supervise the operations of departments related with shareholders,
- d) Provide suggestions on the operation, structure and efficiency of the Board of Directors and committees operating under the supervision of the Board of Directors,
- e) Submit revisions to the working principles of the committee deemed as necessary to the approval of the Board (the Board of Directors shall be responsible for the final decisions passed).

## 3. STRUCTURE OF THE COMMITTEE

- a) The Remuneration Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Committee shall consist of at least two members.
- c) The chairman of the committee is elected among the independent members of the board of directors.
- d) If the Committee consists of only two members, both members; if the committee consists of more than two members, then the majority of the members shall be elected from amongst candidates that do not hold an executive position. An Investor Relations Department Manager, who will meet the conditions set forth in the CMB's Corporate Governance Communique, is also included in the committee. The Chief Executive Officer / General Manager and Assistant Chairman in charge of Financial Affairs cannot serve on this committee.
- e) The Committee shall seek professional opinion if and when necessary.
- f) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- g) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

## 4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly.
- b) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.
- c) The Committee shall ensure that the Board of Directors are informed of the authorities, duties and responsibilities of the Committee.

## 5. DUTIES AND RESPONSIBILITIES

### a. Compliance with the Corporate Management Principles

- To develop the Corporate Management Policies and ensures that such policies are adopted within the Company.
- To determine whether corporate management policies are applied within the Company, if not, to detect the reasons thereof and evaluate the conflicts of interest that may arise and to submit improvement suggestions in this regards to the Board of Directors.
- To examine and evaluate complaints submitted regarding shareholders, to resolve such complaints and to ensure that feedback of employees is reported to the management in line with the confidentiality principles.
- To perform other duties required in terms of corporate management requested by the Board of Directors.

#### **b. Performing the Responsibilities of Nomination and Remuneration Committees**

- Committee has the purpose, authorization and responsibilities of the Nomination and Remuneration Committee.
- Regularly assesses the structure and efficiency of the Board of Directors.
- Periodically reviews and approve the appointment procedures of the Chief Executive Officer and Chief Financial Officer of the company, determines and periodically reviews nomination criteria and to submit the nominees to the approval of the Board of Directors. Performs the processes related to the evaluation of the independency of the independent board members according to the CMB regulations.
- Periodically reviews and approves the remuneration principles, procedures and applications of the Company, ensures that remuneration principles, procedures and applications are in line with risk management approach and principles of the Company, Ensures that the remuneration policy of the Company is also in line with the benefits and interests of the shareholders.

#### **c. Public Announcements**

The Committee shall review the activity report to be disclosed to public.

The Committee shall review the public announcements and analyst reports, mainly check whether they are in conformity with the codes and other applicable regulations and shall develop suggestions regarding the “disclosure policy” of the company.

#### **d. Investor Relations**

The “Shareholders Relation Department” has been set up to monitor the relations between the shareholders and investor and to ensure that the right of the investor to receive accurate information is reserved.

The Shareholders Relations Department,

- Consists of an adequate number of competent, expert staff.
- Carries out the notification and information requests of the shareholders and the investors in accordance with the codes, the Articles of Association, the corporate management principles and the disclosure policy of the Company.
- Organizes periodic investor information meetings within the country and in foreign countries or participates in such meetings organised in conformity with the related codes, the Articles of Association, the corporate management principles and the information policy of the Company.
- Ensures that active communication and contact is set up with local and foreign investor through the website.
- Supervises the public disclosure and transparency policy and ensures that related works are carried out in line with the requirements of the related codes.
- Ensures that records related with the shareholders are safely, securely kept up to date.
- Ensures that activity reports are maintained in line with the requirements of the codes and the Corporate Management Principles of the Capital Markets Board.
- Monitors that the General Assembly meetings are carried out accordingly.
- Issues documents to be presented to shareholders at General Assembly meetings.
- Ensures that the minutes of the meetings are kept and maintained accordingly.

#### **e. Reporting Responsibility**

- The Committee ensures that the Board of Directors is informed of the authorities and responsibilities of the committee.
- The Committee shall record all its operations and works in writing.
- The Committee shall issue a report consisting of its works, operations and suggestions and submit it to the approval of the Board of Directors.

# DUTIES AND WORK PRINCIPLES OF AUDIT COMMITTEE

## 1. PURPOSE

The Audit Committee shall supervise the execution and the efficiency of the accounting system of the company, the disclosure of the financial information to the public and the internal control system and controls the financial information.

## 2. AUTHORITIES AND SCOPE

Audit committee;

- a) Controls the accuracy, transparency of the financial statements and its footnotes and other financial information and whether they are in line with the current legislation and applicable international accounting standards and declare its opinion to the board in a documented manner upon receiving the opinion of the external audit firm.
- b) Examines whether or not there exist any issues that may jeopardize independence of the audit company on behalf of the board.
- c) Supervise the execution and the efficiency of the accounting system of the company, the disclosure of the financial information to the public, the independent audit procedure and the internal control system.
- d) Monitors the appointment of the external audit firm, preparation of audit agreements and initiation of audit process and all activities of the external audit firm.
- e) Evaluate and resolve any issues pertaining to the internal and external complaints regarding the accounting practices, internal control system and external auditing as in accordance with confidentiality principle.
- f) Scrutinize full compliance with the current legislation and company's internal regulations and policies.
- g) The Audit Committee reviews the duties and work principles periodically and recommends the Board of Directors any necessary amendments to be approved, final decision is always at Board's discretion.

## 3. STRUCTURE OF THE COMMITTEE

- a) Committee shall be set up in accordance with the provisions of the Articles of Association.
- b) The Audit Committee is composed of at least two independent members.
- c) Executive Chairman /General Manager and The Vice Chairman of Finance shall not hold any responsibility in the Committee.
- d) The people who have been in a consultancy duty for the company shall not be chosen as a member to the Committee.
- e) The Audit Committee is entitled to obtain opinions of the independent experts, as it deems necessary regarding its operations.
- f) The Committee shall hold meetings with the presence of one more than half the number of members and shall pass decisions with the majority of the votes.
- g) The secretariat of the Board of Directors shall also act as the secretariat for the Committee.

## 4. COMMITTEE MEETINGS AND REPORTING

- a) The Committee shall hold meetings at least quarterly and shall report the results of the meeting to the Board of Directors.
- b) The Committee shall ensure that the Board of Directors is informed of the authorities, duties and responsibilities of the Committee.
- c) The decisions passed during Committee meetings shall be reported in writing by the Secretariat of the Board of Directors and shall be archived.

## 5. RESPONSIBILITIES

### a) Financial Tables and Announcements

- The Audit Committee should supervise whether or not periodic financial statements and its footnotes which will be disclosed to the public are accurate and prepared in accordance with the Company's accounting principles and the reality. The Committee should also declare its opinion to the board in a documented manner upon receiving the opinion of the external audit.
- The Audit Committee shall review the annual report which will be disclosed to the public and checks whether the information in the reports is reflecting the information the committee has.
- The Audit Committee reports the amendments in the current legislation, accounting policies and internal control systems which could affect the preparation of the financial tables of the company considerably.
- The Audit Committee monitors the legal issues and important accounting and reporting issues and provides their effects onto the financial tables are researched.
- The Audit Committee evaluates and resolves the complaints of the shareholders and stakeholders which may affect the financial tables.
- The Audit Committee monitors the transactions regarding the valuation of the assets and resources, guarantees and warranties, performing social responsibilities, lawsuit provisions, other liabilities and conditional cases which are evaluated and decided by the company's management.

### b) Independent Audit Corporation

- Appointment of the external audit firm, preparation of audit agreements and initiation of audit process and all activities of the external audit firm should be made under the surveillance of the Audit Committee.
- The Audit Committee periodically reviews with the suggestions of independent auditors regarding the content of the audit and audit process, informs the board about the important difficulties which prevents the work of independent auditors.
- The Audit Committee conducts a performance and independence assessment relative to the independent auditors.
- The Audit Committee ensures that the important problems determined by the independent auditors and the solution suggestions are reached to the committee, discussed and solved in time.
- The Audit Committee examines and approves the payment and compensations of independent audit corporation.

### c) Internal Audit and Internal Control

- The Audit Committee evaluates the execution and the efficiency of the internal control system and reports to the board.
- The Audit committee takes the necessary precautions to provide transparency in the internal control.
- The Audit Committee periodically reviews with the Works and organizational structure, the duties and principles of the Management of Internal Audit, informs the board about the difficulties preventing the work and operating effectiveness of the Management of Internal Audit and presents suggestions.
- The Audit Committee ensures that the important problems stated in the report of Management of Internal Audit problems and the solution suggestions are reached to the committee, discussed and solved in time.

### d) Conformity with The Current Legislation

- The Audit Committee monitors whether the Company's activities are conducted in accordance with the legislation and internal regulations and also determines the rules which shall be applied in case of act in contrary to the regulations.
- Evaluate and resolve any issues pertaining to the complaints regarding the accounting, internal control system and independent auditing as in accordance with confidentiality principle.

## Corporate Governance Compliance Report

Having more than 50 years of history in Turkey, As Türk Prysmian Kablo ve Sistemleri A.Ş., is one of the leading and most experienced companies in its sector,

As from its establishment, together with its Board of Directors and Executive Management, it has adopted the corporate structure and governance principles in its relations with the Company's shareholders, and relevant stakeholders, The company is committed to shape its structure and management style in accordance with guidelines specified in Corporate Governance Principles of Capital Market Board, Moreover, since Türk Prysmian Kablo ve Sistemleri A.Ş., is operating under the roof of the Prysmian, which has a worldwide network system and business operations, Türk Prysmian is also subject to the corporate governance principles of the Prysmian.

The Company, at all times, carries out business in consciousness of its social responsibilities as regards to relations with the public, customers and suppliers and by adhering to ethical values of the business world, and aims to enhance its studies and activities in this respect.

Türk Prysmian Kablo, the leading company of the cable sector, which has been making contributions to Turkish capital markets and the Turkish economy, has been the 23rd company in 2009 to be included in the prestigious Corporate Governance Index of Borsa İstanbul A.Ş., ("Borsa İstanbul"), which reflects the company's corporate value, as the result of rating research that was executed by SAHA Corporate Governance and Credit Rating Services Inc., (www.saharating.com) as per the Corporate Governance Principles of Capital Markets Board (CMB), by receiving a Governance Management rating of 7.76 out of 10 (77.58%).

| Borsa İstanbul Corporate Governance Rating |             |               |
|--------------------------------------------|-------------|---------------|
| Main Sections                              | Weighted    | Rating (%)    |
| Shareholders                               | 25%         | 95,91%        |
| Public Disclosure And Transparency         | 25%         | 98,41%        |
| Stakeholders                               | 15%         | 98,14%        |
| Board of Directors                         | 35%         | 92,03%        |
| <b>Total</b>                               | <b>100%</b> | <b>95,52%</b> |

In 2023, Türk Prysmian Kablo, in line with the notification of the Capital Markets Board regarding the amendment of the Communiqué on the Determination and Implementation of Corporate Governance Principles, Serial: IV No: 63, published in the Official Gazette dated 22.02.2013 and numbered 28567, "SAHA Corporate Governance and Credit Rating Services Inc., which carries out corporate governance rating activities in Turkey with the Capital Markets Board (CMB) license under the main headings of "Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors". According to the evaluation results made by the Company, it has continued to maintain its compliance with the relevant values and its adequacy compared to the previous year and has once again documented its compliance with the relevant values, with a Corporate Governance score of 9.55 out of 10 (95.52%). While making this evaluation, we acted within the scope of the methodology determined by the CMB and changed with new regulations. While the fulfillment of the elements required to be complied with in the corporate governance principles was previously scored as a ceiling score of 100, in the new methodology this ceiling is limited to 85. With this change, only companies that made improvements in addition to the mandatory elements could be rated above 85. Türk Prysmian Kablo Sistemleri

A.Ş. While it is proud of being one of these companies, it has continued its upward trend since 2009 with a score of 95.52.

You can view the full Corporate Governance Report in our web site ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)) under the category of "Investor Relations" and "Corporate Governance" tab.

In the operating cycle ending as of December 31, 2023, the Company complied with the Corporate Governance Principles published by the Capital Market Board and conducted its activities by adopting these principles with the exception of the following;

- Representation of Minority Shares in the Board of Directors
- Management of Cumulative Voting Rights

The particulars and grounds of non-compliance are clarified in the relevant sections of the report.

**Governance Structure:** Based on the main parts of the Corporate Governance Principles set out by the CMB, the works carried out by the company during the relevant period, along with other efforts and practices, are detailed herein below:

## CHAPTER I – SHAREHOLDERS

### 2. Department of Shareholders Relations

To facilitate the follow-up of shareholder rights, the company operates a “General Accounting & Investor Relations Service” affiliated to “Financial Affairs Department”. Contact info of executives in Shareholder Relations Unit are given below:

| Name                   | Title                      | Tel:           | E-mail                                                             |
|------------------------|----------------------------|----------------|--------------------------------------------------------------------|
| Mirko Beretta          | Financial Affairs Director | (224) 270 3000 | <a href="mailto:tpks@prysmiangroup.com">tpks@prysmiangroup.com</a> |
| Ayşe Çiğdem Çelikkilek | Investor Relations Manager | (224) 270 3000 | <a href="mailto:tpks@prysmiangroup.com">tpks@prysmiangroup.com</a> |

The primary duty of this unit is to ensure that shareholders exercise their rights in compliance with the legislation, Articles of Association and other in-house regulations and to take all measures that will enable the shareholders to exercise such rights. Major duties of the unit are as follows:

- Keeping records of shareholders in a proper, secure and up-to-date manner.
- Responding to shareholders' oral or written queries for information regarding the company, excluding undisclosed information that is considered confidential and trade secret.
- Ensuring that the General Assembly meeting is conducted in accordance with applicable legislation, Articles of Association and other in-house regulations.
- Preparing documents to be used by shareholders during General Assembly meeting.
- Keeping records of voting results and ensuring that all reports related to resolutions of the General Assembly Meetings are delivered to shareholders.
- Observing and monitoring all issues regarding public disclosures, including applicable legislation and the company's disclosure policy.
- Carrying out activities for compliance with capital market principles.
- Carrying out activities concerning relations with investors.

Oral or written information requests addressed to this unit, are responded in the shortest time possible and without discrimination among shareholders, and to the extent permitted by the disclosure policy of the company, and excluding information that is considered confidential or trade secret, as per the Capital Markets Legislation, Regulations and Resolution of Capital Market Board,

In 2023, no oral/written complaint regarding exercise of shareholders rights has been directed to our unit or there is no administrative/legal proceeding instituted against our Company regarding the matter concerned to the best of our knowledge.

### 3. Exercise of Rights by the Shareholders to Obtain Information

During the relevant period, we received requests from the shareholders as regards to attendance in the General Assembly, distribution of dividends, and information requests on other matters. As such requests were generally made on the phone, statistically; it was not possible to quantify the requests and the responses given to such requests. We made our best to timely respond to the information requests from shareholders within 2023 in line with Capital Market Legislation, and Regulations and Resolution of CMB.

In its relations with the shareholders and in general, with the finance community, the Company, being conscious of reciprocal roles, makes utmost effort, at all times, to establish active and transparent dialogue with its shareholders and corporate investors.

Investor may view information on our company in our web site [www.prysmiangroup.com](http://www.prysmiangroup.com), tr , and direct any further enquiries to the following email, phone and fax numbers,

E-mail: [tpks@prysmiangroup.com](mailto:tpks@prysmiangroup.com) Phone: (0224) 270 30 00 Fax: (0224) 270 30 24

In the Company's Articles of Association, there is no reference permission given for appointment of an individual auditor; no demand was made during the operating cycle for appointment of a special auditor.

### 4. Information about the General Assembly

The General Assembly convenes ordinary and extraordinary. The Ordinary General Assembly can be convened at the company headquarters (Mudanya) or in Istanbul within 3 months following the company accounting period. Meetings can be monitored by stakeholders and the media.

An ordinary general assembly meeting (March 29, 2023) was held at the company headquarters in 2023.

Shareholders representing over 83.75% of the shares attended this meeting.

Shareholders are invited to General Assemblies by announcement, provided that the meeting place, time and agenda are notified. The invitation is made at least 3 weeks in advance, taking into account the regulations of the Capital Markets Board. The day of the invitation and the day of the meeting are not taken into account. In addition, the agenda regarding the invitation, a copy of the power of attorney, and amendments to the articles of association, if any, are announced in the Trade Registry Gazette.

Shareholders can attend the General Assembly Meeting in person, physically or electronically, or through their representatives. Participation in the General Assembly electronically is possible with secure electronic signatures of shareholders or their representatives. For this reason, shareholders who will make transactions in

EGKS must first register with Central Registry Agency A.Ş. In addition to registering to the (MKK) e-MKK Information Portal and recording their contact information, they are also required to have a secure electronic signature.

Shareholders are given the opportunity to express their opinions and ask questions under equal conditions. Shareholders or other interested parties who wish to speak on the agenda item being discussed must notify the meeting chairmanship. The Presidency announces the people who will speak to the general assembly and gives the right to speak to these people in the order of application. If the person whose turn it is to speak is not present at the meeting place, he loses his right to speak. Speeches are made addressing the general assembly from the place reserved for this purpose. People can change their speaking order among themselves. If the speaking time is limited, a person whose turn it is to make his speech may continue his speech when the speaking time expires, but only if the first person to speak after him gives the right to speak, provided that he completes his speech within that person's speaking time. Talking time cannot be extended in any other way.

The chairman of the meeting may give the floor to the members of the board of directors and the auditor who want to make a statement about the topics discussed, regardless of their order.

The duration of the speeches is decided by the general assembly, upon the proposal of the chairman or the shareholders, according to the intensity of the agenda, the number

and importance of the issues to be discussed and the number of people who want to speak. In such cases, the general assembly decides, by separate votes, first whether the speaking time should be limited and then what the duration should be.

The chairman of the meeting ensures that all questions asked by the shareholders at the general assembly meeting and that are not within the scope of trade secrets are answered directly at the general assembly meeting. If the question asked is not related to the agenda or is too comprehensive to be answered immediately, the question asked will be answered in writing by the Investor Relations Unit within 30 business days at the latest. In case of such a situation, the Chairman of the Meeting explains this opportunity to the shareholder who asked the question and informs the shareholder that the answer will be given later.

**As stated in the articles of association, the General Assembly has the authority to take the following decisions;**

- Acceptance of the reports of the Board of Directors and the Board of Auditors,
- Examining and approving the balance sheet, profit and loss accounts, using the resulting net profit and determining the company's profit policy and profit distribution in accordance with this policy,
- Determination of the number of members of the Board of Directors, their election, expulsion, dismissal and reappointment and determination of their salaries,
- Determination of the number of auditors, their selection and determination of their fees.

**Carrying out the following activities is subject to the prior or, if necessary, subsequent approval and acceptance of the General Assembly:**

- Annual investment and financing plan prepared by the Board of Directors,
- Buying and selling of real estate and establishing a mortgage on company real estate,
- Establishing branches and partnerships (subsidiary branches) and acquiring or selling affiliates,
- Moving to new manufacturing areas,
- Other works and transactions determined by the Turkish Commercial Code.

Shareholders, over the years, can access the General Assembly minutes and Attendance Lists from the Company's headquarters, from the relevant section under the "Investor Relations" heading on the Company's website ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)) and from the website within the scope of KAP (Public Disclosure Platform) ([www.kap.gov.tr](http://www.kap.gov.tr)) or from the Trade Registry Gazette archive at Bursa

Trade Registry Office.

## **5. Voting and Minority Rights**

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. has a preferential or privileged voting right, and all votes are of equal value. Minority Rights: Regulated according to the relevant articles of the Turkish Commercial Code.

Shareholders may have themselves represented at the General Assembly through other shareholders or third parties, but the CMB's regulations regarding voting by proxy are reserved.

In order to ensure that minority shareholders send representatives to the Board of Directors, the cumulative voting method is not included in the articles of association. Since there is no general tendency to use cumulative voting in corporate practice yet, it has not been possible to observe the drawbacks or benefits of the method.

## **6. Dividend Policy and Profit Distribution Time**

There is no privilege regarding participation in the company's profits, and the Profit Distribution

Policy is as follows;

Company passes its resolution to distribute dividend in the direction of Company's long-term financial state including its investment and financial needs and market projections, pursuant to the provisions of the Turkish Commercial Code, Capital Market Law, Tax Law and related legislation, and provisions of Articles of Association relating to profit distribution, The dividend policy of the Company is based on consistently balancing the interests of the shareholders and the Company,

The General Assembly shall determine the dividend to be distributed, form and time of distribution upon relevant proposal drawn up by the Board of Directors in accordance with the Capital Market Law, Dividend shall be distributed equally to all of the shares existing as of the date of distribution, regardless of their dates of issuance and acquisition,

No real person is entitled to receive privileged share from the Company's distributable profit."

## **7. Transfer of Shares**

There is no provision in the Company's Articles of Association restricting transfer of shares; provisions of Articles 490-491 of the Turkish Commercial Code are applied in case of any demand by a shareholder for transfer of whole or part of registered shares owned by him.

## **PART II - PUBLIC DISCLOSURE AND TRANSPARENCY**

## 8. Company's Disclosure Policy

Communication with external sources regarding documents and information about the company - always in agreement with the General Manager - is carried out by the Public Relations function in terms of communication with the press, and by the Investor Relations Management in terms of corporate investors, competent authorities and shareholders.

The company is committed to providing equal treatment to all categories of shareholders, avoiding any preferential treatment. The company answers all questions, excluding those classified as trade secrets, in accordance with the principles of fairness and impartiality, and establishes constant communication between the management and shareholders in accordance with the legislation.

Disclosure policy is disclosed for the first time to public in the Company's activity report accompanied by Corporate Governance Report for the year 2004. In 2010, the definition of "Trade Secret" is added to the policy and approved by the General Assembly, and the Disclosure Policy revised and updated in 2014 is disclosed to the public in the "Investor Relations" section of the Internet Site.

## 9. Declaration of Special Status

Number of Declarations Issued on Special Status in 2023: 33

Number of Additional Declaration Requests made by the CMB and Borsa Istanbul: None

There is no sanction (written warning) applied by the Capital Market Board or Borsa Istanbul against failure to provide declaration on special status in time.

Since the company shares are not quoted abroad, no special status declaration has been made at a stock exchange, other than Borsa Istanbul.

## 10. Company's Internet Site and Content

Investors can find relevant published documents, such as the Company's Annual Report and Code of Ethics, in both Turkish and English on our website ([www.prysmiangroup.com.tr](http://www.prysmiangroup.com.tr)). The Company actively uses the Company's Corporate Website, as prescribed by the CMB Corporate Governance Principles, in order to maintain its relations with shareholders more effectively and quickly and to be in constant communication with shareholders. The information on this site is constantly updated under the responsibility of the Investor Relations Unit. The information on the Company's Corporate Website has the same content as the statements made within the framework of the relevant legislation provisions and does not contain contradictory or incomplete information.

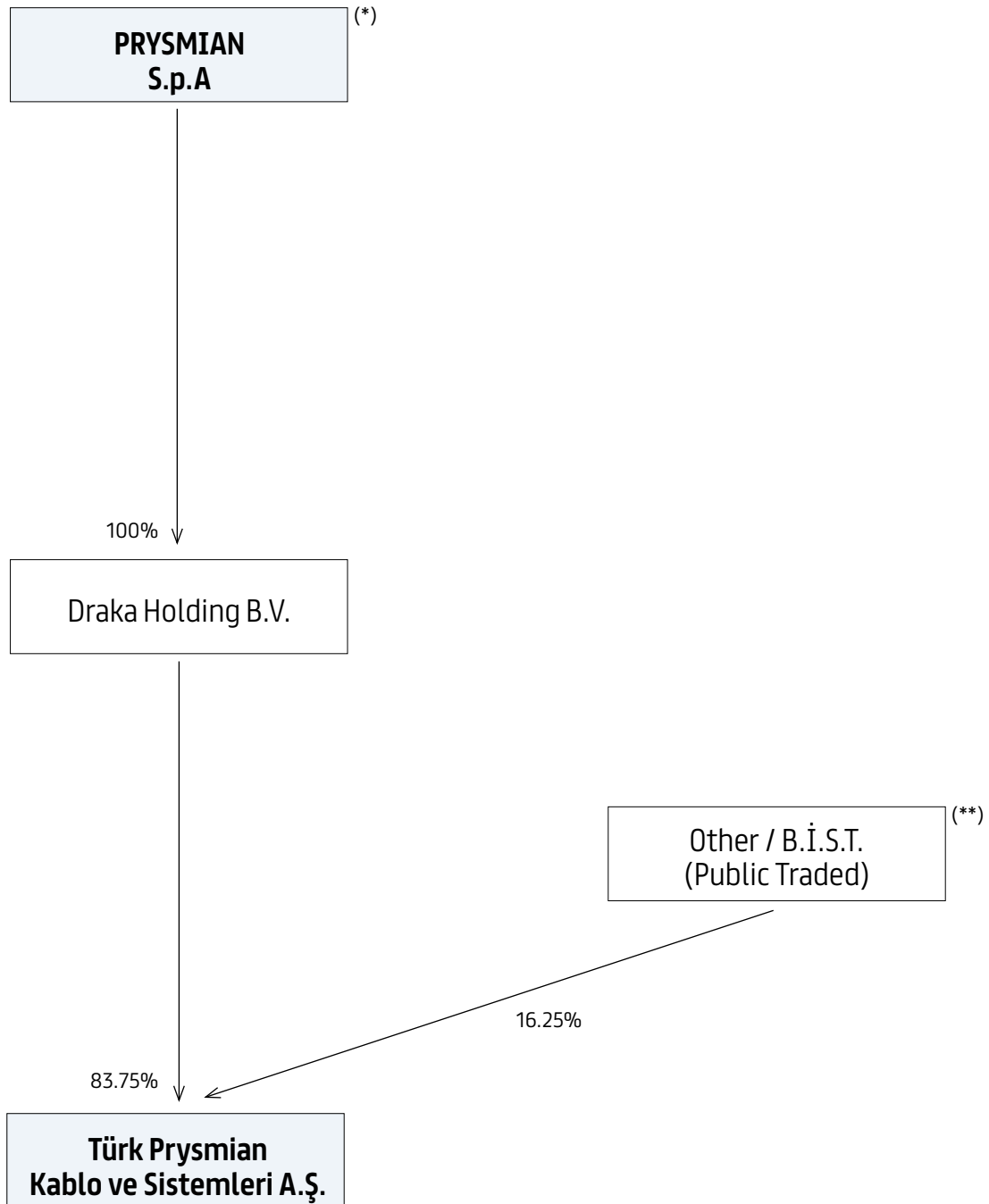
On the Company's Corporate Website; In addition to the information required to be disclosed in accordance with the legislation; At least the last five years of information covering the following topics are presented to investors on the Company's Corporate Website:

- Trade register information, up-to-date final shareholder structure,
- Latest status of Board members and top level executives,
- Latest status of the Company's Articles of Association (AOA) and date / number of the Trade Registry
- Gazette where the amended form of the AOA is published,
- Board of Directors resolutions,
- Board of Director committees,
- Activity reports,
- Declaration of Special Status,
- Corporate Governance Observance Report,
- Code of Ethics
- List of Attendance, agenda and minutes of General Assembly meetings, proxy format,
- Periodical financial tables and independent audit reports,
- Company Policies,
- Public offering explanations and circulars,
- News and frequently asked questions,

## 12. Disclosure of Real Person and Final Dominant Shareholder(s)

There is no special situation that might affect the investors in disclosing the real person and other shareholders of the Company and thus the table containing detailed information in this regard has been provided herewith below.

### Final Partnership Structure of Türk Prysmian Kablo ve Sistemleri A.Ş. as of 31<sup>st</sup> of December 2023



(\*) Prysmian S.P.A. is a listed company and 100% traded on the Milano Stock Exchange in Italy.

(\*\*) There is no shareholders that held the 5% of the shares of public traded part.

## 1 PART III - STAKEHOLDERS

### 3. Disclosure of the Persons Having Potential for Insider Trading

The basic management principles that regulate the relations between the Company's Executive Management, shareholders, officers and third parties (customers, suppliers and any person or organization with which the Company has a relationship) are stated below.

**Integrity:** With all our efforts, we strictly adhere to the principles of integrity in all our commercial activities, our relationships with our customers, employees, shareholders and other companies, organizations and organizations.

**Reliability:** We provide clear, rational and accurate information to our customers, shareholders and officers and provide all our services as required by our commitments.

**Impartiality:** We do not act with prejudice against our customers, suppliers, employees and shareholders based on gender, religion, language, race or ethnic origin, and we do not discriminate in any case.

**Compliance:** We respect all laws, regulations and standards.

**Privacy:** We do not share information regarding the details of transactions regarding our shareholders, customers, suppliers, employees and business partners with any person or organization, except for legally permitted authorities.

**Transparency:** Except for information that is considered a trade secret and has not yet been disclosed to the public, we disclose information about the Company, whether of a financial nature or not, to the public as required, in an accurate, complete, rational, interpretable and accessible manner and in accordance with the relevant legislation. .

**Social Responsibility:** We take into consideration issues such as social benefits, improvement of the sector and maintaining reliability in the sector in which the Company operates, as well as the image of the Company and the benefits it will receive, and we respect the regulations regarding the environment, consumer and public health in all our efforts, practices and investments. Stakeholders are informed through the company website and special event disclosure notification through Borsa Istanbul. In addition, the agenda of the shareholders meeting is notified to the participants through the Trade Registry Gazette and the decisions taken are explained clearly and distinctly in the Trade Registry Gazette. In addition, the CMB, the Ministry of Industry and the Undersecretariat of Treasury are also informed and the relevant permits are obtained by the

Company from the above-mentioned authorities. Again, public announcements regarding the General Assembly meeting are announced through one of the local newspapers and one of the national newspapers. In addition, Company employees are informed through the intranet system, general announcements via e-mail and annual information meetings.

**Please See:** Article 8 - Company's Disclosure Policy

**Please See:** Information on Prysmian Values and Ethical Code are available on <https://tr.prysmiangroup.com/tr/etik-degerler> / Article 9 – Disclosure Policy

### 14. Participation of Stakeholders in the Management

Participation of stakeholders in management; Provided that they remain within the scope of CMB legislation, meetings are held with shareholders at the general assembly, with suppliers at supplier meetings, with customers at customer visits and dealer meetings, and with employees at least twice a year, where company activities are evaluated and company goals and strategies are shared, and feedback is received. . In addition, teamwork is encouraged and project groups are formed for the Company's employees in order to improve the current way of doing business and business processes.

### 15. Human Resources Policy

The Human Resources policy has been disclosed to the public in the "Investor Relations" section of the Company's website. The company provides meals and travel assistance to all staff. In addition, health insurance is provided to white-collar personnel. **Please See:** Prysmian Values and Code of Ethics / Article 6 - Human Resources

### 16. Information regarding Relations with the Customers and Suppliers

**Please See:** Prysmian Values and Code of Ethics / Article 4 – Customers

### 17. Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş. has had the ISO 14001 Environmental Management System certificate since 1997. Within the framework of the ISO 14001 Environmental Management System, the environmental impacts of all services received and activities carried out by our Company are determined, and studies are constantly carried out to eliminate or minimize these impacts. All these works are carried out by

Türk Prysmian Kablo ve Sistemleri A.Ş. as determined by the senior management. It is carried out with the philosophy of continuous improvement, in line with the Environmental and Occupational Safety Policy. It also produces projects that will save energy within the scope of ISO 50001 Energy Management System.

Legal obligations regarding the environment are constantly monitored and fulfilled. Türk Prysmian Kablo ve

Sistemleri A.Ş. has all legal permits regarding the environment. These permits can be listed as Emission

Permit, Wastewater Quality Control License, Opening License for Class 1 Non-Sanitary Establishments and

Temporary Storage Permit for hazardous wastes. The activities carried out by Türk Prysmian Kablo ve

Sistemleri A.Ş. are not within the scope of the Environmental Impact Assessment (EIA) Regulation. There is an official letter from the Bursa Governorship Provincial Directorate of Environment and Forestry, which is the competent authority on this matter, stating that our company is not subject to preliminary EIA research. Our company has had ISO 27001:2013 Information Security Management System Certificate since 2015.

No lawsuit has been filed against our company due to environmental pollution. Our company ensures the recycling of all waste generated by it, in accordance with the relevant regulations within the scope of Environmental Legislation, where possible, and its disposal when recycling is not applicable. Our company has a Basic Level Zero Waste Certificate dated 2020.

Our company has published its 2021 and 2022 Sustainability Reports.

Our company fulfills its sustainability commitments and Prysmian principles by supporting social, cultural and some sports activities and from time to time with in-kind and cash donations and participation to public institutions and organizations.

See Article 12 - Informing Stakeholders / Social Responsibility See Prysmian Values and Code of Ethics / Article 5 - Society and Article 7 - Environment

## 18. Structure, Formation and Independent Members of the Board of Directors

It is stated in the Articles of Association of our Company that the duties and responsibilities of the Board of Directors are subject to the basic provisions determined in accordance with the Turkish Commercial Code and the regulations in the Articles of Association. The appointment, re-election, evaluation and separation of the Members of the Board of Directors are made in accordance with the provisions of the Company's Articles of Association and the Turkish Commercial Code

## Structure of the Board of Directors

| POSITION      | MEMBERS                | EXECUTIVE | NON-EXECUTIVE | INDEPENDENT |
|---------------|------------------------|-----------|---------------|-------------|
| Chairman      | Halil İbrahim Kongur   |           | X             |             |
| Vice Chairman | Ülkü Özcan             | X         |               |             |
| Member        | Rinke Kieboom          |           | X             |             |
| Member        | Maria Cristina Bifulco |           | X             |             |
| Member        | Giacomo Sofia          |           | X             |             |
| Member        | Mine Ayhan             |           |               | X           |
| Member        | İsmet Su               |           |               | X           |
| Member        | Banu Uzgur             |           |               | X           |

| POSITION      | MEMBERS                | FIRST DATE | DEADLINE   |
|---------------|------------------------|------------|------------|
| Chairman      | Halil İbrahim Kongur   | 30.03.2012 | 29.03.2023 |
| Vice Chairman | Ülkü Özcan             | 01.06.2021 | 29.03.2023 |
| Member        | Rinke Kieboom          | 29.03.2023 | 29.03.2023 |
| Member        | Maria Cristina Bifulco | 08.07.2020 | 29.03.2023 |
| Member        | Giacomo Sofia          | 29.03.2023 | 29.03.2023 |
| Member        | Mine Ayhan             | 30.03.2020 | 29.03.2023 |
| Member        | İsmet Su               | 30.03.2018 | 29.03.2023 |
| Member        | Banu Uzgur             | 30.03.2018 | 29.03.2023 |

## 19. External Commitments of Board of Directors

| Name-Surname           | Position                        | Current Positions held outside the company                                                                                                                                                                        |
|------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Halil İbrahim Kongur   | Chairman of the Board           | Türk Prysmian Kablo ("TPK") Factory Director and TPK Chairman of the Board                                                                                                                                        |
| Ülkü Özcan             | Vice Chairman & CEO             | TPK General Manager, TPK Board Member and Vice President of the Board                                                                                                                                             |
| Ercan Gökdağ           | Member of the Board             | MEAT Region CFO & TPK Chief Operating and Administrative Officer (CFO) and Member of the Board, Planning and Controlling Chief, and Prysmian Denmark Chief Financial Officer & TPK Planning and Controlling Chief |
| Maria Cristina Bifulco | Member of the Board             | Prysmian S.p.A Member of the Board<br>Prysmian S.p.A Group Investor Relations Director                                                                                                                            |
| Robert Van Veen        | Board Member                    | Prysmian Chief Operating Officer (COO) & Operations of Pirelli Tire S.p.A. Director                                                                                                                               |
| Banu Uzgur             | Independent Member of the Board | Strategic Consultant                                                                                                                                                                                              |
| İsmet Su               | Independent Member of the Board | Spokesperson of the Constitutional Commission and Deputy President of the Disciplinary Committee of the AK Party Group                                                                                            |
| Mine Ayhan             | Independent Member of the Board | Chairman and Board Member at Europ Assistance Türkiye and the Paris-based Europ Assistance Holding and Europ Assistance SA. and Vice Chairman of Generali Türkiye                                                 |

Board of Directors; It consists of members who have the knowledge and skills to understand and analyze financial statements, the legal knowledge necessary to carry out the daily business and long-term activities of the Company, and the knowledge and skills to express opinions in different areas of expertise regarding company management. Members of the Board of Directors are highly educated individuals who are knowledgeable about the Company's field of activity and management, and have gained experience by working in the private sector.

The number and qualifications of the independent members who will serve on the board of directors have been determined in accordance with the regulations of the Capital Markets Board regarding corporate governance. Members of the Board of Directors were elected by the General Assembly of the company in accordance with the provisions of the Capital Markets Legislation, Turkish Commercial Code and the Company's Articles of Association. All independent members of the Board of Directors consist of persons resident in Turkey in accordance with the Income Tax Law.

In addition, the statements of independent board members regarding their independence are as follows:

## Declaration of Independence

Türk Prysmian Kablo ve Sistemleri A.Ş. Since I was elected to the Board of Directors as an "Independent Member", the Capital Markets Board Corporate Governance In accordance with its principles;

- Türk Prysmian Kablo ve Sistemleri A.Ş., one of the related parties of Türk Prysmian Kablo ve Sistemleri

A.Ş. or Türk Prysmian Kablo ve Sistemleri A.Ş. In the last five years, there has been no direct or indirect employment, capital or significant commercial activity between myself, my spouse and my relatives by blood and marriage up to the third degree, and the legal entities with which the shareholders holding a direct or indirect share of 5% or more in the capital are related in terms of management or capital. the relationship is not established,

- In the last five years, all or a certain part of the activities and organization of Türk Prysmian Kablo ve

Sistemleri A.Ş., within the framework of agreements made, especially with the companies that audit, rate and consultancy of Türk Prysmian Kablo ve Sistemleri A.Ş. I do not work and do not serve as a board member in companies that carry out

- I have not been a partner, employee or board member of any of the companies that provide significant

services and products to Türk Prysmian Kablo ve Sistemleri A.Ş. in the last five years,

- Türk Prysmian Kablo ve Sistemleri A.Ş. I do not have more than 1% share in its capital and these shares are not privileged,

- I have the professional training, knowledge and experience to properly fulfill the duties I will undertake as an independent board member,

- I do not work full time in public institutions and organizations,

- I am settled in Turkey according to the Income Tax Law,

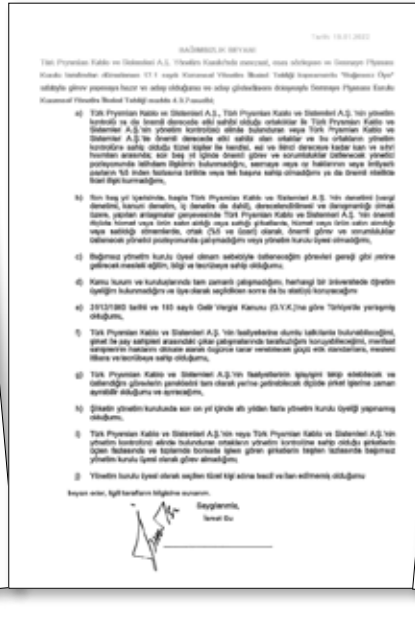
- I have strong ethical standards, professional reputation and experience that can make positive contributions

to the activities of Türk Prysmian Kablo ve Sistemleri A.Ş., maintain my impartiality in conflicts between partners, and make decisions freely by taking into account the rights of stakeholders,

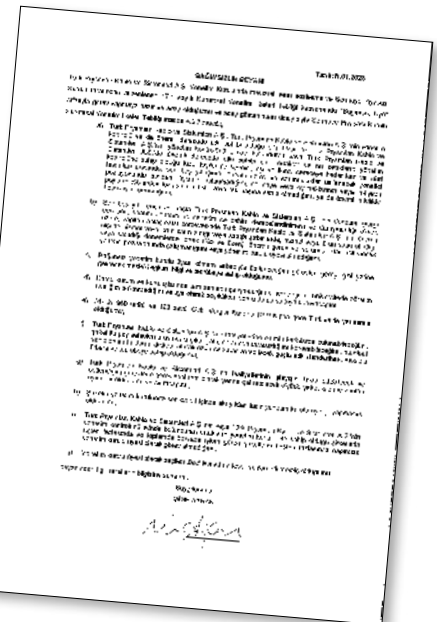
I submit it to the information of interested parties.



**Banu Uzgür**  
Independent Board Member



**İsmet Su**  
Independent Board Member



**Mine Ayhan**  
Independent Board Member

## 20. Mission and Vision and Strategic Targets of the Company

**Mission:** Our mission is to add value to our shareholders and to the sector by providing innovative, technologically advanced, high quality and safe products and services to our clients, business partners and the society in general, meeting all applicable standards.

**Vision:** As being a member of Prysmian and as the oldest well-established and leading company in its sector, our vision is;

- To exhibit a creative and superior performance within the workforce with its distinguished and innovative role,
- To have an organizational structure which emphasizes openness and social responsibility,
- To keep customer satisfaction by providing long-term partnerships,
- To create a value for its stakeholders with permanence,
- To dedicate itself to improve the social conditions,
- To be always the leader of the sector in Turkey and international platform,

**Please See:** Prysmian Values and Code of Ethics / Article 2 - Targets and Values

## 21. Risk Management and Internal Audit Mechanism

The Risk Management Department has been operating since 2002 to ensure the effective use of risk management. In this department, processes for effective risk management on the Company and Prysmian basis have been developed and implemented. In this context, risks are effectively monitored with daily reports and the aim is to collect receivables on time.

The Company's internal control system is organized to ensure appropriate disclosure of all activities of the

Company and an adequate control system. Responsibility for the internal control system lies with the Board of Directors, and the Board of Directors not only determines the relevant outlines, but also verifies the adequacy of the control and whether it works effectively.

The Audit Committee consists of three Board Members. All three of these people are Board Members who do not directly contribute to the activities and management of the Company. The Audit Committee meets regularly as stated in the relevant communiqué of the CMB and may invite the representative of the Company's external audit company to these meetings.

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its long-term responsibilities regarding the Company's accounting and financial reporting practices, policies and procedures, the quality of the Company's internal control systems and risk assessment.

Internal auditing and periodic auditing activities also provide the necessary controls to see whether procedures, policies and strategies are followed. Apart from the audit audits of the Internal Audit Department, Prysmian's Internal Audit Department also carries out internal audit audits at Türk Prysmian Kablo ve Sistemleri A.Ş., in addition to the audits regularly carried out by the external Audit Company.

There is also a Planning and Control Department, which provides monthly detailed reports to the Executive Director and Executive Management and provides useful and comprehensive information for monitoring specific activities.

Information about relations with the independent auditing firm PwC Independent Audit Ve Serbest

Muhasebeci Mali Müşavirlik A.Ş.: <http://www.pwc.com/tr/tr> and information about the tax auditing firm

MAZARS-DENGE: <http://www.mazarsdenge.com.tr>

## 22. Authorities and Responsibilities of the Board Members and Executives

**The Board of Directors performs the following tasks:**

- Review and approval of strategic, corporate, industrial and financial plans,
- Delegation of necessary powers to the Managing Director, withdrawal of authorization, and determination of limits of authority as well as form and duration of authorization,
- Regular comparison of the results with the budgets, and by taking into account the information received from the Internal Audit Committee and Managing Director, and giving special attention to conflicts of interest, observation of general performance in this field,
- Passing of resolutions relating to immovable property, in kind,
- Issuance of share certificates and debentures,
- Establishment of partnerships in the newly incorporated or existing corporations and institutions,
- Review and approval of the transactions having economic and financial affect, or special influence on equity capital by showing due consideration to the transactions of the related parties,
- As organized by the Managing Director, verification of the organizational status and the adequacy of the administrative structure of the Company,
- Furnishing of information to the shareholders about the General Assembly meetings,

The powers and responsibilities of the Board of Directors are clearly defined in Article 10 of Articles of Association; as the powers and responsibilities conferred upon the Board of Directors may be subject to change at any time bound to dynamic structure of the Company and the business life, it is deemed necessary to detail the powers and responsibilities in the corporate signature circular,

## 23. Fundamentals to Activities of The Board Of Directors

In the Ordinary General Assembly which takes place every year, the Board Members are liberated by our shareholders according to Articles 334 and 335 of the Turkish Commercial Code.

## 24. Restrictions of Competition and Transaction with the Company

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

### 25. Code of Ethics

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

**Code of Ethics:** These rules encompass the general principles - transparency, equity and loyalty - which form the business relations of the Company in every level. Our Company, with the belief that business ethics must be pursued alongside business success, carries out its internal and external transactions in accordance with the principles set out in this Code.

**Internal Audit System:** This system is a population of "instruments" with a view to reaching reasonably the targets regarding operational efficiency and effectiveness, reliability of financial and administrative information, observance to laws and legislation, and even protection of the Company's assets against possible fraud. The internal audit system which is based on common practices and defined within this frame, is applied to all corporate levels.

**Lines of Conduct:** The Lines of Conduct stipulate special rules concerning relations with the representatives of the Public Administration, and these rules classify good lines of conduct as "performable", and bad lines of conduct as "non-performable", and by this way, provide clear definition of major operational practices stipulated in the Code of Ethics.

**Internal Executive Procedures and Policies of the Company:** These items cover the main business areas as a natural extension of the internal audit system. Therefore, they determine the internal rules concerning the main activities of the Company.

Türk Prysmian determines organizational principles and intra-structure relating to employees and executives by adopting procedures and policies covering Personnel rights, Recruitments, Purchasing / Sales activities, Investments, Protection of Environment, Information Systems, Inventory, and Intellectual Property Rights. All the procedures and policies are presented to the employees in the updated form on the intranet page of the Company.

Also, **please see** Prysmian Values and Code of Ethics

## 26. Number and Structure of the Committees Formed Within Board of Directors and Liberty of Action

| Committee       | Number of Annual Meetings (Minimum) | Number of Members | Number of Independent Members |
|-----------------|-------------------------------------|-------------------|-------------------------------|
| Audit Committee | 5                                   | 3                 | 3                             |

**Members of the Auditing Committee:** İsmet Su, Mine Ayhan, Banu Uzgur

| Committee                                             | Number of Annual Meetings (Minimum) | Number of Members | Number of Independent Members |
|-------------------------------------------------------|-------------------------------------|-------------------|-------------------------------|
| Early Detection of Risk and Risk Management Committee | 6                                   | 3                 | 3                             |

**Members of the Early Risk Assessment and Risk Management Committee:** Mine Ayhan, İsmet Su, Banu Uzgur

| Name of Committee              | Number of Annual Meetings (Minimum) | Number of Members | Number of Independent Members |
|--------------------------------|-------------------------------------|-------------------|-------------------------------|
| Corporate Governance Committee | 4                                   | 3                 | 2                             |

**Members of the Corporate Governance Committee:** Banu Uzgur, Mine Ayhan, Budak Güllüdağ

**Investor Relations:** The functional manager has informed the Board of Directors of the activities carried out throughout the year and drawn up and presented to the BoD the report referred in Article 11 of the Communiqué on Corporate Governance.

It has been established to assign the Corporate Management Committee to perform the functions of Candidate Determination and Pricing Committees in accordance with the Communiqué Serial IV 56 for Determination and Implementation of Corporate Management Principles, Article 4,5,1 published by Capital Markets Board and this resolution also includes the Corporate Management Working Principles, the functional areas and working principles of such committees.

All committees conduct their duties properly in accordance with their working principles and in line with the legislation.

The detailed information relating to the working principles of all the committees has been presented to the public in the "Investor Relations" section on our web site. Assessment related to Internal Audit, Internal Control and Risk Management Systems in the Year 2023 Operating Cycle Prysmian active in cable industry has adopted adequate internal audit, internal control and risk management systems (internal systems) in line with its activities and business branches, Aiming to monitor and manage the risks arising from the activities of the company, both the local regulations and Prysmian requirements have been considered while establishing the internal systems, The internal systems meet the principles of independency, impartiality, effectiveness, adequacy, and division of powers in the entire organization, All our activities and business processes target customer satisfaction, sustainable income production and rising the economic interests of the shareholders with consideration of risk sensitive capital management, Prysmian Board of Directors is responsible for adopting and managing the internal systems in line with the applicable regulations, and financial control and audit activities within the scope of this responsibility shall be supervised via Committee responsible for the Audits, Audit Committee performs this function by detailed examination of the reports provided by the Audit Department which has been obliged to financially review, audit and report the efficiency of our processes; and instructs the company management accordingly and present any issue, as deemed necessary, to the information and approval of Board of Directors, The Audit Committee functions under the structure and coordination of Board of Directors, Audit Directorate financially reviews efficiency of the entire business processes of the company, and tests the existence, effectiveness and practice levels of the respective audit mechanisms and determines required actions, if any, together with operations units, It reports the results of its works and activities to the Audit Committee,

## 27. Financial Rights of the Board of Directors

The rights of the BOD Members are agreed upon in the General Assembly meeting; no award is considered in determination of financial rights of the BOD Members depending on their individual performance and reflecting the performance of the Company, Gross payment effected in favor of Independent BOD Members during the year 2023 is TRY 825,000, No other payment has accrued and made in year 2023 to any members of the Board and executive management of the company, During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them,

## 28. Miscellaneous

**Regarding the company's relations with controlling and affiliated companies in accordance with the Turkish Commercial Code No. 6102 and the Capital Markets legislation;**

- It has been determined that all transactions made by our company with related parties in 2023 have been carried out by providing an arm's length counter-quisition, in accordance with group transfer pricing directives and Transfer Pricing rules, regardless of country or company, and are reasonable within the framework of commercial practices;

- As a result of the examination and evaluations made, according to the known circumstances and conditions regarding the Related Party Transactions; In 2023, in the transactions of our Company,

As there were no losses, there was no need for loss offsetting.

### Annual Activity Report Legal Basis:

Annual activity Report for the Fiscal Period 01.01.2022-31.12.2022 was issued based on the clause three of Article 516, and Article 518 of the Turkish Commercial Code, in accordance with the provisions of the "Regulation on Minimum Content of the Annual Activity Reports" published by the Ministry of Customs and Trade and "Communiqué on Principles of Financial Reporting in Capital Markets" published by the Capital Market Board.

### Principles for Preparing the Annual Activity Report:

The annual activity report shall reflect the business stream and the financial position of the company, in all aspects, in an accurate, complete, straight-forward, realistic and honest manner for the relevant fiscal year, taking into consideration the rights and interests of the company. All misleading, exaggerated and untrue statements are avoided. Annual activity report is prepared in a detailed manner to ensure shareholders have complete and accurate access to all kinds of information about company activities.

### Annual Activity Report Approval:

The Annual Activity Report of the Group for the fiscal period 01.01.2022-31.12.2022 was approved by the members of the Board of Directors of the Company on 27.02.2023. We are still in the process of preparing the more detailed 2022 Activity Report and will share it with our investors when completed.

### Chairman of the Board of Directors

Halil İbrahim KONGUR

# Türk Prysmian Ethical Code

Ethical business conduct is critical to our business and a shared responsibility of all members of the Prysmian. Each employee is responsible for protecting our most valuable asset: our reputation.

This Code of Ethics (the "Code") applies to anyone conducting business on behalf of Prysmian or any of its subsidiaries, including all managers, officers, employees, agents, representatives, lobbyists, interns, contractors, suppliers, and consultants ("Covered Parties"), and seeks to guide our legal and ethical responsibilities, to deter wrongdoing, and to promote:

- Compliance with applicable laws, rules and regulations;
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- The integrity of our financial information, which influences the decisions of management and our Board of Directors, as well as the way in which the outside world perceives and evaluates us;
- Full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to government authorities and in other public communications; and
- Accountability for adherence to this Code, including prompt internal reporting of any suspected violations.

To meet these objectives, this Code encourages Covered Parties to express any concerns they may have relating to corporate accountability. No discrimination or retaliation against any person who, in good faith, reports such concerns will be tolerated. Anyone who retaliates against an individual under such circumstances will be subject to disciplinary action, up to and including termination of employment.

All Covered Parties must read, understand, and adhere to this Code and all other applicable company policies. Violations of law, this Code or other Company policies or procedures can lead to disciplinary action, up to and including termination of employment and/or termination of business relations.

## 1. INTRODUCTION

The Prysmian structures its own internal and external activities according to the principles set forth in this Code, with the conviction that ethics in the conduct of business activities must be pursued at the same time and with equal emphasis as the economic success of the business..

The Prysmian is committed to conducting its business in accordance with the highest ethical standards, complying with all applicable legislation and regulations, so as to prevent all unethical or illegal conduct.

The Prysmian, in the conduct of its business, stands up for the respect and protection of human rights, safeguarding the dignity, freedom and equality of human beings. The Prysmian repudiates all forms of discrimination and illegal conduct and activities, such as corruption, forced or child labor.

In this respect, the Prysmian operates within the general reference framework of the United Nations Universal Declaration of Human Rights and of the Fundamental Conventions of the International Labor Organization (ILO)

## 2. OBJECTIVES AND VALUES

The primary objective of the Prysmian is to create value for the shareholders. Industrial and financial strategies and the resulting operative conduct, based on an efficient use of resources, are oriented to achieving this goal.

In pursuing this objective, Prysmian Companies and all Covered Parties must unfailingly comply with the following principles:

- As active and responsible members of the communities in which we operate, we must take on the commitment of respecting all applicable laws wherever we do business, and to following all commonly accepted principles of business ethics, such as transparency, honesty and loyalty;
- We refuse to engage in any illegitimate, unfair, or in any way questionable behavior (vis-à-vis the community, public authorities, customers, employees, investors and competitors) to achieve economic targets, which we pursue only through excellent performance, quality, competitive products and services, based on experience, customer care and innovation;
- We establish organizational controls designed to prevent Covered Parties from violating these requirements of lawfulness, transparency, honesty and loyalty, and supervise their observance and actual implementation;
- We impose sanctions for any violations of these policies and principles;
- We maintain accurate books and records, and assure the investors and the community as a whole total transparency about our activities;
- We promote integrity and fair competition between parties in the pursuit of challenging goals and new objectives;
- We openly oppose any corrupt practices aimed at obtaining improper advantages both in our relations with the Public Administration and Public Stakeholders in general, as well as with Private Stakeholders;
- We strive after customer satisfaction both in terms of product quality and excellence of our services;
- We protect and reinforce the intrinsic value of all our employees;
- We respect the environment and use natural resources responsibly, with the goal of advancing sustainable development and protecting the rights of future generations.

## 3. SHAREHOLDERS

The Prysmian is committed to guaranteeing transparency and equal treatment to all classes of shareholders, and to avoiding preferential treatment of any class or company. We pursue the reciprocal benefits that derive from belonging to a group of companies, while respecting all applicable legislation and regulations and the independent interest of each Company as it seeks to create value.

## 4. CUSTOMERS

The excellence of the products and services offered by the Prysmian in terms of quality, safety and performance is based on customer care and the readiness to satisfy customer requirements. We therefore seek to assure an immediate, qualified and competent response to customer needs, through honesty, courtesy and cooperation.

## 5. COMMUNITIES

The Prysmian contributes to the economic welfare and growth of the communities in which it operates by delivering efficient and technologically advanced services. We are a citizen of each locality where we are established to do business, and like individual citizens we feel we have a responsibility to support the community. It is our goal to take part in

and promote projects to further the welfare of our local communities and thus be a good and contributing citizen. Group Companies adhere to all applicable laws and regulations and maintain good relations with local, national and super-national authorities, based on full and active cooperation and transparency.

Consistent with these objectives and with the responsibilities they have assumed toward different stakeholders, Group Companies recognize research and innovation as priority conditions for growth and success.

Group Companies view favorably and, when necessary, support social, cultural and educational initiatives directed at enhancing the individual and improving his/her living conditions.

Group Companies do not disburse contributions, advantages or other conveniences or things of value to government officials (including employees of state-owned or controlled entities or enterprises), political parties, or trade union organizations, nor to their representatives or candidates, except as permitted by applicable laws and by the provisions of this Code and other applicable Prysmian policies.

## 6. SUPPLIERS

The Prysmian recognizes the key role of suppliers in improving its ability to satisfy customers' needs.

The Prysmian promotes the development of durable relations with suppliers, in a reciprocal approach of lawfulness, transparency, honesty and collaboration, as commonly accepted principles of business ethics.

In order to ensure that purchasing processes comply with the ethical principles adopted, Prysmian can introduce, for certain supplies, social, health and safety or environmental prerequisites, whose violation can trigger disciplinary actions, including possible termination of business relations.

In particular, agreements with suppliers whose operations are located in certain countries - categorized as being "at risk" by recognized organizations - can include clauses with reference to specific requirements or the possibility for Prysmian to hold inspections at the offices or plants of the supplier in order to verify that such requirements are being met.

## 7. HUMAN RESOURCES

The Prysmian recognizes the central role of human resources as an essential factor for success in its business activities. The professional contribution of employees, in a framework of mutual loyalty and trust, is therefore considered as a crucial element for the development of Group's activities.

Group Companies safeguard safety and health in working environments and consider the respect of worker rights fundamental to the carrying out of business activities. The Prysmian promotes equal opportunities and enhances the professional development of individuals, forbidding any sort of violence or harassment, either sexual or based on personal, political and cultural diversity.

## 8. ENVIRONMENT

The Prysmian believes in a global sustainable growth in the common interest of all stakeholders, present and future. All investment and business choices are consequently fashioned to respect the environment and public health.

Without prejudice to compliance with specific enforceable regulations, Group Companies take environmental issues into consideration when defining their choices, also by adopting - if operationally and economically feasible - eco-compatible production technologies and methods, with the objective of reducing the environmental impact of their activities.

## 9. ANTI-BRIBERY POLICY

Bribery of public officials is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any Public Official in order to obtain or retain business or to obtain an improper business advantage.
- The term "Public Official" is defined very broadly, and includes any employee of a government owned or controlled entity or a public international organization, any political party and any candidate for public office. Whenever dealing with entities or persons connected with a government entity, Prysmian employees shall comply with the principles set forth in this Code which govern our conduct and strictly adhere to the Prysmian policies and procedures.

Commercial bribery is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any person in order to obtain or retain business, confidential information, or an improper business advantage.
- No Covered Party may accept anything of value in exchange for illegitimately awarding business, providing confidential information, or an improper business advantage.

The Anti-Bribery regulations require adherence to other Group policies and procedures promulgated from time to time concerning:

- Offering, paying, or accepting gifts or courtesies; offers of entertainment or free trips to, from, or on behalf of a public official or any supplier, customer, or competitor, and;
- Engaging consultants, agents, lobbyists, joint venture partners or other third parties..

## 10. ANTITRUST POLICY

Prysmian intends to act in compliance with applicable competition rules.

Competition rules (also referred to as antitrust rules) hold a central role in regulating the activity of businesses operating in all sectors of the economic sphere. Infringement of competition rules may expose businesses to very high administrative penalties, damages in civil proceedings, in addition to severely harming their reputation. In certain jurisdictions, individuals are exposed to criminal sanctions, including imprisonment.

The purpose of competition rules is to make sure companies vigorously and fairly compete with each other. This encourages enterprise and efficiency, creates a wider choice for consumers and helps reduce prices and improve quality. To achieve this result, companies are expected to act independently of each other on the market, without limiting their freedom to compete and without sharing commercially sensitive information that would make their future moves more predictable to competitors. For this reason, all contacts with competitors are in principle seen as suspicious. Additionally, companies holding a monopoly or dominant position should not take advantage of the weaker competition on that market to strengthen their position by imposing unfair conditions to its customers or end-users, or by using tactics that undermine rivals' survival or potential entry in the market. In sum, competition rules aim at punishing any conduct that may subvert "competition on the merits" in any market. Their main driver is promoting market economics and healthy competition to enhance welfare of consumers, who have to be able to purchase goods and services of the best quality and at the lowest possible price.

Sound knowledge of and compliance with the applicable competition rules is therefore essential in the conduct of the business.

## 11. INFORMATION - BOOKS AND RECORDS

The Prysmian is aware of the importance of correct information on its own activities for the investors and the community at large.

Consequently, to the extent compatible with the confidentiality requirements inherent in conducting a business, Group Companies strive for transparency in their relations with all stakeholders. In particular, Group Companies communicate with the investors according to principles of honesty, clarity and equal access to information.

Group Companies maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of their transactions, and to retain relevant documentation in accordance with Group policies concerning record retention.

Group Companies and Covered Parties must never, under any circumstance, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless. This policy of full, fair, accurate and timely recording of information extends to time reports, expense reports and all other similar compulsory corporate documents.

No false or artificial entries shall be made in the books and records of the Prysmian. No undisclosed or unrecorded funds may be established.

"Off the books" payments are prohibited.

No individual shall ever engage in any arrangement that results in a prohibited act.

## 12. EXPORT CONTROLS AND ECONOMIC SANCTIONS

It is the policy of the Prysmian to comply with all applicable export control laws. All Prysmian employees must comply with these laws. Under no circumstances are Prysmian employees permitted to make a transfer, export, re-export, sale, or dispose of any product, technical data or service contrary to applicable export control laws.

The Prysmian will comply with all economic sanctions against certain entities and countries, including applicable economic sanctions imposed by the UN, the EU and other jurisdictions in which the Prysmian conducts business.

## 13. PREVENTION OF MONEY-LAUNDERING, HANDLING OF STOLEN GOODS AND USE OF ILLEGAL PROCEEDS AS WELL AS OF SELF-LAUNDERING

All Group Companies are aware of the key role that they play in the fight against money-laundering, handling of stolen goods and self-laundering.

Therefore, Group companies are committed to implementing measures to combat money-laundering. In addition to other duties and responsibilities, it is strictly forbidden to:

- Buy, replace or transfer money, goods or other assets if there is knowledge of their criminal origin, or perform any other operations that might lead to concealing their illegal origin;
- replace or transfer money, goods or other assets having criminal origin, or perform any other operations that might lead to concealing their criminal origin;
- use money, goods or other assets for economic or financial activities if there is knowledge of their criminal origin

## 14. CONFLICT OF INTEREST

With a view to safeguarding the interests of the Group Companies, the Covered Parties must avoid (and, in any case, must report) any situations and/or activities that might lead to a conflict of interest or interfere with their ability to make impartial decisions.

More generally, in their relations with third parties, the Covered Parties must act ethically and transparently and they are strictly forbidden from engaging in any improper favoritism, collusive practices and solicitation of personal advantages for themselves or anyone else.

## 15. OBSERVANCE OF CODE AND CODE REVIEW; MANAGING REPORTS OF ALLEGED VIOLATIONS

All Group Companies, Corporate bodies, and Covered Parties must strictly adhere to this Code, to all applicable legislation and regulations, and to all regulations and procedures that the Prysmian may adopt from time to time to implement this code.

The Prysmian is committed to implementing and enforcing specific procedures, regulations and instructions to ensure that all Group companies and Covered Parties adhere to the values and requirements set forth in this Code.

Violations of this Code, any of the implementing policies and procedures or other Group policies, or of any applicable law or regulation will be grounds for serious disciplinary action, including possible termination of employment and/or termination of business relations.

As part of its commitment to ethical and legal behavior, the Prysmian requires Covered Parties to report any actual or alleged violations of law, of this Code or of ethical standards, so that they can be investigated and dealt with appropriately. This obligation extends to any instance where there is reasonable suspicion, without certitude, that a violation is taking place. For information on how to report any violations, please refer to the "Prysmian Hotline Policy".

Failure to comply with the duty to report any wrongdoing is itself a violation of this Code and could result in serious disciplinary action, including possible termination of employment and/or termination of business relations. The Prysmian will investigate all reports made and will not tolerate any kind of retaliation for reports or complaints made in good faith.

All persons subject to this Code have a duty not only to report violations, but also to cooperate fully in the investigation of any alleged violation. Failure to cooperate or deliberately giving false or misleading information during investigations is punishable with sanctions that could even include dismissal in the case of an employee or termination of business relations for customers, suppliers or other third parties.

The Code of Ethics lives and evolves with the development of the business in the competitive world in which we operate.

The review of the Code must be approved by the Board of Directors of Prysmian S.p.A., further to the positive opinion of the Control and Risk Committee and having heard the opinion of the Director in charge of the internal control and risk management system.

All Covered Parties must promote the values of the Code of Ethics. Consequently, anyone who becomes aware of a possible violation of the principles outlined in the Code of Ethics is bound to report it, as envisaged under the Prysmian Hotline Policy.

Regardless of the way the episode is reported, Prysmian will protect the anonymity of the reporter and make sure that he/she will not be subjected to any form of retaliation.



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